



# Good Luck Steel Tubes Ltd.

(A Govt. of India Recognised Export House)

Manufacturers & Exporters of :

ERW BLACK / GALVANIZED STEEL TUBES

COLD ROLLED BLACK & GALVANIZED COILS / SHEETS (GP/GC)

(ON D.G.S. & D.RATE CONTRACT)


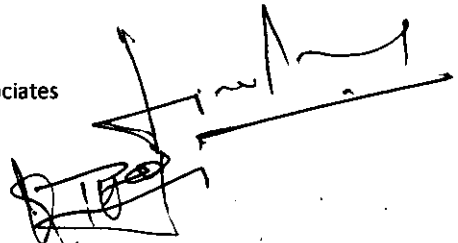
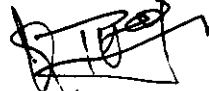

Admn. Office : "GOODLUCK HOUSE" Ambedkar Road, GHAZIABAD-201001 (U.P.) INDIA



Ref. No. ....

Date .....

## FORM A

1.	Name of the company	Good Luck Steel Tubes Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"><li>Chairman</li></ul>	Mr. Mahesh Chandra Garg 
	<ul style="list-style-type: none"><li>Auditor of the company</li></ul>	M/s Sanjeev Anand & Associates 
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	Mr. Vijender Kumar Tyagi 
	<ul style="list-style-type: none"><li>CFO</li></ul>	Mr. Sanjay Bansal 



**GOODLUCK**  
STEEL TUBES LTD.



**ANNUAL REPORT**  
2015 - 16

# CONTENT

- 04: Corporate Information
- 06: Company Snapshot
- 08: Financial Performance
- 16: Our Vision
- 18: Timeline
- 20: Management Team
- 22: Thrust Sectors
- 24: Products Profile
- 26: Chairman Speech
- 30: Our Mission
- 32: Q&A with CEO
- 36: Myths & Truths
- 38: Transformation and Strategic Overview
- 40: Management Discussion & Analysis
- 48: Director's Report
- 73: Corporate Governance Report
- 84: Standalone Financial Statement
- 109: Consolidated Financial Statement



**PROGRESS IS IMPOSSIBLE WITHOUT CHANGE, AND THOSE WHO CANNOT CHANGE THEIR MINDS CANNOT CHANGE ANYTHING.**

- George Bernard Shaw



## BOARD OF DIRECTORS:

Chairman: M C Garg

Whole Time Director: R C Garg & Nitin Garg

Non Executive Independent Director: I C Agasti, Rahul Goel,

V K Tyagi, Kiran Garg

**STATUTORY AUDITOR:** M/S Sanjeev Anand & Associates

**COMPANY SECRETARY:** Abhishek Agrawal

**REGISTERED OFFICE:** 5/102, Sikka Complex, Community Center,

Preet Vihar, Vikas Marg, New Delhi - 110092 (INDIA)

Ph.- +91-11-22465439

**CORPORATE OFFICE:** Good Luck House, II F, 166-167, Nehru Nagar,

Ambedkar Road, Ghaziabad (India) - 201001

Ph. +91-120-4196600, 4196700

**REGISTRAR & SHARE TRANSFER AGENT:** Mas Services Ltd., T-34,

2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-20

Ph.- 011-23687281-83

**FACTORY:** A-42/45, Industrial Area, Sikandrabad,

Distt. Bulandshahar (U.P.) INDIA

## UNITS:

Good Luck Industries, A51, Industrial Area, Sikandrabad, Distt.

Bulandshahar - 203205 (U.P.) INDIA

Good Luck Industries- II, A59, Industrial Area, Sikandrabad, Distt.

Bulandshahar - 203205 (U.P.) INDIA

Good Luck Engineering Co., Khasra No. 2839, Gram Dhoom

Manikpur, G.T. Road, Gautam Budh Nagar, Dadri, (U.P.) INDIA

## BANKERS



# COMPANY SNAPSHOT



*A base of customers spread over the world*



*Customers served in all verticals*



*We have been a dividend paying company since inception*



*Will shortly comply with Indian AS equivalent to International norms*

*A motivated and talented team powering growth*



*Over 2 decades of Experience*

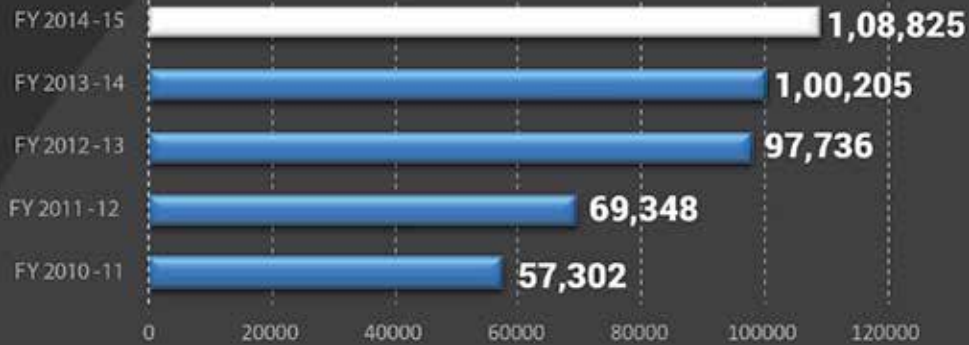


*Capacity of 2,00,000 MTPA*



*Engaged in manufacturing and export of auto tubes, cold rolled steel, hot dip galvanized and painted structural steel, towers, tubes & pipes, forgings and flanges*

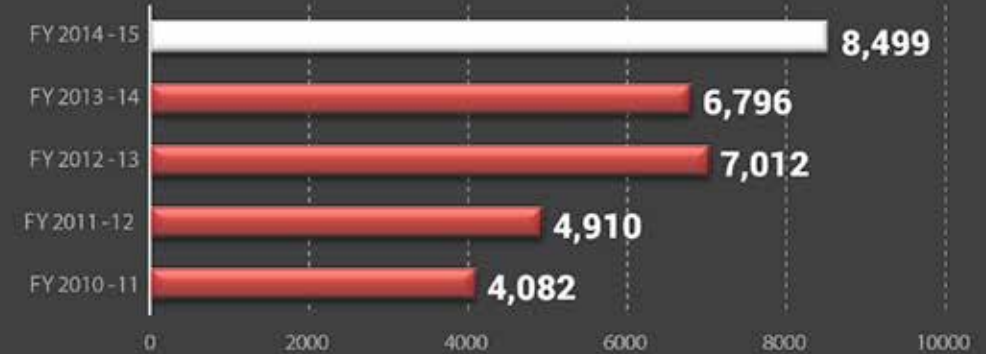
## TOTAL INCOME (₹ IN LAKHS)



5 year CAGR  
**13.69%**

Growth over 13-14  
**8.60%**

## EBITD (₹ in Lakhs)



5 year CAGR  
**15.80%**

GROWTH OVER 13-14  
**25.05%**

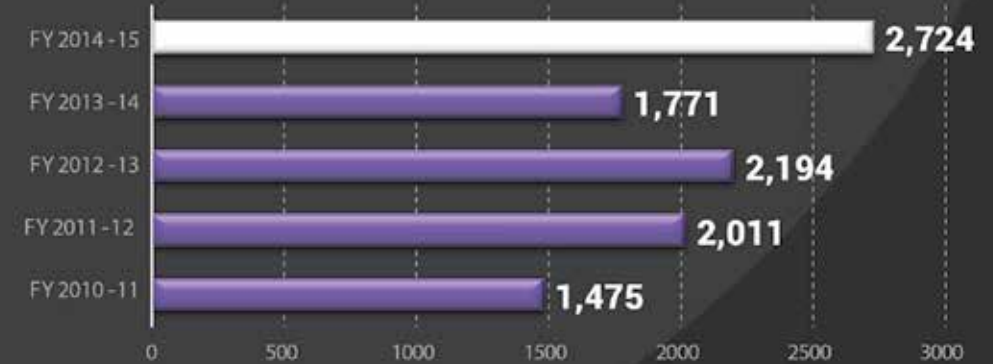
## EBITD%



5 year CAGR  
**1.86%**

Growth over 13-14  
**15.15%**

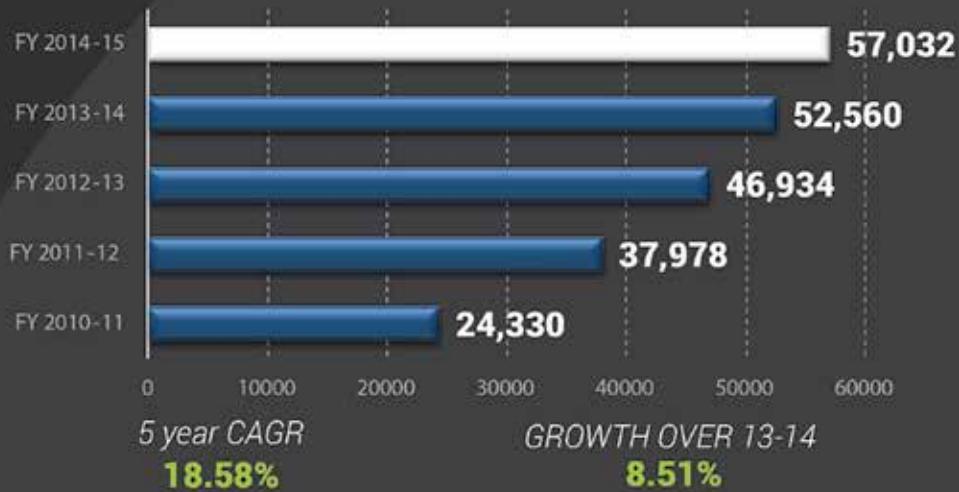
## PAT (₹ in Lakhs)



5 year CAGR  
**13.05%**

GROWTH OVER 13-14  
**53.79%**

## TOTAL ASSETS (₹ in Lakhs)



## LOANS (₹ in Lakhs)



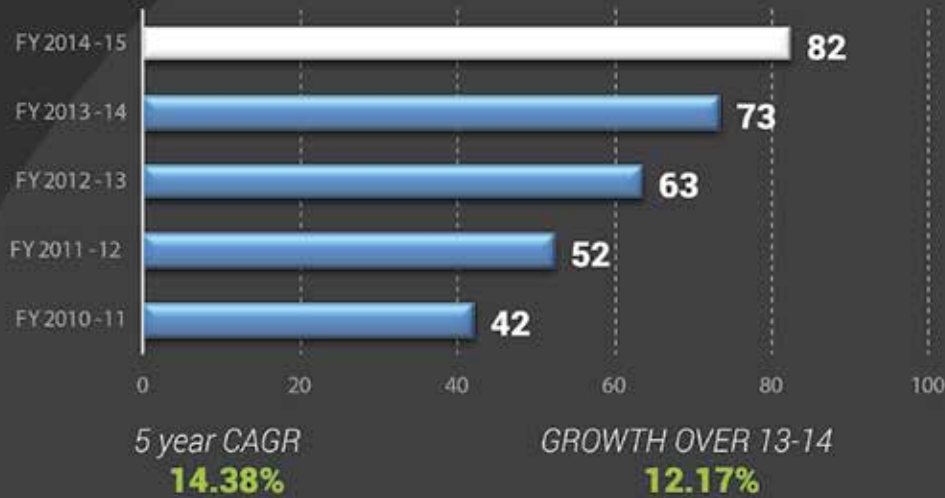
## NET WORTH (₹ in Lakhs)



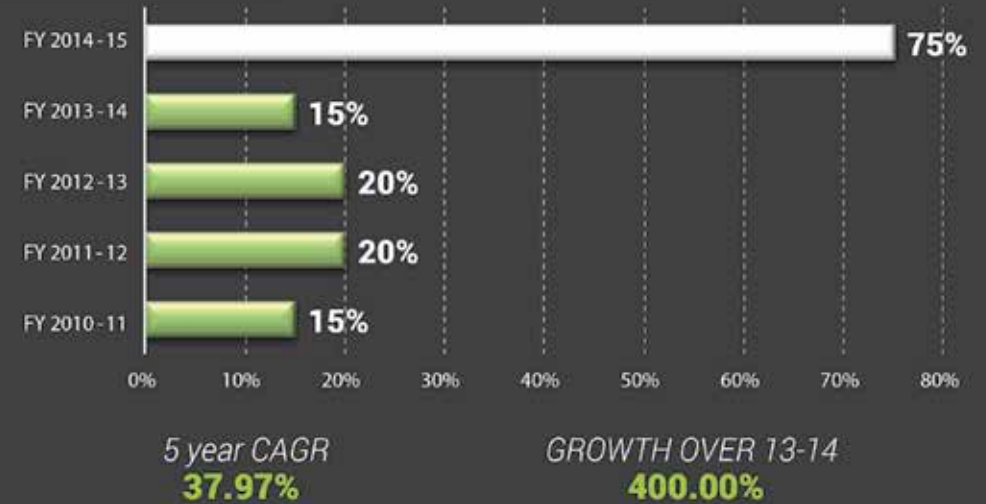
## RoC



## BOOK VALUE (₹)



## DIVIDEND %



## EQ. SHARES NO.

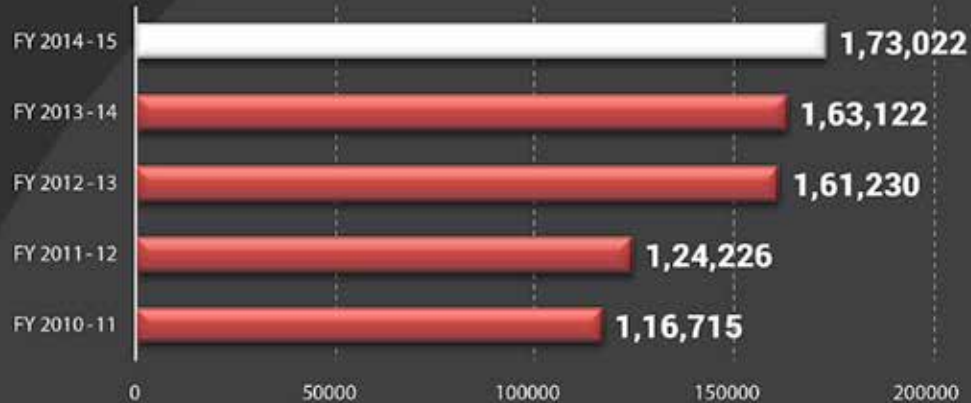


## EPS (₹)





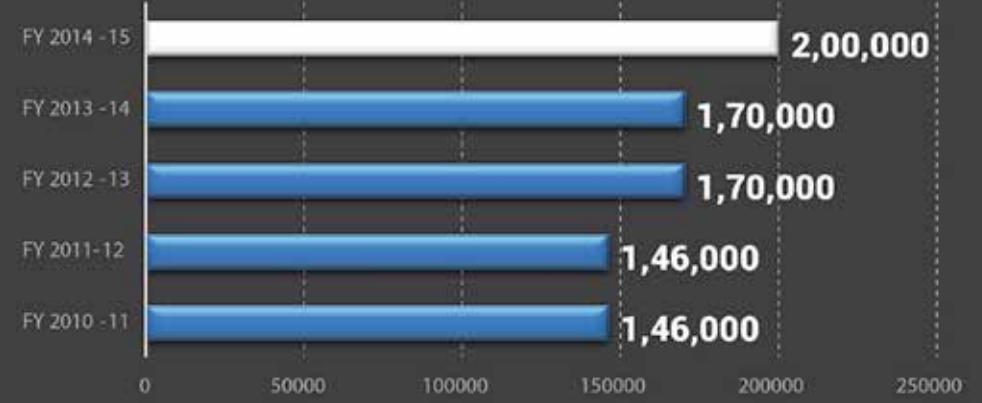
## CAPACITY UTILIZATION



5 year CAGR  
**8.19%**

GROWTH OVER 13-14  
**6.07%**

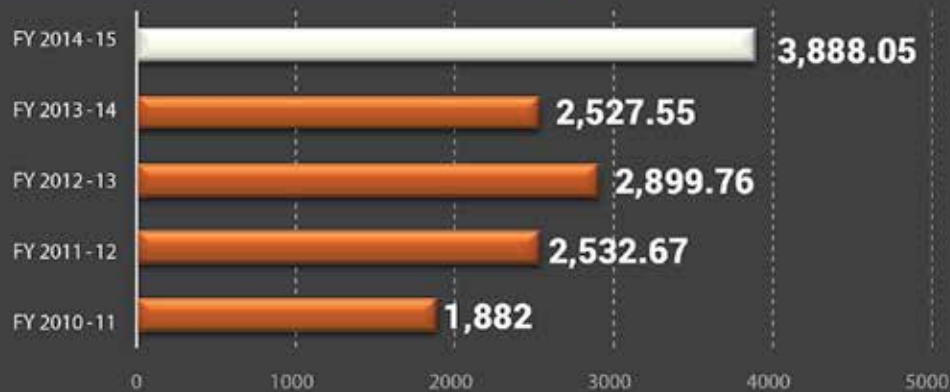
## INSTALLED CAPACITY



5 year CAGR  
**6.50%**

GROWTH OVER 13-14  
**17.65%**

## CASH ACCRUAL (₹ in Lakhs)



5 year CAGR  
**15.61%**

GROWTH OVER 13-14  
**53.83%**

## OUR VISION

- 1 To see our turnover grow to ₹2,000 crore by 2020
- 2 To be the industry's employer of choice
- 3 To be the supplier of choice to our OEM customers

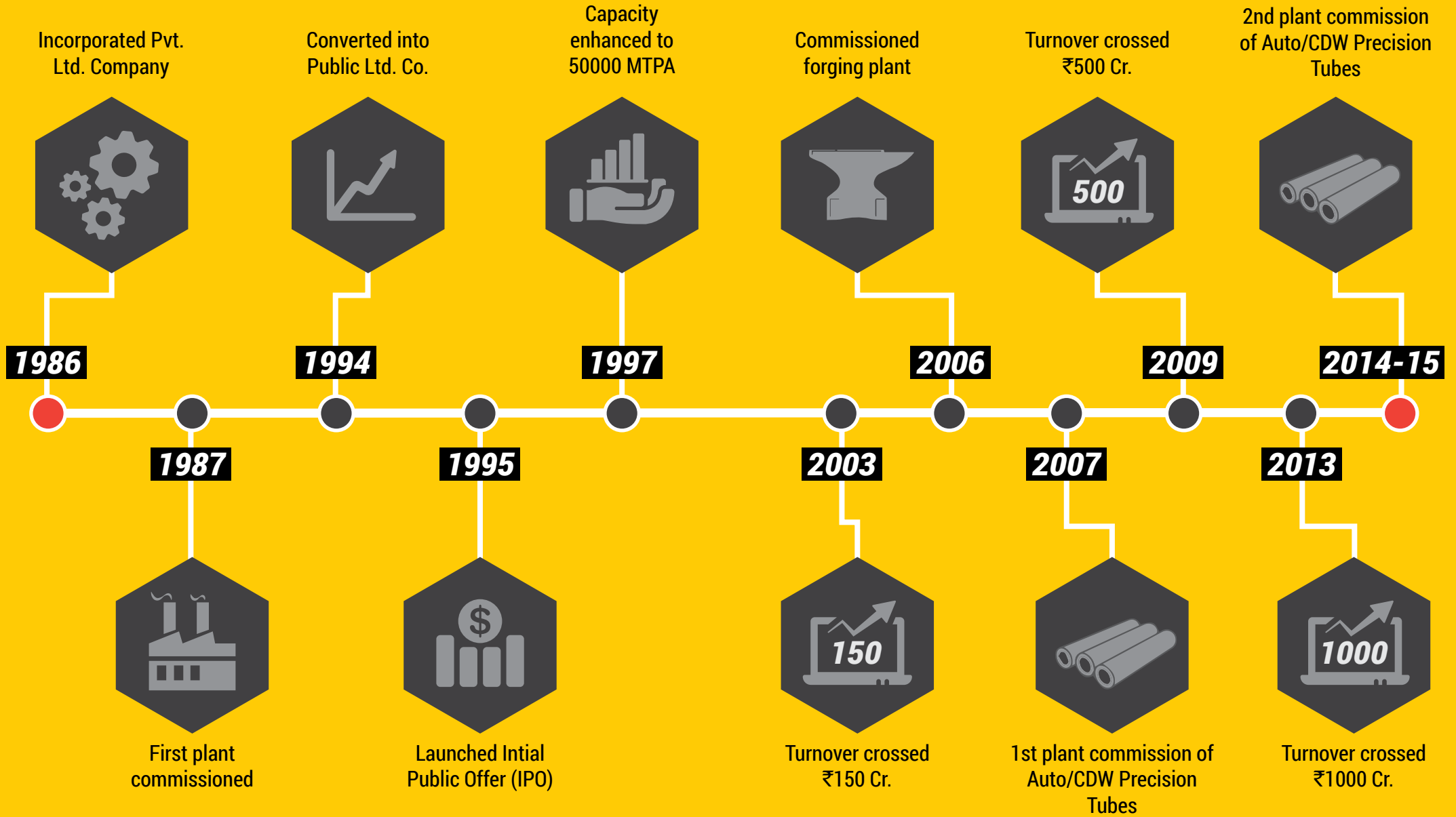


**INNOVATION DISTINGUISHES  
BETWEEN A LEADER AND A  
FOLLOWER.**

-Steve Jobs



# TIMELINE



# MANAGEMENT TEAM



## MAHESH CHANDRA GARG

**Chairperson**

B. Tech from IIT, Rourkee. Has worked overseas on several prestigious projects before returning to India to start his own venture.



## RAMESH CHANDRA GARG

**Whole Time Director**

B.E. from ISM, Dhanbad.



## MANISH GARG

**COO, Auto Division**

B.E. from IIT, Rourkee



## RAM AGGARWAL

**CEO**

Bachelor of Technology



## NITIN GARG

**Whole Time Director**

Mech. Engg. from HBIT, Kanpur and MBA from NMIM



## SHYAM AGGARWAL

**COO, Forging Division**

Bachelor of Technology

## I C Agasti

(Non Executive Independent Director)

## Rahul Goel

(Non Executive Independent Director)

## V K Tyagi

(Non Executive Independent Director)

## Kiran Garg

(Women Independent Director)

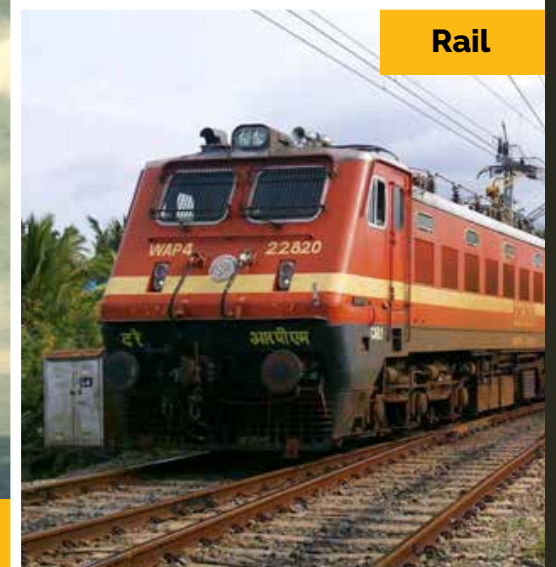
**Auto**



**Oil & Gas**



**Rail**



**Solar**



**Power**



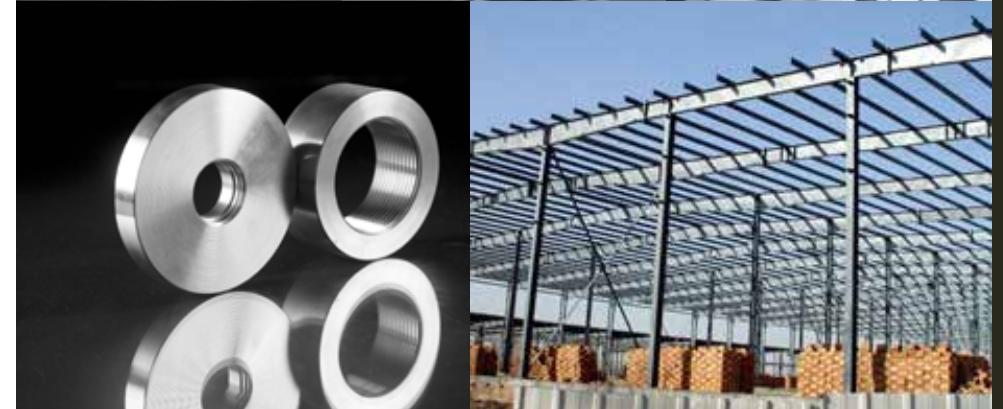
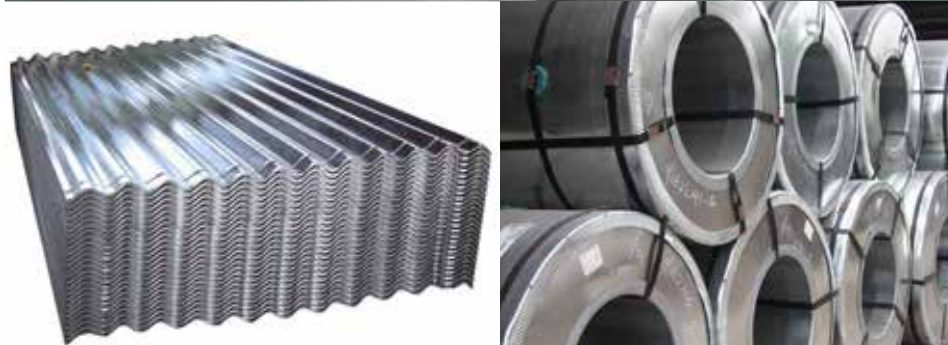
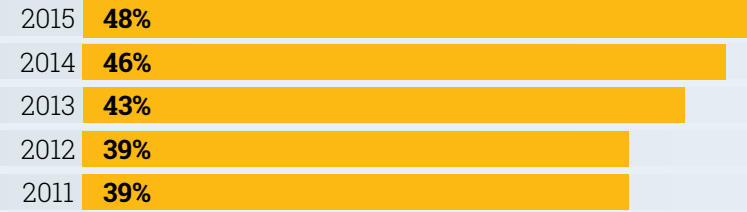
# PRODUCTS PROFILE



## REGULAR PRODUCTS: BLACK & G.I. PIPES, CR COILS AND CORRUGATED SHEETS



## ENGINEERING VALUE PRODUCTS: STRUCTURE SUPPORT SOLUTION, AUTO TUBES AND FORGING





**MAHESH CHANDRA GARG**  
CHAIRMAN

**Dear Shareholders,**

Your company came out stronger in the year gone by and we look forward to meeting challenges and exceeding targets in the months ahead. Every crisis comes with an opportunity. With a unique mix of talent, innovation, experience and a growing clientele, we have literally no limits to hold us back.

**The TRANSFORMATION is constant. I believe we have to keep reinventing ourselves to stay in this business.**

The world's economy was hit by opposing forces on all sides. While some parts of the globe showed strong growth rates (India and the US) there were others that saw major slippages like China and the European Union.

A 50 percent fall in crude oil prices brought good news to India, which imports nearly 70 percent of her fuel needs. But at the same time exports slowed as major markets for Indian products contracted. Overall, it was a mixed bag for companies across the world and we are no different.

A drop in prices of raw materials such as steel, which is going through a global downturn, meant that our margins improved, but only for a short period. We had to pass on these benefits to the final customers in a bid to remain competitive in this cut-throat world.

Fuel and power costs came down, due to a fall in the prices of diesel and petrol, which is an ongoing relief. We have plans to improve our margins further, and I will touch upon them in a while.

Let me explain what the coming months hold for you:

In short, we are transforming Good Luck into a bigger, leaner and a meaner company. There are three legs to this major change:

1. Capacity Expansion: Brownfield and Greenfield,
2. Shifting the product mix to higher value added products,
3. Entering new business areas such as Defence, Railways and Solar Power.

## **EXPANSION:**

Your company is raising its capacity across major value added products only. Good Luck has lined up 3 major additions over the next one to three years.

They are both on the greenfield side as also adding to existing facilities. Your company is pouring 30 crore rupees into a brand new unit for STRUCTURES. The factory should start production by March 2016. Fresh capacity will add to the top line and since products are value-added your company's margins are likely to go up further.

Another green field unit is about to come up in India's most vibrant state industrially, yes, I am talking about Gujarat. Your company is planning to invest 260 crore rupees in setting up a spanking new plant for Auto Tubes, Heavy Support Structures solutions and Forging, i.e., all value added engineering products catering to sunrise sectors such as Automobiles, Railways, Solar and Infrastructure.

Your company has already purchased land and the permissions to change its status for industrial use, from agricultural now, are being processed.

The land in Bhuj (Gujarat) is within the proximity of two sea ports. This helps your company in several ways. Good Luck will be able to tap demand from not only overseas markets, it will also use transportation via the sea route to supply to its clients in the western and southern parts of India.

sea route offers logistical advantages compared with transporting goods by road. It will be cheaper, quicker and less bothersome for your company.

The project would have two stages, First stage would be for Auto Tubes and Heavy Support Structure solutions and second stage in Forging.

Almost the entire expansion will be towards value added products, thereby improving your company's EBIDTA margins.

## **VALUE ADDED PRODUCTS:**

Your company is now concentrating its entire might into improving its product mix to help shareholders earn higher margins. Our focus is now on designing and manufacturing these products in all verticals: Structural, Auto tubes and forgings.

The management has taken a decision to keep sales of low margin products constant from now on. At the moment 50 percent of turnover comes from products that result in low margins. Over the next three years the management will take steps to ensure that no more than 25 percent of sales come from low-margin products.

As a consequence, nearly 75 percent of your company's sales will be via higher margin products, adding to both higher profitability and more profit. All new expansions are aimed at this objective.

## **NEWER BUSINESSES:**

Prime Minister Narendra Modi took charge in May 2014. His 'Make in India' objective has injected a fresh lease of life in the manufacturing sector, which was neglected over the last so many years. Mr. Modi's initiatives to de-bottleneck strategic infrastructure such as Railways and Power sectors means your company will have newer horizons to tap into.

The government is also trying to manufacture defence equipment in India. This is another growth area for your company.

**Good Luck will get its fair share of this global sized business opportunity as well.**

While, the economic picture looks relatively rosy from what it was two years ago, there are quite a few events that may derail this enthusiasm. India is experiencing a weak monsoon. Scanty rains play havoc with rural incomes and thereby cut into demand for everything from soaps to industrial products.

Large parts of the economic world are experiencing slower growth. This may result in overseas demand growing at a slower pace. However, your company is adequately placed to meet these challenges head on. We are cautiously optimistic at this stage and believe that hard work, dedication and strategy can take our business to next stage.

I thank our valued customers, stakeholders, suppliers, business associates, shareholders, and above all, my colleagues in Good Luck Steel for their continuous support

YOURS SINCERELY,  
**M C GARG**



# OUR MISSION



**1** *To be recognized internationally as best procurement partner & a model employer*

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**2** *To excel in quality international business*

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**3** *To deliver innovative, user-friendly and better quality products at the best value to customers, keeping in mind the prosperity of the Company and its stakeholders*

 **TO BE RECOGNIZED INTERNATIONALLY AS BEST PROCUREMENT PARTNER & A MODEL EMPLOYER.**



**UNIQUE BUSINESS  
MODEL & CONTINUOUS  
RESHUFFLING OF  
MARKETS AND  
PRODUCTS KEEP  
US AHEAD OF  
COMPETITORS**

- Mr Ram Agarwal, CEO



**WHAT IS THE OVERALL GROWTH RATE OF PIPE INDUSTRY ? DO YOU FEEL THERE IS AN AMPLE OPPORTUNITY FOR ALL THE SEGMENTS TO GROW OR ALL THE PLAYERS IN THE SEGMENT TO GROW.**

Pipe is a the basic skeleton of industrial development. It is a very basic necessity for transporting gases & liquids across the world. Now, new opportunities such as Iran are opening up and they will provide work for everybody in the industry. Finding newer markets are the key to sustain the industry.

**HOW HAVE YOU BEEN ABLE TO GROW AT SUCH A RAPID PACE, WHEN THE OVERALL INDUSTRY HASN'T EXPANDED AS MUCH?**

GLST's business model of having a diverse menu of products and not expanding capacity of any product to a level where it puts selling pressure on the company has stood us in good state. We have been able to come out of the down turn without much trouble. Moreover, reshuffling our main markets as per domestic & global conditions helped us to be ahead of our competitors.

**HOW ARE YOU PLANNING GROWTH SO THAT LONGER-TERM RESULTS DO NOT GET AFFECTED?**

We are allocating scarce resources in a manner that our existing growth does not get affected. Moreover, there is a time lag between a project's drawing board stage and its execution on the ground. So, every capex is being planned in phased manner so that neither do we block our capital nor hinder our growth.

**WHAT ARE THE NEW PRODUCTS IN THE LAUNCH PIPELINE? WHAT KIND OF CAPEX IS BEING LINED UP? WHAT ARE THE REVENUE PROJECTIONS FOR THESE NEW PRODUCTS ?**

We have a solution aimed at the renewable energy sector via our Solar structures. Auto tubes and CDW tubes are aimed at railway engines and their coaches as also for two

and four wheelers. There are many such things in the R&D stage.

We are spending 30crore rupees to expand capacity at the structurals vertical. This alone should give us an additional revenue of 150 crore rupees. Another 250 crore rupees worth of expansion is aimed at Auto tubes, heavy Structures & forgings in FY2016 & FY2017 that should generate a revenue of 900 crore rupee in the coming years.

**HOW YOUR PRODUCT MIX HAS CHANGED IN LAST 2 YEARS?**

Over the last two years we have been able to reduce our regular products to 52 percent and raise our Engineering value products sales to 48 percent. Earlier, 60 percent of sales were coming from structure tube vertical & cold rolling sheet vertical while auto tubes, forging & structures contributed just 40 percent share.

**YOU HAVE BEEN TALKING ABOUT MARGIN IMPROVEMENT IN YOUR BUSINESS? HOW WILL THIS HAPPEN?**

As I have said earlier, auto tubes forging & structures are having good EBIDT whereas GI Tubing & C.R sheets have low EBIDT. By making high EBIDT product share to the tune of 75 percent & reducing low EBIDT product to 25% will improve margins.

**HOW MUCH IS THE PRODUCTION CAPACITY AND WHAT IS THE POSSIBILITY TO INCREASE OUR CAPACITIES IN OUR EXISTING SITES?**

Present installed capacities are in tune of 200000 ton per year with a utilization of 70 % to 85% across all the verticals. There is not much scope in increasing utilization. New capex is being done in order to increase production capacity. Our R&D and marketing teams are on the job to make and sell more value added products in order to increase revenue & profitability.

## Q&A WITH CEO



### WHAT IS STRATEGY TO REDUCE COST OF FUNDS?

We are trying to do better debt management & cut stock levels. However, new options of cheaper funds through various financial instruments is also on our radar.

### WHAT ARE THE NEW TRENDS THAT ARE DEVELOPING IN YOUR INDUSTRY?

There are two sets of opposing trends. A drop in commodity prices is helping our products become more competitive and at the same time strong engineering skills are resulting in value added products, for which niche markets are growing.

### HOW YOU CONTROL INVENTORY LEVELS AND RECEIVABLES?

There are certain inventory levels fixed for each product in each vertical and they are subject to review due to changing marketing conditions. Receivables control is based on evolution of each & every customer in every vertical & strict monitoring of any violation is monitored at management level.

### WHAT'S THE CALL ON RAW MATERIAL PRICES?

material price are falling across the globe and excess Chinese capacity is likely to dent prices further. However, any government interference is likely to rein in the downtrend. GLST being a converter of steel is in a position to retain its conversion margin.

### WHAT ARE YOUR LONG TERM GOALS?

GLST wants to establish itself as an epitome of engineering excellence in its product & services. We should be known for our consistent quality. We are also aiming at a 100% increase in top line & almost 200-300% rise in our bottom line.

### WHAT ARE KEY GROWTH DRIVERS OF THE COMPANY?

Unique business model and continuous reshuffling of markets and products keep us ahead of the competitors. Consistent quality by dedicated and motivated team will take the company to next stage of growth cycle.



## MYTHS & TRUTHS

### 3 Myths about us:

- *We are a steel company as the name suggest*
- *We are family managed company*
- *It's difficult to do manufacturing business in U P*

### 3 Truths about us :

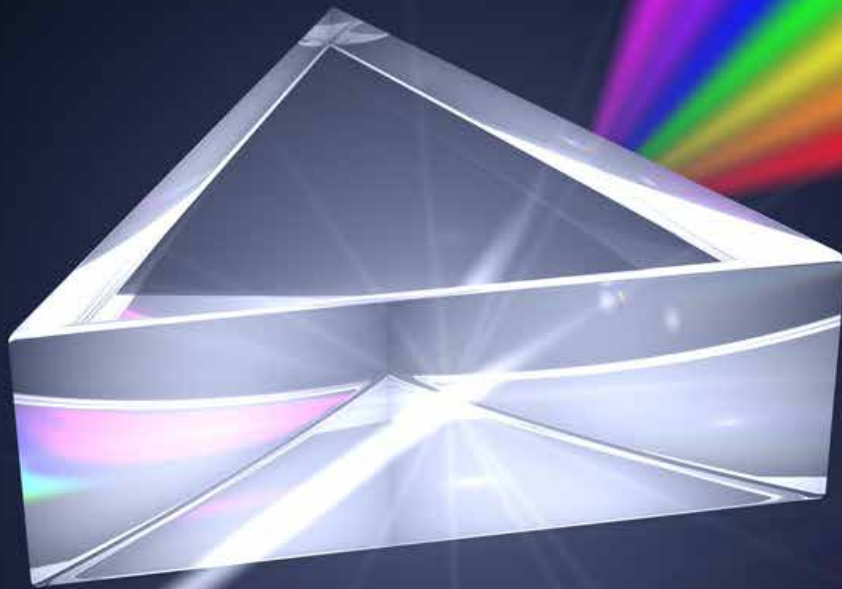
- *Converting steel into customised precision products*
- *Professionally Managed Company employing top level Engineers, MBAs and Financial professionals*
- *We started in UP in 1986. Grew in UP with continuous peer supply and healthy IR atmosphere*



**SCIENCE AND TECHNOLOGY  
REVOLUTIONIZE OUR LIVES,  
BUT MEMORY, TRADITION AND  
MYTH FRAME OUR RESPONSE.**

-Arthur M. Schlesinger

# TRANSFORMATION & STRATEGIC OVERVIEW



Good Luck stands at the cross-roads of a great transformational journey. Just as India steps into a higher orbit and takes her rightful place among the manufacturing greats of the world, Good Luck, too, is embracing change to capture boundless growth in the coming years.

Transformation entails improving the entire thought process from conception of a product to its delivery at the customer's supply chain. Hence, we are overhauling all processes: financial, supply-chain, manufacturing and transport in a bid to delight our customers and become their supplier of choice.

Newer plants, higher capacities and better products are being rolled out to ultimately improve the final product and benefit from India's expanding growth story.

Improvements are both incremental and leap frogging. This dynamic change in the next three years will transform Good Luck into the top league of auto-ancillary giants. We hope you will be a part of this wealth-creating journey with us.



**TRANSFORMATION IS A PROCESS, AND AS LIFE HAPPENS THERE ARE TONS OF UPS AND DOWNS. IT'S A JOURNEY OF DISCOVERY - THERE ARE MOMENTS ON MOUNTAINTOPS AND MOMENTS IN DEEP VALLEYS OF DESPAIR.**

**- Rick Warren**

# MANAGEMENT DISCUSSION AND ANALYSIS



**THE LIMITS OF THE POSSIBLE CAN ONLY BE DEFINED BY GOING BEYOND THEM INTO THE IMPOSSIBLE.**

- Arthur C. Clarke

**GLOBAL :** Emerging markets witnessed a fall in growth rates, led by a slowdown in China, a steep contraction in Russia and a recession in Brazil. A large number of central banks have cut rates in the fourth quarter of the Financial Year 2014-15 as they fight the threat of deflation with the collapse in crude and other commodity prices.

The latest World Economic Outlook by IMF projects the global growth to remain moderate in 2016. A number of emerging economies, which had already experienced a debilitating slowdown in the past two years, encountered domestic and international headwinds during the period. Growth in emerging markets and developing economies is expected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries.

**INDIA :** After a couple of dull years, the Indian economy is reviving slowly. While the regulatory and procedural reforms

undertaken by the new Government since taking office in June last year did help improve the business climate, weak demand continued to constrain private sector activity for the second year in succession. With global growth across developed and emerging markets remaining below par in 2014, external demand remained tepid and uninspiring through the year. At the same time, a poor monsoon season coupled with benign food prices severely constrained rural income and domestic demand. The one bright spot was the improvement in investment plans and expenditures signaled by the sharp pick up in capital goods production and new project announcements in the second half of 2014-15, which signifies well for future growth.

From a macroeconomic perspective, it is increasingly evident that the worst is not over. Growth in FY 2016 can remain more on the lower side of the range given above, for the following reasons: (i) steps undertaken to restart the investment cycle

(including project clearances and incentives given to industry) are perceived to be playing out only gradually; (ii) the benign growth outlook in some Asian economies, particularly China; (iii) still elevated levels of inflation that limit the scope of the RBI to reduce policy rates; and (iv) expectation of below-normal monsoons.

**INDUSTRY :** The industry is a key link between critical manufacturing segments – metal suppliers (both ferrous and nonferrous) and end user industries. Forgings are intermediate products used widely by original equipment manufacturers in the production of durable goods.

Among the industries that depend on forgings are automotive and truck (HCV), agricultural machinery and equipment, valves, fittings and petrochemical applications; hand tools and hardware; off-highway and railroad equipment; general industrial equipment; ordnance and marine; and aerospace. Increasing globalization of markets forging capabilities that can emerge from players in other developed and developing countries. Hence, R&D costs have to be increased substantially to make technically advanced products that competition.

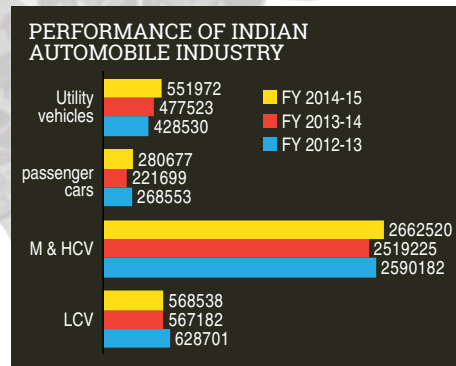
The capacities created on the forging side have to be utilised optimally to be cost competitive in an increasing price sensitive market. Customers have expectations for increasingly high levels of quality at a lower price in today's challenging situation. Hence forgers have to work towards the end product and radically change the existing process to produce parts that satisfy the customer, while providing a reasonable level of profitability for all parties in the supply chain. This may put pressure on the earnings potential of the companies in the near-term.

**VERTICALS AUTO COMPONENT:**

Auto component constitutes 45% of total sales in last year. Low fuel prices, following international conditions and a reduced excise duty on passenger vehicles for a large part of the year helped demand in Indian Markets. The domestic passenger vehicle industry grew 3.9% by volume during the year against a drop of 6.1% in 2013-14. In passenger vehicles, five of the top 10 OEMs have registered a decline. The Medium and Heavy Commercial Vehicle (MHCV) segment has shown growth after almost two years. However, volumes are still 33.4% below the peak year volumes of 2012-13.

As per latest study, the automotive sector is expected to generate up to \$300 billion in annual revenue by 2026, contributing over 12% to India's GDP. Industry is expected to be 4 times in next 10 years.

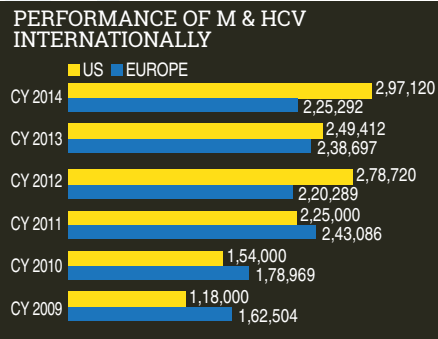
Currently, nine of the top ten global automotive manufacturers have a presence in India, which clearly points to India's importance as a strategic automotive market. After more than a decade of establishing a manufacturing base in India, MNC OEMs have garnered 84.9% share of the domestic Passenger Vehicles (PV) market and are also increasingly using India as an export base.



# MANAGEMENT DISCUSSION AND ANALYSIS



Car sales in the United States, the world's biggest market, are robust so far in 2015. Total vehicle sales in the US will cross 20 million units this year for the first time in recorded history as rising incomes and lower gasoline costs fuel car purchases.



The Auto ancillary demand in the US is estimated at 1.2 million tons per annum. Since the installed capacity is far lower, imports are rising.



**TOWERS:** Power & Transmission: FY16 budget estimated a spending of Rs 1.25 lakh crore on the Transmission and Distribution sector within the power industry. Most problems in the generation of power has been solved or are being worked upon. Coal linkages have been announced. Production

of coal has risen and electricity consumption is on the rise. However, the problems in evacuating power from source to customers remain.

As a consequence, over the next two years the Union / State Governments are expected to focus their attention and investments in the transmission and distribution areas within the power sector.

Good Luck is gearing up to meet such demand. Your company has invested Rs 30 crore in its Structures Division to boost capacity two-fold to 36,000 tons by March 2016. We see strong demand for our transmission tower business coming in from established industrial houses and government companies.



**OIL & GAS :** Globally around 7.7 mmb/d of refinery capacity is expected to be added in the next seven years. While Asia will see a majority of fresh capacity additions (49%), followed by the Middle East (25%), the region is expected to be balanced in terms of capacity growth and demand.

**INFRASTRUCTURE :** PM outlined his vision to building 100 new cities, creating Satellite cities around large cities, network of Bullet Trains, river interlinking and speed up capital spending on roads.

**SOLAR :** Your company is also tapping to this sunrise areas. Goodluck is a provider of structural solutions to the Solar Power Sector. Your company can design, engineer, fabricate and erect solar panels. Goodluck can design the plant as per STAD calculation and also execute the same in EPC mode. Goodluck can fabricate two types of



**STRUCTURES:** Traditional or Profile. In FY 2015, your company supplied products to two major solar projects and is already working with big conglomerates, like, Tata Projects.

Major business houses are also ramping up their investments in the Solar Power Sector. New plants are being set up across India, which is blessed with nearly 12 hours of sunlight in an absolute majority of the country's geography.

As a result, we expect to add Rs 50 crore to the overall turnover from our solar division from FY 2017 onwards. Goodluck is targeting to increase this vertical upto 25-30% by FY2018. The same will improve the margin profile of the your company.

**RAILWAY :** Indian Railway is emerging to be a big market for private sector companies. The government intends to spend about Rs 8,000 million over the next five years to augment railway infrastructure and improve safety standards for passengers.

Your company can fabricate critical components of bogie under parts, front body

parts of locomotives, doors of passenger trains, under frames etc. Besides above, we wish to develop machine / stainless steel parts also.

During the year, Goodluck getting approved by RDSO for large scale fabrication of over bridges and cross over bridges. Goodluck products were also approved by Chittaranjan Locomotive Works (CLW) for manufacturing in its forging unit the Armature Shaft and Rotar shafts of HTM for Electrical Locomotives. Goodluck expects strong demand for its structural business from the railways sector, especially in the segment of over bridges.



**OTHER SECTORS :** India is also ramping up electricity production from Nuclear fuels. New projects are in the implementation stage and the government has signed agreements on supply of nuclear fuels with Canada and Australia recently. India is emerging as the biggest market for nuclear components for global suppliers as expansions at nuclear plants in Japan and Germany draw public ire. Goodluck is approved by The Nuclear Power Corporation of India to supply parts to main manufacturers. While sales from such businesses is miniscule now, it will definitely ramp up in the near future. Presently, about 17 percent of Goodluck's turnover comes from the Power Sector, which we expect to increase to 20 percent in the coming years. Your company is treating Auto, Defence, Railways and Solar industries as its Sunrise sectors.

# MANAGEMENT DISCUSSION AND ANALYSIS



## FINANCIALS & PROFITABILITY :

Last year has been a noteworthy year for Goodluck. Your company's emphasis on major initiatives like focus on changing the product mix, concentrating on asset light model, capacity expansion and reducing debt without losing sight of health, safety and environment. As a result, our total revenue grew-up by 9% with increase in PAT by 39% (net profit after tax of Rs 27.54 crore). During the year, we have added around 10% customer to focus sectors.

**EXPANSION OUTLOOK :** The Company has undertaken drive for capacity expansion in last couple of years. New manufacturing lines are added across the locations, new equipment's based on latest technology is being commissioned and plant layouts are reworked to achieve optimum utilizations of the installed capacities. Technology Upgradation has emerged as the most important attributes in enhancing competitiveness.

In November, 2014, Goodluck inaugurated its Rs 96 crore, 30,000 MTPA manufacturing plant at Sikandarabad in Uttar Pradesh, which will completely utilized its optimum capacity by FY 2016 and will add up to top line by Rs 200 crore and bottom line suitably.



## INVESTING IN R&D AND INNOVATION

Goodluck has always stressed on the importance of R&D for future growth. The Company is preparing to keep itself



ahead of the curve with respect to the new technologies that are coming up and at the same time develop new products and processes for the customers in both the auto and the industrial space.

**HUMAN RESOURCE :** Our employees have been our driving force and we have ridden high on their commitment and dedication.

Managing the health and safety of the people who work for us, both directly and indirectly, continued to be our top priority last year also. Although our overall safety performance was good, the focus, at most of our sites, was to enhance safety culture, contractor safety management, risk assessment and training.



**ENVIRONMENT :** Your company is committed to minimising pollution, reducing its environmental footprint and optimising resource consumption by planning and carrying out operations through environmentally responsible processes and practices. We continually assess environmental risks in our operations through risk and impact assessments and audits. All of our operations have environmental management plans which are specific to each site.

**SUSTAINABILITY :** Goodluck believes that to create a successful long-term business, focus on sustainability is vital.

One of the key elements of the Company's strategy is, therefore, a strong commitment to be a good corporate citizen. As such, sustainability is a boardroom priority and issues are reviewed and discussed on a regular basis by the Safety and Sustainability Committee. This committee has been established to ensure that the welfare of our people and their communities sit at the very heart of our business.

During the year, there was a strong focus on education, health, community care, employee retention, and nurturing and growing internal talent.

Zero occupational disease rate was achieved at all site.

Nearly 3000 beneficiaries of healthcare initiatives undertaken at various sites; a threefold increase from last year.

Over 5000 beneficiaries of community care initiatives undertaken at various sites.

We have financially contributed to a Ghaziabad based Vardaan Eye Care Hospital for assisting it in constructing an additional floor. The hospital is take care of general public at a nominal token price.

Company workers along with the management, planted 1000 trees near to the proximity to our plant in Sikandarabad as a SHRAMDAN seva.

Your company has Contributed to construct the cremation facility for the

nearby villagers to the proximity to our plant in Sikandarabad.

Your company is taking care of animals by contributing for feed of 10000 cows in Gaushalas in Ghaziabad.

Your company is further involved in a lot of social activities through Rotary club and other social intuitions.

In the coming years, we plan to take educational initiatives undertaken at various sites to benefit at least 4000 girl children.

## OPPORTUNITIES AND THREAT : THREATS / RISKS :



**Raw Material Costs:** Our main raw material, HR Coils are sold on an import parity basis. Any sudden spike in costs has two impacts. One is that it hits our sales growth, as there is a resistance in the market to accept big price hikes. Secondly, it also impacts our margins, as the market participants find it difficult to push through the entire price hike immediately.

## RISING TRANSPORTATION COSTS :

In India there has been rapid price inflation over the last five years. Any change in Government policy related to Diesel price may impact us marginally.



# MANAGEMENT DISCUSSION AND ANALYSIS



**STATE LEVEL TAXES :** India has both centralised taxes and state level taxes like Entry taxes, Octroi duties etc. Any sudden jump in this can make our goods expensive and uncompetitive in that market in case we do not have a manufacturing plant in that state.

**MANPOWER :** Due to increasing competition and the presence of global players, the ability to attract and retain managerial talent and the availability of skilled and unskilled manpower is becoming a key issue. Improving the quality of manpower is also an issue for the industry.

**COST OF FUNDS :** Availability of finance at reasonable interest costs has become difficult due to a tighter monetary policy which has led to subdued industrial activity. The weak overall monsoon as predicted can prove a deterrent for economic growth. A resultant strong inflation may lower consumption demand and reduce infrastructure investment thus adversely affecting demand.

**OPPORTUNITIES :** Your Company has been able to grow and thrive in the industry because of its capabilities and its constant pursuit of diversifying its business across customers, sectors, geographies and products. Your Company is currently developing a new niche portfolio of components which will cater commercial vehicles. This will support our plan for sustained growth in medium to long term.

In terms of industry trends, there is components/sub-assemblies as well as a growing demand for precision forging components (near net shape forging) mainly due cost to reducing along the production chain.

The Indian automobile market has gained a lot of focus from the past couple of years from many global players who have started

utilizing India as a manufacturing because of its low cost manufacturing and hence many OEMs are setting up opportunity for auto component makers to cater to the domestic and export markets.

The 'Make in India' initiative of the government coupled with the interest rate reduction cycle is expected to bring an economic revival and increase spending on infrastructure and related sectors. This will provide a huge opportunity for the industrial products. The Government's Make in India initiative is aimed at reviving the manufacturing sector and increasing its percentage of GDP from 15% to 25%. The infrastructure related sectors, such as, power, mining, railways are the key beneficiaries who are our important & potential customers.

**INTERNAL CONTROL, SYSTEMS & RISK MANAGEMENT :** Goodluck has a proper and adequate internal control system in place to safeguard assets and protect against loss from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures recorded data are reliable to accountability of assets. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures.



## Dear Shareholders

The Board of Directors of your Company takes pleasure in presenting 29th Annual Report and audited accounts of your Company for the financial year ended 31st March, 2015.

(₹ in Cr.)

PARTICULARS	2014-15	2013-14
Gross Turnover	<b>1170.30</b>	<b>1077.92</b>
Earning before interest, tax & depreciation	<b>84.99</b>	<b>67.99</b>
Interest	<b>32.64</b>	<b>32.38</b>
Depreciation	<b>11.30</b>	<b>7.56</b>
Profit before tax	<b>36.70</b>	<b>28.02</b>
Profit after tax	<b>27.57</b>	<b>17.71</b>
Amount available for appropriation	<b>132.06</b>	<b>108.19</b>

### 1. Results Of Operations And The State Of Company's Affairs

Your company achieved sales of Rs. 1,170 cr. in 2014-15 (as against Rs. 1077 Cr. in 2013-14) in domestic and export markets, thereby registering a growth of 9% over the previous year whereas the profit after tax has increased by 56% in comparison of year 2013-14. This year saw the commissioning of new Auto Tube plant having the capacity around 30,000 mtpa. Further, the board has decided to expand its structure division and hopeful that the expansion would be completed by the end of Financial Year 2015-16. The shifting of focus from regular products to high engineering products is expected to contribute significantly to your Company's future growth.

### 2. Transfer To General Reserves

Out of the total profit for the financial year 2014-15, an amount of Rs. 5.00 Crore is proposed to be transferred to the General Reserve.

### 3. Dividends

The Board has distributed interim dividend @ 37.5% i.e., Rs 0.75 Per Equity Share during

the year and further has recommend a Final Dividend of 37.5% i.e., Rs 0.75 Per Equity Share of Rs 2 each for the financial year 2014-15. The Final 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 total dividend including Interim Dividend on the equity shares would involve an outflow of Rs. 3.30 Cr. toward dividend and Rs 0.66 Cr. toward dividend distribution tax.

### 4. Corporate Governance And Additional Information To Shareholders

The company is committed to maintain high standards of corporate governance. A separate report on corporate governance, pursuant to clause 49 of the listing agreement with the stock exchange(s), auditors' certificate on its compliance, including the management discussion and analysis, and shareholders' information forms a part of this report.

Details of the depository system and listing of shares and Registrar & Share Transfer Agent are given in the section Shareholder

information, which forms a part of the Corporate Governance Report.

### 5. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo undertaken by the Company along with the information in are given in Annexure 'A' to the Directors' Report.

### 6. Directors And Key Management Personnel

During the year, Mr. Anurag Agrawal has resigned from Directorship of company w.e.f. 11.10.2014 and the Company has appointed Mr. Ishwar Chand Agasti w.e.f. 30.09.2014 as Independent Director. In order to fulfill the statutory requirement and representation of women in top position, the Board has appointed Mrs. Kiran Garg Appointed as additional director of the company w.e.f. 01.04.2015.

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

### 7. Statutory Auditors

The Company ratifies the appointment of M/s. Sanjeev Anand & Associates, Chartered Accountant (Firm Reg. no. No.: 007171C), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

### 8. Secretarial Auditor

The Board has appointed M/s Ravi S Sharma & Associates, Practicing Company Secretary (FCS – 7336), to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for

the financial year ended March 31, 2015 is annexed herewith marked as Annexure 'B' to this Report.

### 9. Auditor's Reports

The Statutory Auditor's Report to the Shareholders together with Accounts for the year ended 31st March, 2015 and notes thereon are attached, which are self explanatory. The observations of Statutory Auditors and Secretarial Auditors in their report, read with the relevant Notes to Accounts are self explanatory and therefore, do not require any further explanation.

### 10. Public Deposits

Your Company has not invited or accepted any fixed deposits during the year as per the provisions of Section 73(2) of the Companies Act, 2013, and the rules made there under and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

### 11. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### 12. Subsidiaries/Joint Ventures/ Associate Companies

M/s Masterji Metalloys Private Limited has become a wholly owned subsidiary of the Company w.e.f. 31.03.2015. A separate section on the performance and financial position of the subsidiary company in Form AOC- I is part of the report and is annexed herewith as Annexure 'C'.

### 13. Independent Directors Declaration

The Board of the Company consists of Mr. Vijender Kr. Tyagi, Mr. Ishwar C Agasti, Mr. Rahul Goel and Dr. Kiran Garg as independent Directors. These Directors have confirmed that they fulfil all the

requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the Rules thereunder.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

#### 14. Risk Management Policy

In compliance with the requirement of the Companies Act, 2013 the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy.

The objective of any risk identification and assessment process is to evaluate the combination of likelihood and level of negative impacts from an event. The three main components of risk assessment are business risk, service/operational risk and external risk. The Company manages the risk in line with current risk management best practices. This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making and compliance with applicable laws and regulations.

#### 15. Change In The Nature Of Business

In pursuance to Rule 8(5) of Companies (Accounts) Rules, 2014, there is no change in the nature of business of Company.

#### 16. Material Orders

In pursuance to Rule 8(5) (vii) of Companies (Accounts) Rules, 2014, No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### 17. Particulars Of Loans Given, Investments Made, Guarantees Given And Securities Provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statements.

#### 18. Familiarisation Programme For Board Members

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at the link <https://www.goodlucksteel.com>.

#### 19. The Policy On Related Party Transactions

All Contracts/transactions/arrangements entered into by the Company during the financial year with the Related Parties were in ordinary course of business and on an arm's length basis. However, in view of the applicability of Clause 49 of the Listing Agreement, all Related Party Transactions are approved by the Audit Committee. Omnibus approval is obtained for un-foreseen transactions. Subsequently on a quarterly basis the transactions are presented to the Audit Committee, specifying the nature, value and terms and conditions of the same.

The Company has made transactions with related parties pursuant to Section 188 of Companies Act, 2013. The particulars of material contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2 is annexed herewith as Annexure 'D'.

The Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which has been uploaded on the Company's website at the weblink: <https://www.goodlucksteel.com>.

#### 20. Policy On Appointment and Remuneration To Be Paid To Directors, Key Managerial Personnel (KMP) And Other Employees And Criteria Formulated By The Committee For Determining Qualification, Attributes, Independence Of A Director

The Board has adopted a policy, on Remuneration to be paid to Directors, Key Managerial Personnel and other employees and Criteria for Appointment of Directors. The objective of the policy is to define the criteria for qualification, qualities and characteristics for the Board as a whole and to ensure that Executive/Non-Executive Directors and Key Managerial Personnel are sufficiently compensated for their performance.

#### Policy on appointment of Directors

The Composition and strength of the Board of Directors ("the Board") of the Company is subject to the provisions of the Companies Act, 2013, Listing Agreements and Articles of the Association of the Company. The Nomination and Remuneration Committee is responsible for evaluating the qualifications of each candidate to be appointed as Director on the Board. In general, it is expected from a Director to possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business or in the area of his expertise and to have ample experience and a proven record of professional success, leadership

and the highest level of personal and professional ethics, integrity and values.

#### Remuneration Policy

Non-Executive Independent Directors may receive sitting fees for attending the Meeting of the Board and Committees thereof. The Executive Directors and other employees are paid remuneration by way of salary, perquisites, allowances and variable pay. Perquisites and retirement benefits are paid as per the Company policy. The remuneration of Executive Directors, as recommended by the Nomination and Remuneration Committee, is approved and further recommended by Board of Directors to the Members for approval. Remuneration and annual pay of Executive Directors and employees is determined keeping in view the industry benchmark and the relative performance of the Company.

#### Criteria For Determining Qualifications, Positive Attributes & Independence Of Director

A director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business or in the area of his expertise.

A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

Directors should be free to present their view point independently, Company has also adopted to conduct the separate meeting

of the independent Directors, which will ensure that the independent directors of the Company can review the performance of the Board and Chairman. Moreover the Directors should meet the other requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors. A complete Remuneration Policy is available Company's website at the weblink: <https://www.goodlucksteel.com>.

## 21. Evaluation of the Board's Performance

In compliance with the Companies Act, 2013, and Clause 49 of the Listing Agreement, during the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation to evaluate the performance of individual directors including the Board Chairman. The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and corporate governance requirements as prescribed by SEBI under clause 49 of the listing Agreements. The performance of the Board was evaluated on the basis of the criteria such as the Board composition and structure, effectiveness of Board process, information and functioning etc. The performance of the committees was evaluated on the basis of the criteria such as the composition of the committees, effectiveness of committee meetings, etc. The Board and Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of individual director

to the Board and committee meetings like preparedness on the issue to be discuss meaningful and constructive contribution and inputs in meetings, etc.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## 22. Corporate Social Responsibility Initiatives

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure 'E'. The CSR Policy may be accessed on the Company's website at the weblink: <https://www.goodlucksteel.com>.

## 23. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

## 24. Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about genuine concerns or grievances, unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc. The detail vigil mechanism may be accessed on the Company's website at the weblink: <https://www.goodlucksteel.com>.

[www.goodlucksteel.com](http://www.goodlucksteel.com).

## 25. Extract Of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is attached as Annexure 'F'.

## 26. Particulars Of Employees

Particulars of employees and the ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as Annexure 'G' which form part of this Report.

## 27. Payment of Listing Fees

Annual listing fee for the year 2015-16 has been paid by the Company to BSE and NSE.

## 28. Material Changes And Commitments Affecting The Financial Position Of The Company After 31st March 2015

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the company, to which the financial statements relates, i.e., 31st March, 2015 and the date of the report.

## 29. Directors Responsibility Statement

As stipulated in Section 134(3) (c) of Companies Act, 2013, your Directors subscribe to the "Directors Responsibility statement" and confirm as under:

- a.) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b.) 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 & fair view of the state of affairs of the Company at the end of Financial Year 2014-15 and of the Profit & Loss A/c of the Company for that period.

c.) That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d.) That the directors have prepared the annual accounts on a going concern basis.

e.) The director, in case of a listed company, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

## 30. Appreciation

Your Directors wish to thank and acknowledge with gratitude for assistance and co-operation received from the financial institutions, banks, government authorities, customer, 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

DATE: 23rd May, 2015  
PLACE: GHAZIABAD

## ANNEXURE A

### 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 suggestion of experts in the areas where reduction of fuel and oil conservation is possible.

The detail regarding present energy consumption including captive generation is furnished below as per form A of the Annexure to the rules:

#### FORM A

POWER AND FUEL CONSUMPTION	2014-15	2013-14
<b>1 ELECTRICITY</b>		
a) Purchased		
Unit (in thousand) KWH	<b>25110.195</b>	24455.57
Total Amount (Rs. In Lakh)	<b>1850.59</b>	1705.73
Rate/unit (Rs.)	<b>7.37</b>	6.97
b) Own Generation		
Through Diesel Generator		
Unit (in thousand)	<b>1811.20</b>	1000.89
Units per ltr.of diesel oil	<b>3.20</b>	3.20
Cost/units	<b>17.00</b>	17.13
<b>2 FURNACE OIL</b>		
Total Amount (Rs. in Lakh)	<b>601.65</b>	893.70
Total Quantity(M.T.)	<b>1860.75</b>	2031.15
Average Rate (Rs. /M.T.)	<b>32.33</b>	43999.67
<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production (MT)	<b>173022</b>	170430.59
Electricity	<b>155.60</b>	149.37
Furnace Oil	<b>10.75</b>	11.92

### Research and development (R& D):

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

### Technology Absorption:

We believe in continual improvement in our designs and products for ensuring full customer satisfaction. Innovation in process

control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of the market. The technology being used for the manufacture of steel products is developed by in- house efforts and is at par with industry norms.

### FOREIGN EXCHANGE EARNING AND OUT GO:

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

PARTICULARS	2014-15	2013-14
Out go (CIF value of Imports)	<b>37.86</b>	62.04
Out go (Expenditure)	<b>512.83</b>	539.16
Earnings (F.O.B. value of Exports)	<b>32166.42</b>	36205.65

(₹ in lacs)

### SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31.03.2015)  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**THE MEMBERS OF  
GOOD LUCK STEEL TUBES LIMITED**  
5/102, Sikka Complex, 1st Floor Community  
Centre, Preet Vihar, Vikas Marg, New Delhi  
-110092.

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by Good Luck Steel Tubes Limited (CIN: L74899DL1986PLC050910) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the

Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period Covering the financial year ended on 31st March, 2015 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Good Luck Steel Tubes Limited ("The Company") for the financial year ended on 31st March, 2015 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the

Rules made thereunder;

**II.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

**III.** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

**IV.** Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

**V.** The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

**a.)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**b.)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

**c.)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

**d.)** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

**e.)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable to the Company during Audit Period

**f.)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable to the Company during Audit Period

**g.)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable to the Company during Audit Period

**h.)** The Securities and Exchange Board of India (ESOS and ESOP) Guideline, 1999; - Not Applicable to the Company during Audit Period

**i.)** the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and

**j.)** The Memorandum and Articles of Association.

**VI.** The Company has identified the following laws as specifically applicable to the company:

I. The Indian Boiler Act, 1923

II. The Hazardous wastes (Management & Handling) Rules, 1989

III. The Explosive Act, 1884

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- Not notified hence not applicable to the Company during audit period

ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the Audit period under review and as per representation and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

**a)** Maintenance of various statutory registers and documents and making necessary entries therein;

**b)** Closure of the Register of Members.

**c)** Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

**d)** Service of documents by the Company on its Members, Auditors and the Registrar of Companies;

**e)** Notice of Board meetings and Committee meetings of Directors;

**f)** The meetings of Directors and Committees of Directors including passing of resolutions by

circulation;

**g)** The 28th Annual General Meeting held on 30th September 2014;

**h)** Minutes of proceedings of General Meetings and of the Board and its Committee meetings;

**i)** Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;

**j)** Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;

**k)** Payment of remuneration to Directors including the Managing Director and Whole-time Directors,

**l)** Appointment and remuneration of Auditors and Cost Auditors;

**m)** Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;

**n)** Declaration and payment of dividends;

**o)** Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

**p)** Borrowings and registration, modification and satisfaction of charges wherever applicable; investment of the Company's funds including investments and loans to others;

**q)** Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;

**r)** Directors' report;

**s)** Contracts, common seal, registered office and publication of name of the Company; and

**t)** Generally, all other applicable provisions of the Act and the Rules made under the Act.

I further report that:

-The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in

the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

-Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

-Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that the Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization/rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

I further report that the Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

I further report that:

**a.** the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Delhi Stock Exchange Limited;

**b.** the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

**c.** the Company has complied with the provisions of the Securities and Exchange

# DIRECTOR'S REPORT

Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

I further report that based on the information

received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Ravi S Sharma & Associates**

**Ravi. S. Sharma**  
Company secretary  
M. No. - FCS 7336  
COP No-8007

PLACE: New Delhi  
DATE: 23.05.2015

## FORM AOC-1

## ANNEXURE C

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

#### PART "A": SUBSIDIARIES

Information in respect of each subsidiary to be presented with amounts in Rs.)

SL. NO	POWER AND FUEL CONSUMPTION	DETAILS
1.	Name of the subsidiary	Masterji Metalloys Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	Rs. 23845000
5.	Reserves & surplus	Rs. 20896280
6.	Total assets	Rs. 162461152
7.	Total Liabilities	Rs. 162461152
8.	Investments	NIL
9.	Turnover	Rs. 377894352
10.	Profit before taxation	Rs. 4474587
11.	Provision for taxation	Rs. 850000
12.	Profit after taxation	Rs. 3030043
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : NIL
- Names of subsidiaries which have been liquidated or sold during the year. : NIL



## ANNEXURE D

### FORM NO. AOC -2 (PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto

#### 1.) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

SL. No.	PARTICULARS	DETAILS
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

#### 2.) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS.

Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

The company has not entered into any related party contract or arrangement or transaction which is material. "Material Related Party Transactions" means a contract or arrangement or transaction as defined as material in Clause 49(VII)(C) of the Listing Agreement or any other law or regulation including any amendment or modification thereof, as may be applicable.

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

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(R.C.GARG)  
Director  
DIN NO. 00298129

Place : Ghaziabad  
Date : 23rd May 2015

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C.F.O.

## ANNEXURE E

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs :

The policy encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'CSR Policy-2015'. This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars,

and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time. The CSR policy – 2015 of GLST will supersede all the earlier policies relating to CSR. The main objective of GLST CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society. GLST will act as a good Corporate Citizen, subscribing to the principles of global compact for implementation. The detailed CSR Policy may be accessed on the Company's website at the weblink: <https://www.goodlucksteel.com>.

2. The Composition of the CSR Committee:

SL. No.	NAME OF DIRECTOR	CATEGORY	
1.	Mr. Vijender Kr. Tyagi	Non Executive Independent Director	Chairman
2.	Mr. Nitin Garg	Whole Time Director	Member
3.	Mr. R. C. Garg	Whole Time Director	Member

3. Average net profit of the Company for last three financial years: Rs. 2204.04 Lacs

4. Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above) : Rs. 44.08 Lacs

5. Details of CSR spent during the financial year:

- i) Total amount to be spent for the financial year: N.A.
- ii) Amount unspent, if any: N.A.
- iii) Manner in which the amount spent during the financial year: N.A.

SL. No	CSR Project or activity	Sector in which project is covered	Projects or programmes 1)Local area or other 2)Specify the state and district where project or program was undertaken	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS SUB-HEAD: 1. Direct expenditure on projects or program 2.Overheads	Projects or programmes 1)Local area or other 2)Specify the state and district where project or program was undertaken	CUMULATIVE EXPENDITURE UPTO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :

The Concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that government alone would not be able to get success in its endeavor to uplift the downtrodden society. Even much before the issue of CSR became global concern, Good Luck Steel Tubes Limited (GLST) was aware of its responsibility towards the society. In alignment with vision of the company, GLST, through its CSR initiatives, continues to enhance value creation in the society and in the community in

which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern. Now, GLST has spent the amount for the welfare of the society and under-privileged section of the society however, unfortunately it does not fall within ambit of the scope of section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014. However the company ensures to spend the expenditure of the said amount in F Y 2015-16 as per scope of same.

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.



## ANNEXURE F

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
AS ON FINANCIAL YEAR ENDED ON 31.03.2015  
PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF  
THE COMPANY (MANAGEMENT & ADMINISTRATION) RULES, 2014.**

### I. REGISTRATION & OTHER DETAILS:

CIN	L74899DL1986PLC050910
Registration Date	06.11.1986
Name of the Company	GOOD LUCK STEEL TUBES LIMITED
Category/Sub-category of the Company	PUBLIC
Address of the Registered office & contact details	5/102 SIKKA COMPLEX, COMMUNITY CENTER PREET VIHAR,VIKAS MARG, DELHI-110092
Whether listed company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS SERVICES LTD.T-34, 2nd FLOOR, OKHLA INDUSTRIAL AREA, PHASE-II NEW DELHI-110020

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**(ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10 % OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED)**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	ERW & CDW PIPES	24106	52%
2.	SHEETS	24105	23%
3.	STRUCTURES	25119	10%
4.	FORGING	25910	15%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

*All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-*

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	N.A.	N.A.	N.A.

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/HUF	13428615	0	13428615	67.40	13305108	0	13305108	60.461	(6.939)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other									
Total shareholding of Promoter (A)	13428615	0	13428615	67.406	13305108	0	13305108	60.461	(6.939)
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	92673	0	92673	0.421	0.421
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	835680	0	835680	4.195	0	0	0	0	(4.195)
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0

Sub-total (B)(1):-	835680	0	835680	4.195	92673	0	92673	0.421	0.421
2. Non-Institutions									
a) Bodies Corp.	1937382	2500	1939882	9.738	3678587	0	3678587	16.716	6.978
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2340675	616503	2957178	14.84	3222509	571508	3794017	17.241	2.401
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	448675	00	448675	2.252	284857	00	284857	1.294	(0.958)
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	69606	153500	223106	1.120	139900	153500	293400	1.33	0.21
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	88114	00	88114	0.442	557608	0	557608	2.534	2.092
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	4884522	772503	5656955	28.4	7880961	727508	8608469	39.118	10.718
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5720132	772503	6492635	32.6	7973634	727508	8701142	39.539	6.939
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19148747	772503	19921250	100	21278742	727508	22006250	100	N.A.

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MANISH GARG AND SONS HUF.	47708	0.239	0	127708	0.58	0	0.341
2	SUNIL KUMAR GARG	232977	1.169	0	232977	1.059	0	(0.11)
3	SUSHIL KUMAR GARG	214870	1.079	0	214870	0.976	0	(0.103)
4	SAPNA GARG	209247	1.05	0	259247	1.178	0	0.128
5	ASHISH GARG	124000	0.622	0	124000	0.563	0	(0.059)
6	RAJIV GARG	637750	3.201	0	637750	2.898	0	(0.303)
7	REENA GARG	136294	0.684	0	186294	0.847	0	0.163
8	SHYAM AGRAWAL	143706	0.721	0	143706	0.653	0	(0.068)
9	ANKITA AGARWAL	222177	1.115	0	297177	1.35	0	0.235
10	MAHESH CHAND GARG	377250	1.894	0	377250	1.714	0	(0.18)
11	MANISH GARG	821707	4.125	0	631707	2.871	0	(1.254)
12	NITIN GARG	1486750	7.463	0	1486750	6.756	0	(0.707)
13	MITHLESH GARG	610000	3.062	0	690000	3.135	0	0.073
14	UMESH GARG	502353	2.522	0	315631	1.434	0	(1.088)
15	PUSHPA GARG	734500	3.687	0	784537	3.565	0	(0.122)
16	SARAS GARG	281500	1.413	0	314500	1.429	0	0.016
17	RAJAT GARG	291920	1.465	0	291920	1.327	0	(0.138)
18	SUDHA GARG	350000	1.757	0	350000	1.59	0	(0.167)
19	ANJU GARG	293936	1.475	0	393936	1.79	0	0.315
20	M C GARG AND SONS HUF.	172500	0.866	0	172500	0.784	0	(0.082)
21	ANIL KUMAR AND SONS HUF.	248000	1.245	0	39000	0.177	0	(1.068)
22	ASHISH GARG AND SONS HUF.	150000	0.753	0	2000	0.009	0	(0.744)
23	MUNNI LAL AND SONS HUF.	50500	0.253	0	234092	1.064	0	0.811
24	R C GARG AND SONS HUF.	555500	2.788	0	642167	2.918	0	0.13
25	SUSHIL KUMAR & SONS HUF.	278000	1.395	0	81415	0.37	0	(1.025)
26	RAM AGARWAL AND SONS.	170250	0.855	0	50	0	0	(0.855)
27	SUNIL KUMAR AND SONS HUF.	131750	0.661	0	131750	0.599	0	(0.062)
28	KANAK LATA	286375	1.438	0	286375	1.301	0	(0.137)
29	NEETA GARG	615770	3.091	0	615770	2.798	0	(0.293)
30	SHIKHA GARG	203166	1.02	0	289833	1.317	0	0.297
31	RAM AGARWAL	728956	3.659	0	728956	3.312	0	(0.347)
32	ARCHANA AGARWAL	463328	2.326	0	538365	2.446	0	0.12
33	REKHA RANI	461750	2.318	0	511750	2.325	0	0.007
34	SAVITRI DEVI	312875	1.571	0	312875	1.422	0	(0.149)
35	RAMESH CHANDRA GARG	570250	2.863	0	570250	2.591	0	(0.272)
36	TUSHAR GARG	288000	1.446	0	288000	1.309	0	(0.137)
37	KC GARG AND SONS HUF	23000	0.115	0	0	0	0	(0.115)

### C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	13428615	67.406	13305108	60.46
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	As per annexure			
At the end of the year	13305108			

#### Annexure

s. no.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	MANISH GARG	821707	4.125	10.12.2014	100000	SALE	631707	2.871
				21.01.2015	90000	SALE		
2	RAM AGARWAL & SONS	170250	0.855	10.12.2014	165000	SALE	50	0
				21.01.2015	5200	SALE		
3	SUSHIL KUMAR & SONS	278000	1.395	15.12.2014	29000	SALE	81415	0.37
				21.01.2015	167585	SALE		
4	UMESH GARG	502353	2.522	15.12.2014	20494	SALE	315631	1.434
				21.01.2015	166228	SALE		
5	ANIL KUMAR & SONS HUF	248000	1.245	15.12.2014	29000	SALE	39000	0.177
				21.01.2015	180000	SALE		
6	ASHISH GARG & SONS HUF	150000	0.753	15.12.2014	57000	SALE	2000	0.009
				21.01.2015	91000	SALE		
7	ANKITA AGARWAL	222177	1.115	16.02.2015	75000	ISSUE OF CONVERTIBLE WARRANT	297177	1.35
8	PUSHPA GARG	734500	3.687	16.02.2015	50037	ISSUE OF CONVERTIBLE WARRANT	784537	3.565
9	ANJU GARG	293936	1.475	16.02.2015	100000	ISSUE OF CONVERTIBLE WARRANT	393936	1.79
10	ARCHNA AGARWAL	463328	2.326	16.02.2015	75037	ISSUE OF CONVERTIBLE WARRANT	538365	2.446
11	REKHA RANI	461750	2.318	16.02.2015	50000	ISSUE OF CONVERTIBLE WARRANT	511750	2.325
12	SARAS GARG	281500	1.413	16.02.2015	33000	ISSUE OF CONVERTIBLE WARRANT	314500	1.429
13	MANISH GARG & SONS HUF	47708	0.239	16.02.2015	80000	ISSUE OF CONVERTIBLE WARRANT	127708	0.580
14	SAPNA GARG	209247	1.05	16.02.2015	50000	ISSUE OF CONVERTIBLE WARRANT	259247	1.178

15	REENA GARG	136294	0.684	16.02.2015	50000	ISSUE OF CONVERTIBLE WARRANT	186294	0.847
16	MUNNI LAL AND SONS HUF	50500	0.253	16.02.2015	183592	ISSUE OF CONVERTIBLE WARRANT	234092	1.064
17	SHIKHA GARG	203166	1.02	16.02.2015	86667	ISSUE OF CONVERTIBLE WARRANT	289833	1.317
18	MITHLESH GARG	610000	3.062	16.02.2015	80000	ISSUE OF CONVERTIBLE WARRANT	690000	3.135
19	R C GARG & SONS HUF	555500	2.788	16.02.2015	86667	ISSUE OF CONVERTIBLE WARRANT	642167	2.918
20	KC GARG AND SONS HUF	23000	0.115	15.02.15	23000	SALE	0	0

### D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

s. no.	Name	Shareholding		Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)	% of total shares of the Company			No. of Shares	% of total shares of the Company
1	VENUS INSEC PRIVATE LIMITED	1200000	6.024	1085000	CONVERSION OF WARRANTS INTO EQUITY SHARES	2285000	10.383
2	SUMPOORNA PORTFOLIO LIMITED	0	0	428216	TRANSFER	428216	1.946
3	MOTILAL OSWAL SEC LTD	0	0	227937	TRANSFER	227937	1.036
4	SAHI TRADING PRIVATE LIMITED	0	0	206965	TRANSFER	206965	0.94
5	MOTILAL OSWAL FINANCIAL SERVICES LIMITED	500	0.003	175383	TRANSFER	175883	0.799
6	ASHIKA STOCK BROKING LTD	0	0	155588	TRANSFER	155588	0.707
7	PRADIPKUMAR PATEL	106804	0.536	1460	TRANSFER	105344	0.479
8	MASTER CAPITAL SERVICES LTD	1860	0.009	98559	TRANSFER	100419	0.456
9	BHUPESH KUMAR LODHA	0	0	100000	TRANSFER	100000	0.454
10	SAAJAN S RATHOD	0	0	79513	TRANSFER	79513	0.361

### E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

s. no.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	MAHESH CHANDRA GARG	377250	1.894	N.A.	N.A.	N.A.	377250	1.714
2.	RAMESH CHANDRA GARG	570250	2.863	N.A.	N.A.	N.A.	570250	2.591
3.	NITIN GARG	1486750	7.436	N.A.	N.A.	N.A.	1486750	6.756
4.	ISWAR CHANDRA AGASTI*	0	0	N.A.	N.A.	N.A.	0	0
5.	VIJENDER KUMAR TYAGI	0	0	N.A.	N.A.	N.A.	0	0
6.	ANURAG AGGARWAL*	0	0	N.A.	N.A.	N.A.	0	0

7.	RAHUL GOEL	0	0	N.A.	N.A.	N.A.	0	0
8.	KIRAN GARG*	0	0	N.A.	N.A.	N.A.	0	0
9.	SANJAY BANSAL	0	0	N.A.	N.A.	N.A.	0	0
10.	ABHISHEK AGRAWAL	0	0	N.A.	N.A.	N.A.	0	0

\* Mr. Iswar C Agasti has appointed as Independent Director w.e.f. 30.09.14 and Mr. Anurag Agrawal has resigned from the directorship w.e.f. 11.10.2014.

## V) INDEBTEDNESS - INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT (IN LACS)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	27,340.59	962.1	0	28,302.69
ii) Interest due but not paid	49.42	0	0	49.42
iii) Interest accrued but not due	0	0	0	-
<b>Total (i+ii+iii)</b>	<b>27,390.01</b>	<b>962.1</b>	<b>0</b>	<b>28,352.11</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	19,094.66	1,949.57	0	21,044.23
* Reduction	16,545.94	1,853.21	0	18,399.15
<b>Net Change</b>	<b>2,548.72</b>	<b>96.36</b>	<b>0</b>	<b>2,645.08</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	29,845.18	1058.46	0	30,903.64
ii) Interest due but not paid	93.55	0	0	93.55
iii) Interest accrued but not due	0	0	0	-
<b>Total (i+ii+iii)</b>	<b>29,938.73</b>	<b>1058.46</b>	<b>0</b>	<b>30,997.19</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A) REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

	Particulars of Remuneration	Name of MD/WTD/ Manager (p.a.)			Total Amount
		M.C. Garg	R.C. Garg	Nitin Garg	
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3720000	3720000	2520000	9960000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
<b>2</b>	<b>Stock Option</b>	N.A	N.A	N.A.	N.A
<b>3</b>	<b>Sweat Equity</b>	N.A	N.A	N.A.	N.A
<b>4</b>	<b>Commission</b>	N.A	N.A	N.A.	N.A
	- as % of profit				
	- others, specify...				
<b>5</b>	<b>Others, please specify</b>	N.A	N.A	N.A.	N.A
	<b>Total (A)</b>	3720000	3720000	2520000	9960000
	<b>Ceiling as per the Act</b>	264.64 lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) N.A			

### B) REMUNERATION TO OTHER DIRECTORS

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Iswar Chandra Agasti*	Vijender Kumar Tyagi	Rahul Goel	Anurag Agrawal*	
<b>1</b>	Independent Directors					
	Fee for attending board committee meetings	N.A	N.A	N.A	N.A	N.A
	Commission	N.A	N.A	N.A	N.A	N.A
	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (1)	N.A	N.A	N.A	N.A	N.A
<b>2</b>	Other Non-Executive Directors					
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (2)	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (B)=(1+2)	N.A.	N.A.	N.A.	N.A.	N.A.
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	Rs. 26.46 lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

\* Mr. Iswar C Agasti has appointed as Independent Director w.e.f. 30.09.14 and Mr. Anurag Agrawal has resigned from the directorship w.e.f. 11.10.2014.

**C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel (p.a.)		
		CS (Abhishek Agrawal)	CFO (Sanjay Bansal)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	769750	2465040	3234790
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	32400	32400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	Others specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total	769750	2497440	3267190

**C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED INFORMATION UNDER SECTION 197(14) & SECTION 197(12) RULE 5 (1) (2) & (3) OF COS (APPOINTMENT & REMUNERATION) RULES, 2014**

1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	1.Mr. M.C Garg (Whole- Time Director) : 29.52 : 1 2.Mr. R.C Garg (Whole- Time Director) : 29.52 : 1 3. Mr. Nitin Garg (Independent Director) : 20.00 : 1
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year	1.Mr. M.C Garg (Whole- Time Director) : 11% 2.Mr. R.C Garg (Whole- Time Director) : 11% 3.Mr. Nitin Garg (Independent Director) : 17% 4. Mr. Sanjay Bansal (C.F.O.) : 12% 5. Mr. Abhishek Agrawal (C.S) : 12%
3	Percentage increase in the median remuneration of employees in the financial year	22%
4	Number of permanent employees on the rolls of company	1322
5	The Explanation on the relationship between average increase in remuneration and company performance	The remuneration of employees has average increased by 13% whereas the sale of the Company has increased by approximately 9% & Profit after tax has been increased around 31%. Employee's remuneration has average increased by 13% on the basis of employee's performance & their long term sustainability and most importantly the Industry trend. On the other hand the sale of the Company has increased by 9%, so the average increase in the remuneration is in line with the performance of the company.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Company's Sales has increased by 9% during last Financial year which itself indicates that the KMPs remuneration is directly related to the Company performance as a whole.
7	Variations in the market capitalisation of the Company, price earning ration, market quote and its comparison	a)The Market capitalisation as on March 31, 2015 was Rs. 173.85 cr.(Rs. 36.85 crore as on March 31, 2014) b) Price Earnings ratio of the Company was 6.00 as at March 31, 2015 and was 1.956 as at March 31, 2014 c) The company has come out with public offer in the year 1995 with an offer price of Rs. 30 per share (face value of share -Rs 10/-) including the premium of Rs. 20/- per share. Whereas as, on the closing of financial year 2014-15 the market quote of share (face value of Rs. 2/-) is Rs. 79.00.
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and Justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is 12.75% in comparison of 13% increase in the managerial remuneration. Explanation: Remuneration of both employees & Managerial Personnel are almost at same ratio based on Company's performance and there is no exceptional circumstance for increase in the managerial remuneration.

## DIRECTOR'S REPORT

9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	The remuneration of the Key Managerial Personnel is in line with the performance of the Company and the current Industry trend.
10	key parameters for any variable component of remuneration availed by the directors	No Variable component till date is introduced in the remuneration structure of Directors.
11	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	N.A.
12	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
13	Statement of particulars of employees under section 197(12).	The statement of particulars of employees under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not being given as no employee is drawing salary, which requires disclosure under above section.

\* The company didn't pay any remuneration to its any Non- Executive Independent Director during the Financial Year 2014 – 15.

## CORPORATE GOVERNANCE REPORT

### MANAGEMENT'S PERSPECTIVE ON CORPORATE GOVERNANCE

At Good Luck Steel, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Corporate Governance ensures fairness, transparency and integrity of the Management. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and thus seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its Board is well informed and well equipped to fulfill its overall responsibilities and to provide Management with the strategic direction needed to create long term shareholders value. The Company maintains highest levels of transparency, accountability and good Management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance.

The Directors fully endorse and support the essentials of Corporate Governance and accordingly herein below give a report on Corporate Governance.

### BOARD OF DIRECTORS

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Board comprises persons of eminence with excellent

professional achievements in their respective fields. The Non-executive Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of finance & taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Agreement. The Company has an Executive Chairman and the number of Independent Directors was 50% of the total number of Directors during the Financial Year 2014-15. As on 31st March, 2015, the Company had 6 Directors on its Board, of which 3 Directors was independent. However, w.e.f. April, 1st, 2015 the Board has inducted Dr. Kiran Garg as a woman Independent director. Consequently at present the number of Non- Executive Directors (NEDs) is more than 50% of the total number of Directors. The Company is in compliance with the Clause 49 of the listing Agreement pertaining to compositions of directors.

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

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

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM (Yes/No)	No. of Directorships in other public Limited Cos.	No. of Chairmanship / Memberships of Committees in other Public Ltd. Cos. *	
					Chairmanship	Membership
Sh. M.C. Garg	Promoter, Executive Chairman	9	Yes	-	-	-
Sh. R. C. Garg	Promoter, Executive Director	10	Yes	-	-	-
Sh. Nitin Garg	Executive Director	8	Yes	-	-	-
Sh. Vijender Kr. Tyagi	Independent, Non Executive Director	9	Yes	-	-	-
Sh. Iswar Chandra Agasti*	Independent, Non Executive Director	6	Yes	-	-	-
Sh. Rahul Goel	Independent, Non Executive Director	8	No	-	-	-
Sh. Anurag Agrawal*	Independent, Non Executive Director	3	Yes	-	-	-

## NUMBER OF MEETINGS OF THE BOARD

Ten Board meetings were held during the year, as against the minimum requirement of four meetings.

### NOTES:-

1. During the Financial Year 2014-15, Ten Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30th May, 2014, 14th August, 2014, 11th October, 2014, 04th November, 2014, 17th November, 2014, 30th December, 2014, 19th January, 2015, 30th January, 2015, 16th February, 2015 and 31st March, 2015.

2.\* Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.

3. The information as required under Annexure IA to Clause 49 is being made available to the Board.

4. 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, 2015. A declaration of compliance of this Code signed by Chairman is annexed to this report.

## COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure

expedient resolution of diverse matters, the Board has constituted/Reconstituted a set of Committees with specific terms of reference / scope: Audit Committee, Corporate Social Responsibility, Risk Management Committee, and Remuneration cum Selection Committee & Stakeholder Relationship 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 all Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed herein.

## AUDIT COMMITTEE

The Audit Committee of the company has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the financial statements of the Company, strengthen internal controls & look into all transactions having monetary implications on the functioning of the Company. The nomenclature, constitution and terms of reference of the Committee are as per the provisions of the Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement of the Stock Exchange.

As on March 31, 2015, the Committee has three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Vijender Kr. Tyagi, is the Chairman of the Committee. The other members are Mr. Rahul Goel and Mr. M. C. Garg. 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, 2013, 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;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. 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, 6 (Six) meetings of the Audit Committee were held on 30th May, 2015, 14th August, 2014, 04th November, 2014, 17th November, 2014, 19th January, 2015 and 16th February, 2015 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given as under:

S. NO.	NAME OF THE MEMBER	CATEGORY	MEMBER/CHAIRMAN	MEETING ATTENDED
1	Vijender Tyagi	Independent director	Chairman	6
2	Rahul Goel	Independent director	Member	6
3	Mahesh Chandra Garg	Whole-time director	Member	5

# CORPORATE GOVERNANCE REPORT



## COMMITTEES OF THE BOARD

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S. NO.	NAME OF THE MEMBER	CATEGORY	MEMBER/CHAIRMAN	MEETING ATTENDED
1	Iswar C. Agasti	Independent director	Chairman	5
2	Rahul Goel	Independent director	Member	4
3	Vijender Tyagi	Independent director	Member	5
4	R C Garg	Whole Time Director	Member	5

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has reconstituted Investor Grievances Committee and renamed as Stakeholders Relationship Committee during the year keeping in line with the statutory requirement. The Committee specifically look into the redressal of shareholders' complaints. The Shareholders'/ Investors' Grievance Committee consists of the following directors:

S. NO.	NAME OF THE MEMBER	CATEGORY	MEMBER/CHAIRMAN
1	Vijender Tyagi	Independent director	Chairman
2	M C Garg	Whole Time Director	Member
3	R C Garg	Whole Time Director	Member

Sh. Abhishek Agrawal, Company Secretary acts as Secretary to the Committee who is also the Compliance Officer.

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 Investors Relation services.

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31st March 2015 are given as follows:

Detail of complaints received/resolved during the year

- No. of Complaints received during the year: 2
- No. of Complaints not resolved to the satisfaction of Shareholders: Nil
- No. of Pending Complaints: Nil
- No. of Pending share transfer as on 31.03.2015: Nil

## GENERAL BODY MEETING

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

YEARS	DAY, DATE AND TIME	VENUE	SPECIAL RESOLUTION PASSED
2012	Thursday, 20.09.2012 at 9.30 A.M.	5/102, Sikka Complex Community Centre, Preet Vihar, Delhi - 92	NIL
2013	Monday, 30.09.2013 at 9.30 A.M.	5/102, Sikka Complex Community Centre, Preet Vihar, Delhi - 92	NIL
2014	Tuesday, 30.09.2014 at 9.30 A.M.	Aura Grand, 439, Jagriti Enclave, Delhi-92	Increase the Remuneration of Mr. Manish Garg and Mr. Umesh Garg under section 188 of the Act



# CORPORATE GOVERNANCE REPORT



## (II) Extra Ordinary General Meeting Detail

During the year one Extra Ordinary General Meeting held.

DAY, DATE AND TIME	VENUE	RESOLUTION PASSED
Wednesday, 17.12.2014 at 9.30 A.M.	A-42, Industrial Area, Sikandrabad, Distt. - Bulandshahar (U.P.)	Issue upto 50,00,000 (Fifty lakhs) Warrants Convertible into equity shares at a price of Rs. 60/-.

## (III) Postal Ballot

During the year, the company has passed once two resolutions through Postal Ballot Process. 100 % votes was casted in favour of both of the resolutions. The result of Postal Ballot was declared on 11th September, 2014. The subject matter of the special resolution approved through postal ballot by members of the Company is as follows:

1. To provide securities, etc. in connection with the borrowings of the Company as per section 180(1)(a) of the Companies Act 2013 and rules made there under;
2. To increase the borrowing limits of the company upto Rs. 800 Cr. as per section 180(1)(c) of the Companies Act, 2013 and rules made thereunder.

The Board had appointed Mr. Naveen Kumar Rastogi, a Practicing Company Secretary, as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner according to the related provisions of the Act.

## 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.

The Company has formulated a Whistle Blower Policy / Vigil Mechanism for the directors and employees (including their representative body) to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases. The detail policy is uploaded on the website of the Company.

During the year, no personnel have been denied access to the audit committee.

## MEANS OF COMMUNICATION

**(I) Quarterly/ Half Yearly/ Annual Results** The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board

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

**(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, shareholding pattern and other information are also available on www.bseindia.com and www.nseindia.com

## GENERAL SHAREHOLDER INFORMATION

### (I) EXTRA ORDINARY GENERAL MEETING DETAIL

During the year one Extra Ordinary General Meeting held.

Day, Date and Time	Wednesday, September 30, 2015 at 9.30 A. M.
Venue	Aura Grand, 439, Jagriti Enclave, Delhi-92
Date of Book Closure	From 24.09.2015 to 30.09.2015 (both days Inclusive)
Dividend Payout Date	28th October, 2014

### (II) FINANCIAL CALENDAR 2015-16 (TENTATIVE & SUBJECT TO CHANGE)

First Quarter Result	July, 2015
Second Quarter Result	October, 2015
Third Quarter Result	January, 2016
Annual Results for the year ending on 31.03.2016	May, 2016

### (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

#### National Stock Exchange Limited

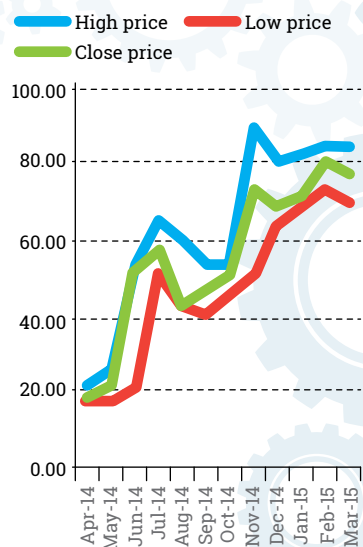
Exchange Plaza C-1, Block-G Bandra  
Kurla Complex Bandra (E)  
Mumbai-400051  
Stock Code : GOODLUCK

## (IV) MARKET PRICE DATA

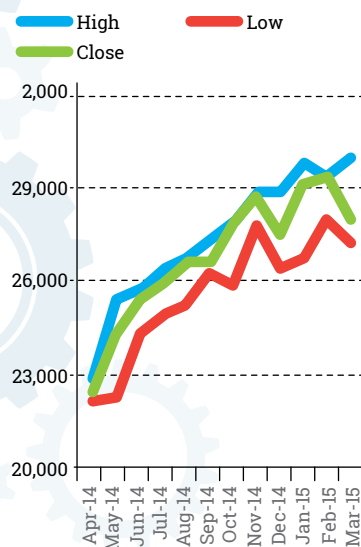
The monthly high/low market price of shares during last financial year 2014-15 at the Bombay Stock Exchange (BSE) is as under:

MONTH	HIGH PRICE	LOW PRICE	CLOSE PRICE
Apr-14	22.50	18.00	18.35
May-14	25.80	17.65	20.90
Jun-14	52.65	20.95	52.65
Jul-14	64.75	50.30	58.00
Aug-14	61.00	43.50	43.50
Sep-14	54.10	41.35	47.00
Oct-14	53.90	44.70	51.10
Nov-14	89.80	50.50	74.05
Dec-14	82.00	64.90	70.25
Jan-15	83.00	68.20	72.70
Feb-15	86.00	72.85	80.95
Mar-15	85.45	70.00	79.00

SHARE PRICE PERFORMANCE



BSE SENSEX MOVEMENT DURING THE PERIOD



## (V) DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN

Distribution of shareholding and shareholding pattern of the shares as on 31.03.2015 are as follows:

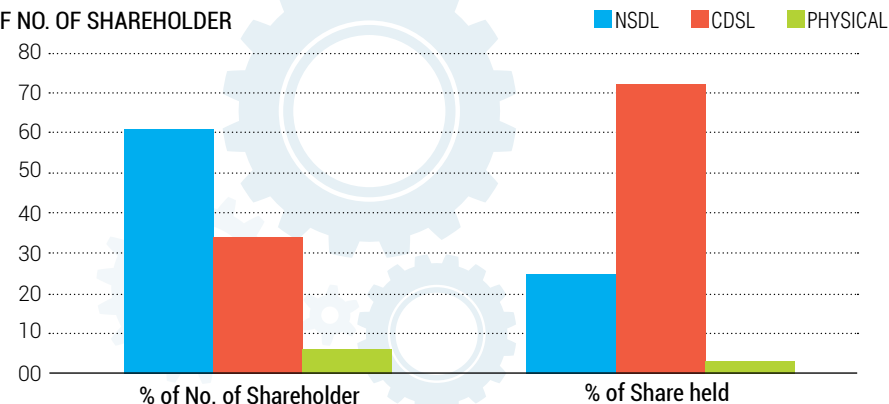
SHARE HOLDING OF NOMINAL VALUE OF RS 2	SHARE HOLDERS		SHARES HELD	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
1 TO 5000	9082	96.484	2760556	12.544
5001 TO 10000	180	1.912	680854	3.094
10001 TO 20000	62	0.659	455212	2.069
20001 TO 30000	21	.223	265659	1.207
30001 TO 40000	09	0.096	175972	0.800
40001 TO 50000	03	0.032	66173	0.301
50001 TO 100000	11	0.117	418883	1.903
100001 AND ABOVE	45	0.478	17182941	78.082
<b>TOTAL</b>	<b>9413</b>	<b>100</b>	<b>22006250</b>	<b>100</b>

## (V) DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN

Distribution of shareholding and shareholding pattern of the shares as on 31.03.2015 are as follows:

	NO. OF SHAREHOLDERS	% OF NO. OF SHAREHOLDERS	NO. OF SHARE	% OF SHARE HELD
NSDL	5696	60.51	5395779	24.52
CDSL	3180	33.79	15882963	72.17
PHYSICAL	537	5.70	727508	3.31
<b>TOTAL SHARE HOLDERS</b>	<b>9413</b>	<b>100%</b>	<b>22006250</b>	<b>100%</b>

% OF NO. OF SHAREHOLDER



# CORPORATE GOVERNANCE REPORT

## (VII) SHARE TRANSFER SYSTEM

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

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

## (VIII) 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

## (IX) 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.)	A-59, Industrial Area, Sikandrabad, Distt. -Bulandshahar (U.P.)
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## (X) 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.) - 201001  
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. 2015.

**For Good Luck Steel Tubes Ltd**

**Place: Ghaziabad  
Date: 23rd May 2015**

**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 31.03.2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges(s).

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

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

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

**For Sanjeev Anand & Associates  
Chartered Accountants**

**(S. AGARWAL)  
Partner  
M.NO. 072907  
FIRM REG. No.: 007171C**

**Place : GHAZIABAD  
Date : 23rd May 2015**

# STANDALONE FINANCIAL STATEMENT



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GOOD LUCK STEEL TUBES LTD

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Good Luck Steel Tubes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true

and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

**1.** As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

**2.** As required by section 143(3) of the Act, we report that:

**a.** We have sought and 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 it appears from our examination of those books.

**c.** The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

**d.** In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

**e.** On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

**f.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

**(i)** The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2015;

**(ii)** The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

**(iii)** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**(S. AGARWAL)  
Partner**

**M.NO. 072907**

**Place : GHAZIABAD**

**Date : 23rd May 2015**

# STANDALONE FINANCIAL STATEMENT



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report of even date on accounts for the year ended 31st March, 2015 of Good Luck Steel Tubes Limited :

1. In respect of fixed assets of the Company:  
(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

2. In respect of the inventories of the Company:

(a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189

of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public and does not have any unclaimed deposits.

6. The Central Government has prescribed maintenance of cost records under section 148(1) of the Act in respect of the products of the Company. We have broadly reviewed the books of account and records maintained by the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

7. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing statutory dues including provident fund, employees' state insurance, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues in

arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Central excise which has not been deposited as at 31st March 2015 on account of disputes are given below :

Name of the Statute	Nature of dues	Amount (In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	108.36	F.Y. 2006-07	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.36	F.Y. 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	10.91	F.Y. 2009-10	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.70	F.Y. 2009-10	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	1.22	F.Y. 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Custom Duty	4.98	F.Y. 2010-11	Commissioner (Appeals) Custom, Excise and Service Tax
Central Excise Act	Excise Duty	2.02	F.Y. 2011-12	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.61	F.Y. 2013-14	Commissioner (Appeals) Custom, Excise and Service Tax
Central Excise Act	Excise Duty	1.70	F.Y. 2014-15	Commissioner (Appeals) Custom, Excise and Service Tax

(d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under within time.

8. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by the audit and the immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee

for loans taken by others from banks or financial institutions.

11. Based on the examination of the records and information and explanations given to us, the Company has utilized term loans only for the purpose they are raised.

12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**(S. AGARWAL)  
Partner  
M.NO. 072907  
Place : GHAZIABAD  
Date : 23rd May 2015**

# STANDALONE FINANCIAL STATEMENT

## BALANCE SHEET

(₹ in lacs)

PARTICULARS	Note No.	As on 31.03.2015	As on 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Fund			
Share Capital	2 (a)	440.13	398.43
Reserves and Surplus	3	17,657.81	14,016.84
Money received against Share Warrant	2 (b)	-	189.88
		18,097.94	14,605.15
Non-Current Liabilities			
Long-term borrowings	4	7,924.74	3,892.19
Deferred tax liabilities (Net)	5	1,704.57	1,446.12
Long term provisions	6	140.71	98.08
		9,770.02	5,436.39
Current Liabilities			
Short-term borrowings	7	21,267.06	22,645.30
Trade payables	8	4,103.89	6,308.85
Other current liabilities	9	2,829.03	2,724.11
Short-term provisions	10	963.70	840.13
		29,163.68	32,518.39
	Total	57,031.64	52,559.93
<b>ASSETS</b>			
Non-current Assets			
Fixed Assets			
Tangible assets	11	19,287.22	12,433.17
Capital work-in-progress	11	364.95	1,236.78
Long term loans and advances	12	654.97	773.70
Investments	13	542.47	214.61
		20,849.61	14,658.26
Current Assets			
Inventories	14	15,060.60	13,739.69
Trade Receivables	15	14,985.02	18,794.49
Cash and cash equivalents	16	1,226.35	787.84
Short-term loans and advances	17	4,910.06	4,579.65
		36,182.03	37,901.67
	Total	57,031.64	52,559.93
Significant accounting policies	1		
Notes on Financial Statements	2 to 38		

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 : 23rd May 2015

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

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(ABHISHEK AGRAWAL)  
Company Secretary

(R.C.GARG)  
Director  
DIN NO. 00298129

(SANJAY BANSAL)  
C.F.O.



## STATEMENT OF PROFIT AND LOSS

(₹ in lacs)

PARTICULARS	Note No.	As on 31.03.2015	As on 31.03.2014
<b>Income</b>			
Revenue from operations (Gross)	18	117,030.55	107,792.72
Less: Excise Duty		10,916.37	10,250.07
Revenue from operations (Net)		106,114.18	97,542.65
Other Income	19	2,710.56	2,662.59
Total (I)		108,824.74	100,205.24
<b>Expenses</b>			
Cost of raw materials consumed	20	82,751.31	76,593.19
Purchase of Stock-in-Trade	21	60.14	128.61
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	(850.46)	(1,296.39)
Employee Benefit Expenses	23	3,818.65	3,434.55
Finance Cost	24	3,730.70	3,538.15
Depreciation & Amortization Expenses	25	1,130.77	756.13
Other Expenses	26	14,546.06	14,246.83
Total (II)		105,187.17	97,401.07
Profit before exceptional item & tax (I - II)		3,637.57	2,804.17
Income tax for previous year		(33.00)	2.27
Profit before tax		3,670.57	2,801.90
<b>Tax Expenses</b>			
Current Tax		765.65	770.21
Deferred Tax		258.45	260.26
MAT Credit Entitlement/ Tax Adjustment		(110.81)	-
Profit for the year		2,757.28	1,771.43

## EARNINGS PER EQUITY SHARE

[Nominal value per share ₹2/- (Previous Year: ₹2/-)]			
Basic and Diluted	30	13.16	9.46
Significant accounting policies	1		
Notes on Financial Statements	2 to 38		

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 : 23rd May 2015

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

(M.C.GARG)  
Director  
DIN NO. 00292437

(ABHISHEK AGRAWAL)  
Company Secretary

(R.C.GARG)  
Director  
DIN NO. 00298129

(SANJAY BANSAL)  
C.F.O.

# STANDALONE FINANCIAL STATEMENT



## CASH FLOW STATEMENT

DESCRIPTION		(₹ in lacs)	
		As on 31.03.2015	As on 31.03.2014
<b>A. Cash Flow from operation activities:</b>			
Net Profit before tax as per Profit & Loss Account		3,670.57	2,801.90
Adjustment for:		1,130.77	756.13
Depreciation		-	-
Pre-operative Expenses		4.16	4.03
Loss on Sale of Fixed Assets		3,730.70	3,538.15
Finance Cost		8,536.20	7,100.21
Operating Profit before working capital changes			
Adjustment for:			
Trade and Other Receivables		3,708.57	(1,315.16)
Inventories		(1,320.91)	(2,189.25)
Trade and Other Payables		(1,924.58)	2,117.75
Cash Generated from Operations		8,999.28	5,713.55
Taxes Paid		(765.65)	(770.21)
Net Cash Flow From Operating Activities	TOTAL (A)	8,233.63	4,943.34
<b>B. Cash flow from Investing Activities</b>			
Purchase of Fixed Assets		(7,157.23)	(2,776.78)
Sale of Fixed Assets		5.89	22.36
Purchase of Investments		(327.87)	-
Net Cash used in Investing Activities	TOTAL (B)	(7,479.21)	(2,754.42)
<b>C. Cash flow from Financing Activities</b>			
Proceeds from issue of Equity Shares & Warrants		1,169.63	1,029.88
Proceeds from Borrowing for working capital		(1,378.24)	737.12
Proceeds from Borrowing for Term Loan		3,926.95	(74.33)
Proceeds from Unsecured Loans		96.37	(140.03)
Interest Paid		(3,730.70)	(3,538.15)
Dividend Paid		(399.9)	(69.92)
Net Cash from Financing Activities	TOTAL (C)	(315.89)	(2,055.43)
Net increase in cash and cash equivalents	(A+B+C)	438.53	133.49
Opening Balance of Cash and cash equivalents		787.84	654.35
Closing Balance of Cash and cash equivalents		1,226.37	787.84

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 : 23rd May 2015

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

(M.C.GARG)  
Chairman  
DIN NO. 00292437  
(ABHISHEK AGRAWAL)  
Company Secretary

(R.C.GARG)  
Director  
DIN NO. 00298129  
(SANJAY BANSAL)  
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.R.G.C. Sheet / Coil, C.R.C.A. Sheet / Coil, Structures, Poles, Stainless / Mild / Alloy steel forgings & flanges, Bright Bars, ERW Tube & CDW Tubes, etc.

### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company follows the mercantile system of accounting and recognizes income and expenses on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 2013. The financial statements comply with the requirements of the accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

### 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 the valuers appointed for the purpose. As a result,

book value of such assets was increased by ₹242.29 Lacs which was credited to Capital Reserve. The remaining fixed Assets are stated at cost, net of modvat/cenvat/vat, less accumulated depreciation inclusive of freight, duties, taxes and incidental expenses. All cost, including financing cost till commencement of commercial production, net of charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

### D. DEPRECIATION AND AMORTISATION

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

### 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)

# STANDALONE FINANCIAL STATEMENT

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. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments such as forwards, swaps etc. to hedge its risks associated with foreign exchange fluctuations. The use of financial derivative instruments is governed by company's policies which provide for the use of such financial derivative consistent with the company's risk management strategy and not for speculative purposes.

Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard-11 "The effects of changes in foreign rates".

If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

## K. INVESTMENTS

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments.



## L. 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.

## M. LITIGATION

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions when ultimately concluded and determined will have a material and adverse affect on the Company's result of operations or financial condition.

## N. 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.



# STANDALONE FINANCIAL STATEMENT



## 2. SHARE CAPITAL AND SHARE WARRANT

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(a) 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 and Paid -up Capital		
Balance as per the last financial statements		
1,99,21,250 Equity Shares of ₹2/-each (Previous year	398.43	374.43
1,87,21,250 Equity Shares of ₹2/-each )		
Add: Addition during the year (20,85,000 Shares of ₹2/- each		
(Previous Year - 12,00,000 Shares of ₹2/- each)	41.70	24.00
Balance at the end of the year		
2,20,06,250 Equity Shares of ₹2/-each (Previous year	440.13	398.43
1,99,21,250 Equity Shares of ₹2/-each )		
(b) Share Warrant		
(Previous year 10,85,000 Convertible Share Warrants)	-	189.88
TOTAL:	440.13	588.31

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

The company has issued 10,85,000 Equity shares on 30.05.2014 against Convertible Share Warrants at the price of ₹70/- each at a premium of ₹68/- per share. The company also issued 10,00,000 Equity shares on 16.02.2015 against Convertible Share Warrants at the price of ₹60/- each at a premium of ₹58/- per share issued on 30.12.2014

(a) The reconciliation of number of shares outstanding is set out below:

DESCRIPTION	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Amount (₹ in lacs)	Number of Shares	Amount (₹ in lacs)
Equity shares				
Opening balance	19,921,250	398.43	18,721,250	374.43
Issued during the year	2,085,000	41.70	1,200,000	24.00
Closing balance	22,006,250	440.13	19,921,250	398.43

(b) The details of shareholders holding more than 5% shares:

Name of Shareholder		As on	As on
		31.03.2015	31.03.2014
Venus Insec PVT Ltd.	No. of Shares	2285000	1200000
	% held	10.38	6.02
Mr. Nitin Garg	No. of Shares	1486750	1486750
	% held	6.76	7.46

## 3. RESERVES AND SURPLUS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Revaluation Reserve		
Balance as per the last financial statements	-	6.00
Less: Amount t/d. to the Statement of Profit & Loss		
as reduction from Depreciation	-	6.00
Closing Balance	-	-
Securities Premium Reserve		
Balance as per the last financial statements	1,271.13	455.13
Add: Addition during the year	1,317.80	816.00
Closing Balance	2,588.93	1,271.13
General Reserve		
Balance as per the last financial statements	2,296.64	1,996.64
Less: Depreciation on fixed assets (as per note no. 35 )		
		300.00
Add : Amount transferred from Surplus balance in the	500.00	2,296.64
statement of Profit & Loss	2,762.44	
Closing Balance		
Surplus in the statement of Profit & Loss		
Balance as per the last financial statements	10,449.07	9,047.56
Add: Profit for the year	2,757.28	1,771.43
Amount available for appropriation	13,206.35	10,818.99
Less: Appropriations:		
Interim dividend	165.05	-
Proposed final dividend	165.05	59.76
Dividend for the previous year	3.26	-
Corporate dividend tax	66.55	10.16
Amount transferred to General Reserve	500.00	300.00
Closing Balance	12,306.44	10,449.07
TOTAL:	17,657.81	14,016.84

During the year the company has paid interim dividend of ₹0.75 (Previous Year- Nil) per equity share of par value of ₹2/- each for the financial year 2014-15. Further the company has proposed final dividend of ₹0.75 (previous year ₹0.30) per equity share of par value ₹2/- each for the year 2014-15. Thus the total dividend (including interim dividend) for the financial year 2014-15 is ₹1.50 (previous year Rs. 0.30 ) per equity share of par value ₹2/- Each.

# STANDALONE FINANCIAL STATEMENT



## 4. LONG-TERM BORROWINGS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Secured Term Loans:		
From Axis Bank Ltd.	3,786.48	2,739.09
From State Bank of India	2.88	191.00
From HDFC Bank	3,076.92	-
Unsecured Loans:		
From Related Parties	1,058.46	548.53
From Others	-	413.57
Net Amount	7,924.74	3,892.19

Term loan are secured by way of first charge on fixed assets of the Company located at A-45, A-42, A-51 & A-59 Industrial Area, Sikandrabad, Distt. Bulandshahr and Plot No. 2839 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 and their relatives.

Maturity Profile of secured term loans are as set out below:	₹ in lacs
1-2 Years	1,342.28
2-3 Years	1,400.00
3-4 Years	1,550.00
Beyond 4 years	2,574.00

## 5. DEFERRED TAX LIABILITY (NET)

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Deferred Tax Liability		
Related to Fixed Assets	1,752.27	1,483.23
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	(47.70)	(37.11)
TOTAL:	1,704.57	1,446.12

## 6. LONG-TERM PROVISIONS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Provision for Employees Benefits		
Provision for Gratuity / Leave Benefits	140.71	98.08
TOTAL:	140.71	98.08

## 7. SHORT TERM BORROWINGS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Secured Loans:		
From Banks (Working Capital Loan )	21,120.67	22,498.91
From Others	146.39	146.39
TOTAL:	21,267.06	22,645.30

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

## 8. TRADE PAYABLES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Trade creditors	4,103.89	6,308.85
TOTAL:	4,103.89	6,308.85

## 9. OTHER CURRENT LIABILITIES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Current maturities of long-term debt (Refer Note No. 4)	1,805.38	1,814.62
Unclaimed Dividends	16.38	12.86
Creditors for Capital Expenditure	175.19	66.08
Other Payables	832.08	830.55
(Includes statutory dues, Provisions and advance recd.)		
TOTAL:	2,829.03	2,724.11

## 10. SHORT-TERM PROVISIONS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Proposed Dividend*	165.05	59.76
Provision for:		
Tax on Dividend	33.00	10.16
Current Taxes	765.65	770.21
TOTAL:	963.70	840.13

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

# STANDALONE FINANCIAL STATEMENT



## 11. FIXED ASSETS

S.No.	DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK						
		As on 01.04.2014	Additions 2014-15	Adjustments 2014-15	Total as on 31.03.2015	Uplo 01.04.2014	For the year 2014-15	On assets of which life expired before 01/04/2014	Adjustments 2014-15	Total uplo 31.03.2015	As on 31.03.2015	As on 31.03.2014
1	Land (Leasehold)	722.49	-	-	722.49	-	-	-	-	-	722.49	722.49
2	Land (Freehold)	330.40	16.97	-	347.37	-	-	-	-	-	347.37	330.40
3	Factory Building	2,735.76	1,434.18	-	4,169.94	473.62	98.02	-	-	571.64	3,598.30	2,262.14
4	Office Building	46.96	-	-	46.96	6.48	0.73	-	-	7.21	39.75	40.48
5	Residential Flat	28.52	-	-	28.52	1.51	0.45	-	-	1.96	26.56	27.01
6	Furniture & Fixtures	111.42	5.74	-	117.16	44.99	14.53	-	-	59.52	57.64	66.42
7	Plant & Machinery	11,895.08	6,439.83	-	18,334.91	3,442.62	887.68	-	-	4,330.30	14,004.61	8,452.46
8	Office Equipments	246.97	50.67	-	299.64	133.30	39.70	34.20	-	207.20	92.44	115.67
9	Vehicles	712.17	81.67	15.86	777.98	296.07	89.66	-	5.82	379.91	398.07	416.11
		16,831.77	8,029.06	15.86	24,844.97	4,398.60	1,130.77	34.20	5.82	5,557.74	19,287.23	12,433.17
	Capital Work in Progress	1,236.78	11,929.12	-	13,165.90	-	-	-	-	-	364.95	1,236.78
	Total	18,068.55	19,968.18	12,816.81	25,209.92	4,398.60	1,130.77	34.20	5.82	5,557.74	19,652.17	13,669.96
	Previous Year	15,326.05	2,799.50	57.00	18,068.55	3,644.37	762.12	-	7.90	4,398.60	13,669.96	11,681.21

## 12. LONG TERM LOANS & ADVANCES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(Unsecured, Considered good unless stated otherwise)		
Capital Advances	421.82	543.37
Security Deposits	233.15	230.33
TOTAL:	654.97	773.70

## 13. INVESTMENTS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
In Equity Shares - Unquoted, fully paid up Equity Shares of Subsidiary Company 23,84,500 shares of Rs. 10/- each of Masterji Metalloys Pvt. Ltd. (Previous Year 10,73,025 shares of Rs. 10/- each of Masterji Metalloys Pvt. Ltd.)	542.47	214.61
TOTAL:	542.47	214.61

## 14. INVENTORIES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(As taken, valued and certified by the management) (At lower of cost and net realizable value unless stated otherwise)		
Raw Materials	6,279.73	6,012.45
Work-in-progress	1,051.93	819.76
Finished Goods	6,944.89	6,326.61
Stores, Spares & Packing Materials	784.05	580.87
TOTAL:	15,060.60	13,739.69

## 15. TRADE RECEIVABLES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(Unsecured, Considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the date, they are due for payment	1,366.23	1,301.65
Others	13,618.79	17,492.84
TOTAL:	14,985.02	18,794.49

# STANDALONE FINANCIAL STATEMENT



## 16. CASH AND BANK BALANCES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Cash in hand	35.59	47.16
In current and deposit accounts	1,190.76	740.68
<b>TOTAL:</b>	<b>1,226.35</b>	<b>787.84</b>
Balances with banks in unclaimed dividend accounts	16.38	12.86
Balances with banks held as margin money deposits against bank guarantees/ LCs / tenders	1,027.15	425.76

Cash and bank balances as on 31st March 2015 and 31st March 2014 include restricted cash and bank balances of ₹1043.53 Lacs and ₹438.62 Lacs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against bank guarantees/ letter of credit and unclaimed dividends.

## 17. SHORT TERM LOANS & ADVANCES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received	903.12	772.30
Security Deposits	10.77	13.82
Mark-to-market gain on forward	438.67	251.55
Other Loans and advances:		
Prepaid Income Tax	654.62	712.05
Prepaid Expenses	128.03	149.95
Balances with statutory / government authorities	2,664.04	2,679.98
MAT Credit Entitlement	110.81	-
<b>TOTAL:</b>	<b>4,910.06</b>	<b>4,579.65</b>

## 18. REVENUE FROM OPERATIONS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Gross Sales	117,023.55	107,789.46
Less: Excise Duty	10,916.37	10,250.07
Net Sales	106,107.18	97,539.39
Job Work	7.00	3.26
<b>TOTAL:</b>	<b>106,114.18</b>	<b>97,542.65</b>

## 19. OTHER INCOME

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Export Benefits	1,335.12	2,062.75
Interest Income	161.17	107.26
Exchange Fluctuation	1,197.61	492.58
Other Income	16.66	-
<b>TOTAL:</b>	<b>2,710.56</b>	<b>2,662.59</b>

## 20. COST OF RAW MATERIAL CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Inventory at the beginning of the year	6,012.45	5,170.54
Add: Purchases	83,018.59	77,435.10
	89,031.04	82,605.64
Less: Inventory at the end of the year	6,279.73	6,012.45
<b>Cost of raw material consumed</b>	<b>82,751.31</b>	<b>76,593.19</b>

## 20.1 COST OF RAW MATERIAL CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Imported	-	-
Imported (% of consumption)	0.00%	0.00%
Indigenous	82,751.31	76,593.19
Indigenous (% of consumption)	100.00%	100.00%
<b>TOTAL:</b>	<b>82,751.31</b>	<b>76,593.19</b>

## 20.2 DETAILS OF RAW MATERIAL CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
H.R. Coils / Strips / Skelp	58,685.89	53,405.42
Steel Ingots & Blooms	12,501.08	13,517.38
Others	11,564.34	9,670.39
<b>TOTAL:</b>	<b>82,751.31</b>	<b>76,593.19</b>

## 21. PURCHASE OF STOCK-IN-TRADE

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Purchases of Stock-in-trade	60.14	128.61
<b>TOTAL:</b>	<b>60.14</b>	<b>128.61</b>

# STANDALONE FINANCIAL STATEMENT



## 22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK -IN-PROCESS AND STOCK-IN-TRADE

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Inventories at the beginning of the year	819.76	557.63
Work-in-progress	6,326.61	5,292.35
Finished goods / Stock-in-Trade	7,146.37	5,849.98
		-
Inventories at the end of the year	1,051.93	819.76
Work-in-progress	6,944.89	6,326.61
Finished goods / Stock-in-Trade	7,996.82	7,146.37
TOTAL:	(850.46)	1,296.39)

## 23. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Salaries, Wages & Bonus	3,594.70	3,198.62
Contribution to provident and other fund	175.60	157.88
Staff Welfare Expenses	48.35	78.05
TOTAL:	3,818.65	3,434.55

## 24. FINANCE COST

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Interest on borrowings	3,264.53	3,238.30
Bank Commission & Charges	466.17	299.85
TOTAL:	3,730.70	3,538.15

## 25. DEPRECIATION & AMORTIZATION EXPENSES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Depreciation	1,130.77	762.13
Less: Transferred from Revaluation Reserve	-	6.00
TOTAL:	1,130.77	756.13

Notes on Financial Statement for the year ended 31st March, 2015 Good Luck Steel Tubes Limited

## 26. OTHER EXPENSES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Consumption of stores and spares	4,142.52	3,954.56
Power & Fuel Expenses	2,692.18	2,526.56
Processing Charges	1,087.73	666.40
Repairs & Maintenance :		
Plant & Machinery	327.86	392.07
Others	77.48	98.09
Freight & Forwarding	3,668.91	4,058.20
Advertisement	25.24	34.85
Commission & Other Exp	461.74	505.31
Selling & Sales Promotion	29.01	26.77
Rebate & Discount	532.96	394.14
Packing Materials	589.60	624.92
Printing & Stationery	35.67	27.85
Postage, Telegram & Telephone	72.90	72.91
Travelling and Conveyance	474.00	452.07
Legal & Professional Expenses	72.45	71.46
Audit Fees	3.00	2.50
Insurance	62.29	48.78
Rates, Taxes & Fees	78.99	147.20
Donation	13.68	62.78
Miscellaneous Expenses	93.69	75.38
Loss on Sale of Fixed Assets	4.16	4.03
TOTAL:	14,546.06	14,246.83

## 26.1. VALUE OF STORES & SPARES CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Imported	20.27	1.70
Imported (% of consumption)	0.49%	0.04%
Indigenous	4,122.25	3,952.86
Indigenous (% of consumption)	99.51%	99.96%
TOTAL:	4,142.52	3,954.56

## 27. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Stores & Spares	20.27	1.70
Capital goods	17.59	62.32
TOTAL:	37.86	64.02

# STANDALONE FINANCIAL STATEMENT

## 28. PAYMENT TO AUDITORS AS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Auditors		
Statutory Audit Fees	2.50	2.00
Tax Audit Fees	0.50	0.25
Certificate and Consultation Fees	0.41	0.25
TOTAL:	3.41	2.50

## 29. EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Foreign Bank Charges	29.26	42.77
Tours & Travelling	65.50	59.09
Advertisement & Subscription	20.38	21.26
Commission & Export Expenses	397.69	416.04

## 30. EARNING PER SHARE

(₹ in lacs)

	As on 31.03.2015	As on 31.03.2014
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)	2,757.28	1,771.43
Weighted average No. of Equity Shares	20948442	18734401
Basic and Diluted Earning per share (₹)	13.16	9.46
Face value per equity share (₹)	2.00	2.00

## 31. EARNING IN FOREIGN CURRENCY

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
FOB Value of Exports	32,166.42	36,205.65

## 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:

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
No. of Non-Resident Shareholders	12	12
No. of Equity Shares held by them	152500	152500
1. Amount of final dividend	0.46	0.61
Year to which final dividend relates	2013-14	2012-13
2. Amount of interim dividend	1.14	-
Year to which interim dividend relates	2014-15	-



## 33. RELATED PARTY DISCLOSURES:

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

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

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

(ii) Transactions during the year with related parties:

Nature of Transactions	Subsidiary	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
Loans Taken:					
Current Year		-	-	1,824.07	1,824.07
Previous Year	-	9.50	271.15	411.40	692.05
Loans Repaid:					
Current Year		26.50	-	1,291.37	1,317.87
Previous Year	-	3.00	277.40	22.00	302.40
Interest Paid:					
Current Year		-	-	80.17	80.17
Previous Year	-	-	-	2.41	2.41
Remuneration Paid:					
Current Year		99.60	62.40		162.00
Previous Year	-	88.80	55.20		144.00
Processing Charges					
Current Year	501.15	-	-	-	501.15
Previous Year	121.22	-	-	-	121.22
Goods sold:					
Current Year	2,109.13	-	-		2,109.13
Previous Year	2,142.50	-	-		2,142.50

# STANDALONE FINANCIAL STATEMENT



## 34. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Contingent Liabilities		
1. Outstanding bank guarantees issued by the banks Counter guaranteed by the Company	535.44	668.19
2. Bills discounted with Banks	2,244.35	1,642.85
3. Disputed demand under Central Excise	130.86	119.63
Commitments		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	625.52	6,274.00

## 35. DEPRICIATION

(i) Consequent to the enactment of the Companies Act 2013 (the Act) and its applicability for accounting period commencing after 1st April, 2014, the Company has reviewed and revised the estimated useful lives of its fixed assets in accordance with the provisions of the schedule II of the Act. Therefore, the depreciation charged for the year ended 31st March, 2015 is higher by ₹180.47 Lacs.

(ii) In respect of assets of which useful life has expired before 1st April, 2014 depreciation of Rs. 34.20 lakh has been set off out of brought forward General Reserve of the company in pursuance to the amendment in Schedule II of the Companies Act, 2013.

## 36. FINANCIAL AND DERIVATIVE INSTRUMENTS

The Company has entered into the following derivative instruments. All the swaps and forward contracts are accounted for as per accounting policies stated in Note "J" annexed to the balance sheet and statement of profit and loss.

(1) The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the company's strategy approved by the board of director which provide principles on the use of such forward contracts consistent with the company's risk management policy. The company does not use forward contract for speculative purposes.

Particulars of outstanding Short term forward exchange contracts entered into by the company on account of receivables including forecast receivables :

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
No. of Contracts	113	64
US Dollar equivalent	15,887,459	10,361,155
INR equivalent	9,944.09	6,206.03

(2) The Company also uses derivative currency interest rate swap contracts other than forward contract on its capital account. Such transactions are governed by the company's strategy approved by the board of directors which provide principles on the use of these instruments consistent with the company's risk management policy. The company does not use these contracts for speculative purposes.

Particulars of outstanding interest currency rate swap contracts :

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
No. of Contracts	4	
US Dollar equivalent	3,597,326.55	-
INR equivalent	2,251.60	-

## 37. SEGMENT INFORMATION

### A. Business Segments

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

Notes on Consolidated Financial Statement for the year ended 31st March, 2015

### The segments are further described below:

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

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

### INFORMATION ABOUT BUSINESS SEGMENTS

Segment Revenue, Results, Assets & Liabilities

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Segment Revenue		
a) Pipe/ Auto Tubes/Sheet/Structure		
- External	90,067.15	81,021.73
- Inter-segment	-	0.60
- Total	90,067.15	81,022.33
b) Engineering goods		
- External	18,579.76	19,076.24
- Inter-segment	0.51	192.08
- Total	18,580.27	19,268.32
Total Segment Revenue	108,647.42	100,290.65
Less: Inter Segment Revenue	0.51	192.68
Net Sales / Income from Operations	108,646.91	100,097.97
Add: Unallocable Revenue	177.83	107.26
Total Revenue	108,824.74	100,205.23

(₹ in lacs)

	As on 31.03.2015	As on 31.03.2014
Segment Results		
Profit before interest and tax from each segment		
a) Pipe/ Auto Tubes/Sheet/Structure	6,071.70	5,140.31
b) Engineering goods	1,118.74	1,094.75
Total Segment Results	7,190.44	6,235.06
Add: Unallocable Income	177.83	107.26
Less: Finance cost	3,730.70	3,538.15
Less: Other unallocable expenses	(33.00)	2.27
Profit before tax	3,670.57	2,801.90
Less: Provision for taxes	913.29	1,030.47
Profit after tax	2,757.28	1,771.43

# STANDALONE FINANCIAL STATEMENT

Notes on Consolidated Financial Statement

## OTHER INFORMATION

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(₹ in lacs)		
Segment Assets		
a) Pipe/ Auto Tubes/Sheet/Structure	43,939.90	39,023.74
b) Engineering goods	12,064.58	13,110.40
Total	56,004.48	52,134.14
Add: Unallocable Assets	1,027.15	425.76
Total Assets	57,031.63	52,559.90
Segment Liabilities		
a) Pipe/ Auto Tubes/Sheet/Structure	2,042.85	3,417.06
b) Engineering goods	3,423.44	3,969.28
Total	5,466.29	7,386.34
Add: Unallocable Liabilities	765.65	770.21
Total Liabilities	6,231.94	8,156.55
Capital Expenditure		
a) Pipe/ Auto Tubes/Sheet/Structure	6,852.52	2,582.86
b) Engineering goods	288.86	159.64
Total	7,141.38	2,742.50
Depreciation		
a) Pipe/ Auto Tubes/Sheet/Structure	854.65	567.98
b) Engineering goods	276.12	188.14
Total	1,130.77	756.12
Non Cash Expenses other than Depreciation		
a) Pipe/ Auto Tubes/Sheet/Structure	-	-
b) Engineering goods	-	-
Total	-	-
B. Geographical Segments		
Revenue		
- Within India	76,153.17	62,902.37
- Outside India	32,671.57	37,302.87
Total Revenue	108,824.74	100,205.24

### 38. THE PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED / RECLASSIFIED / REARRANGED, WHEREVER NECESSARY TO CONFIRM TO THE CURRENT YEAR PRESENTATION.

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 : 23rd May 2015

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

(M.C.GARG)  
Chairman  
DIN NO. 00292437  
(ABHISHEK AGRAWAL)  
Company Secretary

(R.C.GARG)  
Director  
DIN NO. 00298129  
(SANJAY BANSAL)  
C.F.O.

# CONSOLIDATED FINANCIAL STATEMENT

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GOOD LUCK STEEL TUBES LTD

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Good Luck Steel Tubes Limited and its subsidiary ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



# CONSOLIDATED FINANCIAL STATEMENT



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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

**1.** As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

**2.** As required by section 143(3) of the Act, we report that:

**A.** We have sought and 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 it appears from our examination of those books.

**c.** The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

**d.** In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

**e.** On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

**f.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

**(i)** The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2015;

**(ii)** The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

**(iii)** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.

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

**(S. AGARWAL)  
Partner  
M.NO. 072907  
Place : GHAZIABAD  
Date : 23rd May 2015**

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report of even date on accounts for the year ended 31st March, 2015 of Good Luck Steel Tubes Limited :

**1.** In respect of fixed assets of the Company:

**(a)** The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

**(b)** The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

**2.** In respect of the inventories of the Company:

**(a)** As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

**(b)** In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

**(c)** In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

**3.** As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in

the register maintained under section 189 of the Act.

**4.** In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

**5.** In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public and does not have any unclaimed deposits.

**6.** The Central Government has prescribed maintenance of cost records under section 148(1) of the Act in respect of the products of the Company. We have broadly reviewed the books of account and records maintained by the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

**7.** According to the information and explanations given to us, in respect of statutory dues:

**(a)** The Company has been generally regular in depositing statutory dues including provident fund, employees' state insurance, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with appropriate authorities.

**(b)** There were no undisputed amounts payable in respect of provident fund, employees' state insurance, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess

# CONSOLIDATED FINANCIAL STATEMENT



and any other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Central excise which has not been deposited as at 31st March 2015 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount (In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	108.36	F.Y. 2006-07	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.36	F.Y. 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	10.91	F.Y. 2009-10	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.7	F.Y. 2009-10	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	1.22	F.Y. 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Custom Duty	4.98	F.Y. 2010-11	Commissioner (Appeals) Custom, Excise and Service Tax
Central Excise Act	Excise Duty	2.02	F.Y. 2011-12	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.61	F.Y. 2013-14	Commissioner (Appeals) Custom, Excise and Service Tax
Central Excise Act	Excise Duty	1.7	F.Y. 2014-15	Commissioner (Appeals) Custom, Excise and Service Tax

(d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under within time.

8. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by the audit and the immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee

for loans taken by others from banks or financial institutions.

11. Based on the examination of the records and information and explanations given to us, the Company has utilized term loans only for the purpose they are raised.

12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**(S. AGARWAL)  
Partner  
M.NO. 072907  
Place : GHAZIABAD  
Date : 23rd May 2015**

## CONSOLIDATED BALANCE SHEET

(₹ in lacs)

PARTICULARS	Note No.	As on 31.03.2015	As on 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Fund			
Share Capital	2 (a)	440.13	398.43
Reserves and Surplus	3	17,866.77	14,016.84
Money received against Share Warrant	2 (b)	-	189.88
		18,306.90	14,605.15
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	7,944.74	3,892.19
Deferred tax liabilities (Net)	5	1,755.91	1,446.12
Long term provisions	6	140.71	98.08
		9,841.36	5,436.39
<b>Current Liabilities</b>			
Short-term borrowings	7	21,759.12	22,645.30
Trade payables	8	4,346.91	6,308.85
Other current liabilities	9	2,853.29	2,724.11
Short-term provisions	10	972.20	840.13
		29,931.52	32,518.39
	Total	58,079.78	52,559.93
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible assets	11	20,160.82	12,433.17
Capital work-in-progress	11	404.43	1,236.78
Goodwill on Consolidation		304.02	-
Long term loans and advances	12	786.36	773.70
Investment	13	-	214.61
		21,655.63	14,658.26
<b>Current Assets</b>			
Inventories	14	15,256.92	13,739.69
Trade Receivables	15	14,853.75	18,794.49
Cash and cash equivalents	16	1,265.80	787.84
Short-term loans and advances	17	5,047.68	4,579.65
		36,424.15	37,901.67
	Total	58,079.78	52,559.93
Significant accounting policies on consolidated accounts	1		
Notes on Consolidated Financial Statements	2 to 42		

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

Accountants  
Firm Registration No. 007171C  
(S. AGRAWAL)  
Partner  
M.No. 072907  
Place : Ghaziabad  
Date : 23rd May 2015

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

(M.C. GARG)  
Chairman  
DIN NO. 00292437  
(ABHISHEK AGRAWAL)  
Company Secretary

(R.C. GARG)  
Director  
DIN NO. 00298129  
(SANJAY BANSAL)  
C.F.O.

# CONSOLIDATED FINANCIAL STATEMENT



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in lacs)

PARTICULARS	Note No.	As on 31.03.2015	As on 31.03.2014
Income			
Revenue from operations (Gross)	18	118,688.69	107,792.72
Less: Excise Duty		11,098.90	10,250.07
Revenue from operations (Net)		107,589.79	97,542.65
Other Income	19	2,718.78	2,662.59
Total (I)		110,308.57	100,205.24
Expenses			
Cost of raw materials consumed	20	83,678.45	76,593.19
Purchase of Stock-in-Trade	21	60.14	128.61
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	(871.29)	(1,296.39)
Employee Benefit Expenses	23	3,909.03	3,434.55
Finance Cost	24	3,790.02	3,538.15
Depreciation & Amortization Expenses	25	1,167.94	756.13
Other Expenses	26	14,891.96	14,246.83
Total (II)		106,626.25	97,401.07
Profit before exceptional item & tax (I - II)		3,682.32	2,804.17
Income tax for previous year		(33.00)	2.27
Profit before tax		3,715.32	2,801.90
Tax Expenses			
Current Tax		774.15	770.21
Deferred Tax		268.55	260.26
MAT Credit Entitlement/ Tax Adjustment		(114.96)	-
Profit for the year		2,787.58	1,771.43
EARNINGS PER EQUITY SHARE [Nominal value per share ₹2/- (Previous Year: ₹2/-)]			
Basic and Diluted	32	13.31	9.46
Significant accounting policies on consolidated accounts	1		
Notes on Consolidated Financial Statements	2 to 42		

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 : 23rd May 2015

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

(M.C.GARG)  
Chairman  
DIN NO. 00292437  
(ABHISHEK AGRAWAL)  
Company Secretary

(R.C.GARG)  
Director  
DIN NO. 00298129  
(SANJAY BANSAL)  
C.F.O.

## CONSOLIDATED CASH FLOW STATEMENT

(₹ in lacs)

DESCRIPTION		As on 1.03.2015	As on 31.03.2014
A. Cash Flow from operation activities:			
Net Profit before tax as per Profit & Loss Account		3,715.32	2,801.90
Adjustment for:			
Depreciation		1,167.94	756.13
Pre-operative Expenses		-	-
Loss on Sale of Fixed Assets		3.81	4.03
Finance Cost		3,790.02	3,538.15
Operating Profit before working capital changes		8,677.09	7,100.21
Adjustment for:			
Trade and Other Receivables		3,580.06	(1,315.16)
Inventories		(1,403.30)	(2,189.25)
Trade and Other Payables		(1,827.24)	2,117.75
Cash Generated from Operations		9,026.61	5,713.55
Taxes Paid		(774.15)	(770.21)
Net Cash Flow From Operating Activities	TOTAL (A)	8,252.46	4,943.34
B. Cash flow from Investing Activities			
Purchase of Fixed Assets		(7,196.04)	(2,776.78)
Sale of Fixed Assets		13.68	22.36
Purchase of Investments		(327.87)	-
Net Cash used in Investing Activities	TOTAL (B)	(7,510.23)	(2,754.42)
C. Cash flow from Financing Activities			
Proceeds from issue of Equity Shares & Warrants		1,169.63	1,029.88
Proceeds from Borrowing for working capital		(1,385.11)	737.12
Proceeds from Borrowing for Term Loan		3,926.95	(74.33)
Proceeds from Unsecured Loans		116.37	(140.03)
Interest Paid		(3,790.02)	(3,538.15)
Dividend Paid		(399.90)	(69.92)
Net Cash from Financing Activities	TOTAL (C)	(362.08)	(2,055.43)
Net increase in cash and cash Equivalents	(A+B+C)	380.14	133.49
Opening Balance of Cash and cash equivalents		885.66	654.35
Closing Balance of Cash and cash equivalents		1,265.80	787.84

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

Place : Ghaziabad  
Date : 23rd May 2015

(M.C.GARG)  
Chairman  
DIN NO. 00292437

(ABHISHEK AGRAWAL)  
Company Secretary

(R.C.GARG)  
Director  
DIN NO. 00298129  
(SANJAY BANSAL)  
C.F.O.

## Notes on Consolidated Financial Statement

### SIGNIFICANT ACCOUNTING POLICIES

#### COMPANY OVERVIEW

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

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

The Company follows the mercantile system of accounting and recognizes income and expenses on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 2013. The financial statements comply with the requirements of the accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

#### 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 the valuers appointed for the purpose. As a result, book value of such assets was increased by ₹242.29 Lacs which was credited to

Capital Reserve. The remaining fixed Assets are stated at cost, net of modvat/cenvat/vat, less accumulated depreciation inclusive of freight, duties, taxes and incidental expenses. All cost, including financing cost till commencement of commercial production, net of charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

#### D. DEPRECIATION AND AMORTISATION

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

#### 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. Derivative Financial Instruments

The Company uses derivative financial instruments such as forwards, swaps etc. to hedge its risks associated with foreign exchange fluctuations. The use of financial derivative instruments is governed by company's policies which provide for the use of such financial derivative consistent with the company's risk management strategy and not for speculative purposes.

Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard-11 "The effects of changes in foreign rates".

If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

# CONSOLIDATED FINANCIAL STATEMENT



## K. INVESTMENTS

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments.

## L. 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.

## M. LITIGATION

The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions when ultimately concluded and determined will have a material and adverse affect on the Company's result of operations or financial condition.

## N. 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.

## 2. SHARE CAPITAL AND SHARE WARRANT

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(a) 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 and Paid -up Capital		
Balance as per the last financial statements		
1,99,21,250 Equity Shares of ₹2/-each (Previous year	398.43	374.43
1,87,21,250 Equity Shares of ₹2/-each )		
Add: Addition during the year (20,85,000 Shares of ₹2/- each		
(Previous Year - 12,00,000 Shares of ₹2/- each)	41.70	24.00
Balance at the end of the year		
2,20,06,250 Equity Shares of ₹2/-each (Previous year	440.13	398.43
1,99,21,250 Equity Shares of ₹2/-each )		
(b) Share Warrant		
(Previous year 10,85,000 Convertible Share Warrants)	-	189.88
TOTAL:	440.13	588.31

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

The company has issued 10,85,000 Equity shares on 30.05.2014 against Convertible Share Warrants at the price of ₹70/- each at a premium of ₹68/- per share. The company also issued 10,00,000 Equity shares on 16.02.2015 against Convertible Share Warrants at the price of ₹60/- each at a premium of ₹58/- per share issued on 30.12.2014

### (A) THE RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

DESCRIPTION	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Amount (₹ in lacs)	Number of Shares	Amount (₹ in lacs)
Equity shares				
Opening balance	19,921,250	398.43	18,721,250	374.43
Issued during the year	2,085,000	41.70	1,200,000	24.00
Closing balance	22,006,250	440.13	19,921,250	398.43

### (B) THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES:

Name of Shareholder		As on 31.03.2015	As on 31.03.2014
Venus Insec PVT Ltd.	No. of Shares	2285000	1200000
	% held	10.38	6.02
Mr. Nitin Garg	No. of Shares	1486750	1486750
	% held	6.76	7.46

# CONSOLIDATED FINANCIAL STATEMENT



### 3. RESERVES AND SURPLUS

(₹ in lacs)

DESCRIPTION	As on 1.03.2015	As on 31.03.2014
Revaluation Reserve		
Balance as per the last financial statements	-	6.00
Less: Amount tfd. to the Statement of Profit & Loss as reduction from Depreciation	-	6.00
Closing Balance	-	-
Securities Premium Reserve		
Balance as per the last financial statements	1,333.63	455.13
Add: Addition during the year	1,317.80	816.00
Closing Balance	2,651.43	1,271.13
General Reserve		
Balance as per the last financial statements	2,296.64	1,996.64
Less: Depreciation on fixed assests (as per note no. 35 )	34.89	-
Add : Amount transferred from Surplus balance in the statement of Profit & Loss	500.00	300.00
Closing Balance	2,761.75	2,296.64
Surplus in the statement of Profit & Loss		
Balance as per the last financial statements	10,565.91	9,047.56
Add: Profit for the year	2,787.58	1,771.43
Amount available for appropriation	13,353.50	10,818.99
Less: Appropriations:		
Interim dividend	165.05	-
Proposed final dividend	165.05	59.76
Dividend for the previous year	3.26	-
Corporate dividend tax	66.55	10.16
Amount transferred to General Reserve	500.00	300.00
Closing Balance	12,453.59	10,449.07
TOTAL:	17,866.77	14,016.84

During the year the company has paid interim dividend of ₹0.75 (Previous Year- Nil) per equity share of par value of ₹2/- each for the financial year 2014-15. Further the company has proposed final dividend of ₹0.75 (previous year ₹0.30 ) per equity share of par value ₹2/- each for the year 2014-15. Thus the total dividend (including interim dividend) for the financial year 2014-15 is ₹1.50 (previous year Rs. 0.30 ) per equity share of par value ₹2/- Each.

### 4. LONG-TERM BORROWINGS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Secured Term Loans:		
From Axis Bank Ltd.	3,786.48	2,739.09
From State Bank of India	2.88	191.00
From HDFC Bank	3,076.92	-
Unsecured Loans:		
From Related Parties	1,078.46	548.53
From Others	-	413.57
Net Amount	7,944.74	3,892.19

Term loan are secured by way of first charge on fixed assets of the Company located at A-45, A-42 , A-51 & A-59 Industrial Area, Sikandrabad, Distt. Bulandshahr and Plot No. 2839 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 and their relatives.

Maturity Profile of secured term loans are as set out below:	₹ in Lacs
1-2 Years	1,342.28
2-3 Years	1,400.00
3-4 Years	1,550.00
Beyond 4 years	2,574.00

### 5. DEFERRED TAX LIABILITY (NET)

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Deferred Tax Liability Related to Fixed Assets	1,803.61	1,483.23
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	(47.70)	(37.11)
TOTAL:	1,755.91	1,446.12

Notes on Consolidated Financial Statement for the year ended 31st March, 2015

### 6. LONG-TERM PROVISIONS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Provision for Employees Benefits		
Provision for Gratuity / Leave Benefits	140.71	98.08
TOTAL:	140.71	98.08

# CONSOLIDATED FINANCIAL STATEMENT



## 7. SHORT TERM BORROWINGS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Secured Loans:		
From Banks (Working Capital Loan )	21,612.73	22,498.91
From Others	146.39	146.39
<b>TOTAL</b>	<b>21,759.12</b>	<b>22,645.30</b>

Working capital limits from Banks comprising of Cash credit Limits / Export credit Limits / Bills discounted are secured by first charge on entire current assets of the Company including stocks of raw-materials, work-in-progress, stock lying in godown and ports, finished goods and book debts both present & future. Working capital limits from Banks are further secured by way of second charge on entire fixed assets of the Company, equitable mortgage of two immovable properties belonging to the directors of the Company and their relatives, situated at Plot No. II -F - 166 & II - F-167, Nehru Nagar, Ambedkar Road, Ghaziabad and personal guarantee of the directors of the Company and their relatives. Loan from Others are secured by way of pledge of Key Men Life insurance policies of the company. Overdraft facilities in Masterji Metalloys Pvt Ltd are secured by equitable mortgage over the property situated at D-2 & D-3 Gopalpur, Industrial Area, Sikandrabad, Distt. Bulandshahr; Khata No. 5, Gata No. 17, Village Rajarampur Pargana & Tehsil Sikandarabad; Khata No. 75, Gata No. 9, Village Rajarampur Pargana & Tehsil Sikandarabad and Khata No. 73, Gata No. 18, Village Rajarampur Pargana & Tehsil Sikandarabad. Overdraft limits in Masterji Metalloys Pvt Ltd are further secured by personal guarantee of the directors and corporate guarantee of Shri Jee Housing Pvt. Ltd.

## 8. TRADE PAYABLES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Trade creditors	4,346.91	6,308.85
<b>TOTAL:</b>	<b>4,346.91</b>	<b>6,308.85</b>

## 9. OTHER CURRENT LIABILITIES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Current maturities of long-term debt (Refer Note No. 4)	1,805.38	1,814.62
Unclaimed Dividends	16.38	12.86
Creditors for Capital Expenditure	175.19	66.08
Other Payables (Includes statutory dues, Provisions and advance recd.)	856.34	830.55
<b>TOTAL:</b>	<b>2,853.29</b>	<b>2,724.11</b>

## 10. SHORT-TERM PROVISIONS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Proposed Dividend*	165.05	59.76
Provision for:		
Tax on Dividend	33.00	10.16
Current Taxes	774.15	770.21
<b>TOTAL:</b>	<b>972.20</b>	<b>840.13</b>

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

## 11. FIXED ASSETS

S.No.	DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		As on 01.04.2014	As on 31.03.2015	Up to 01.04.2014	For the year 2014-15	As on 31.03.2015	As on 31.03.2014
1	Land (Leasehold)	722.49	722.49	-	-	722.49	722.49
2	Land (Freehold)	430.95	447.92	-	-	447.92	330.40
3	Factory Building	3,032.53	4,466.71	515.02	106.99	3,844.70	2,262.14
4	Office Building	46.96	46.96	6.48	0.73	39.75	40.48
5	Residential Flat	28.52	28.52	1.51	0.45	26.56	27.01
6	Furniture & Fixtures	111.68	117.42	45.04	14.55	57.82	66.42
7	Plant & Machinery	12,538.87	19,010.64	3,568.26	914.50	14,527.88	8,452.46
8	Office Equipments	254.91	307.41	135.87	41.03	95.62	115.67
9	Vehicles	728.49	777.99	304.93	89.66	398.08	416.11
10	Capital Work in Progress	17,895.41	25,926.05	4,577.12	1,167.94	20,160.82	12,433.18
	Total	19,166.63	26,330.49	4,577.12	1,167.94	20,565.23	13,669.96
	Previous Year	15,326.05	18,068.55	3,644.37	762.12	13,669.96	11,681.21

# CONSOLIDATED FINANCIAL STATEMENT



## 12. LONG TERM LOANS & ADVANCES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(Unsecured, Considered good unless stated otherwise)		
Capital Advances	421.82	543.37
Security Deposits	341.40	230.33
MAT credit entitlement	23.14	
TOTAL:	786.36	773.70

## 13. INVESTMENTS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
In Equity Shares - Unquoted, fully paid up Equity Shares of Subsidiary Company (Previous Year 10,73,025 shares of Rs. 10/- each of Masterji Metalloys Pvt. Ltd. )	-	214.61
TOTAL:	-	214.61

## 14. INVENTORIES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(As taken, valued and certified by the management)		
(At lower of cost and net realizable value unless stated otherwise)		
Raw Materials	6,449.09	6,012.45
Work-in-progress	1,051.93	819.76
Finished Goods	6,969.52	6,326.61
Stores, Spares & Packing Materials	786.38	580.87
TOTAL:	15,256.92	13,739.69

## 15. TRADE RECEIVABLES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(Unsecured, Considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the date, they are due for payment	1,366.23	1,301.65
Others	13,487.52	17,492.84
TOTAL:	14,853.75	18,794.49

## 16. CASH AND BANK BALANCES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Cash in hand	58.07	47.16
Balances with banks In current and deposit accounts	1,207.73	740.68
TOTAL:	1,265.80	787.84
Balances with banks in unclaimed dividend accounts	16.38	12.86
Balances with banks held as margin money deposits against bank guarantees/ LCs / tenders	1,108.75	425.76

Cash and bank balances as on 31st March 2015 and 31st March 2014 include restricted cash and bank balances of ₹1125.13 Lacs and ₹438.62 Lacs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against bank guarantees/ letter of credit and unclaimed dividends.

## 17. SHORT TERM LOANS & ADVANCES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received	938.80	772.30
Security Deposits	10.77	13.82
Mark-to-market gain on forward	438.67	251.55
Other Loans and advances:		
Prepaid Income Tax	665.75	712.05
Prepaid Expenses	128.13	149.95
Balances with statutory / government authorities	2,754.75	2,679.98
MAT Credit Entitlement	110.81	-
TOTAL:	5,047.68	4,579.65

## 18. REVENUE FROM OPERATIONS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Gross Sales	118,681.69	107,789.46
Less: Excise Duty	11,098.90	10,250.07
Net Sales	107,582.79	97,539.39
Job Work	7.00	3.26
TOTAL:	107,589.79	97,542.65

Notes on Consolidated Financial Statement for the year ended 31st March, 2015



# CONSOLIDATED FINANCIAL STATEMENT



## 19. OTHER INCOME

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Export Benefits	1,335.12	2,062.75
Interest Income	169.03	107.26
Exchange Fluctuation	1,197.61	492.58
Other Income	17.02	-
TOTAL:	2,718.78	2,662.59

## 20. COST OF RAW MATERIAL CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Inventory at the beginning of the year	6,120.35	5,170.54
Add: Purchases	84,007.20	77,435.10
	90,127.55	82,605.64
Less: Inventory at the end of the year	6,449.09	6,012.45
Cost of raw material consumed	83,678.45	76,593.19

### 20.1 COST OF RAW MATERIAL CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Imported	-	-
Imported (% of consumption)	0.00%	0.00%
Indigenous	83,678.45	76,593.19
Indigenous (% of consumption)	100.00%	100.00%
TOTAL:	83,678.45	76,593.19

### 20.2 DETAILS OF RAW MATERIAL CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
H.R. Coils / Strips / Skelp	58,685.89	53,405.42
Steel Ingots & Blooms	12,501.08	13,517.38
Others	12,491.48	9,670.39
TOTAL:	83,678.45	76,593.19

## 21. PURCHASE OF STOCK-IN-TRADE

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Purchases of Stock-in-trade	60.14	128.61
TOTAL:	60.14	128.61

## 22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Inventories at the beginning of the year		
Work-in-progress	819.76	557.63
Finished goods / Stock-in-Trade	6,330.40	5,292.35
	7,150.16	5,849.98
Inventories at the end of the year		
Work-in-progress	1,051.93	819.76
Finished goods / Stock-in-Trade	6,969.52	6,326.61
	8,021.45	7,146.37
TOTAL:	(871.29)	(1,296.39)

## 23. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Salaries, Wages & Bonus	3,675.00	3,198.62
Contribution to provident and other fund	185.15	157.88
Staff Welfare Expenses	48.88	78.05
TOTAL:	3,909.03	3,434.55

## 24. FINANCE COST

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Interest on borrowings	3,323.32	3,238.30
Bank Commission & Charges	466.70	299.85
TOTAL:	3,790.02	3,538.15

## 25. DEPRECIATION & AMORTIZATION EXPENSES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Depreciation	1,167.94	762.13
Less: Transferred from Revaluation Reserve	-	6.00
TOTAL:	1,167.94	756.13

Notes on Consolidated Financial Statement for the year ended 31st March, 2015

# CONSOLIDATED FINANCIAL STATEMENT



## 26. OTHER EXPENSES

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Consumption of stores and spares	4,164.23	3,954.56
Power & Fuel Expenses	3,409.15	2,526.56
Processing Charges	676.92	666.40
Repairs & Maintenance :		
Plant & Machinery	328.67	392.07
Others	77.48	98.09
Freight & Forwarding	3,680.63	4,058.20
Advertisement	25.24	34.85
Commission & Other Exp	461.74	505.31
Selling & Sales Promotion	29.01	26.77
Rebate & Discount	532.96	394.14
Packing Materials	589.60	624.92
Printing & Stationery	36.28	27.85
Postage, Telegram & Telephone	73.42	72.91
Travelling and Conveyance	474.34	452.07
Legal & Professional Expenses	73.21	71.46
Audit Fees	3.50	2.50
Insurance	63.91	48.78
Rates, Taxes & Fees	79.34	147.20
Donation	13.68	62.78
Miscellaneous Expenses	94.49	75.38
Loss on Sale of Fixed Assets	4.16	4.03
<b>TOTAL:</b>	<b>14,891.96</b>	<b>14,246.83</b>

### 26.1. VALUE OF STORES & SPARES CONSUMED

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Imported	20.27	1.70
Imported (% of consumption)	0.49%	0.04%
Indigenous	4,143.96	3,952.86
Indigenous (% of consumption)	99.51%	99.96%
<b>TOTAL:</b>	<b>4,164.23</b>	<b>3,954.56</b>

## 27. (A) PARTICULARS OF SUBSIDIARIES:

Name of the Company	Country of Incorporation	Percentage of voting power as at 31.03.2015	Percentage of voting power as at 31.03.2014
Masterji Metalloys PVT Ltd	India	100.00	45.00

## 27. (B) THE CONTRIBUTION OF THE SUBSIDIARY ACQUIRED DURING THE YEAR IS AS UNDER :

Name of Subsidiary	Revenue	Net profit/ (loss)	Net Assets
Masterji Metalloys PVT Ltd	3,787.16	30.31	447.41

## 28. ACQUISITIONS / DIVESTMENTS

On March 31, 2015, the Company acquired additional 55% ownership interest in Masterji Metalloys Pvt Ltd for a purchase consideration of ₹327.87 Lacs and thereby making it a wholly owned subsidiary of the Company

## 29. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Stores & Spares	20.27	1.70
Capital goods	17.59	62.32
<b>TOTAL:</b>	<b>37.86</b>	<b>64.02</b>

Notes on Consolidated Financial Statement for the year ended 31st March, 2015

## 30. PAYMENT TO AUDITORS AS:

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Auditors		
Statutory Audit Fees	2.85	2.00
Tax Audit Fees	0.65	0.25
Certificate and Consultation Fees	0.41	0.25
<b>TOTAL:</b>	<b>3.91</b>	<b>2.50</b>

## 31. EXPENDITURE IN FOREIGN CURRENCY

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Foreign Bank Charges	29.26	42.77
Tours & Travelling	65.50	59.09
Advertisement & Subscription	20.38	21.26
Commission & Export Expenses	397.69	416.04

# CONSOLIDATED FINANCIAL STATEMENT

## 32. EARNING PER SHARE

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)	2,787.58	1,771.43
Weighted average No. of Equity Shares	20948442	18734401
Basic and Diluted Earning per share (₹)	13.31	9.46
Face value per equity share (₹)	2.00	2.00

## 33. EARNING IN FOREIGN CURRENCY

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
FOB Value of Exports	32,166.42	36,205.65

## 34. 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:

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
No. of Non-Resident Shareholders	12	12
No. of Equity Shares held by them	152500	152500
1. Amount of final dividend	0.46	0.61
Year to which final dividend relates	2013-14	2012-13
2. Amount of interim dividend	1.14	-
Year to which interim dividend relates	2014-15	-



## 35. RELATED PARTY DISCLOSURES:

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

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

Name of Related Party	Relationship
Masterji Metalloys Pvt. Ltd.	Subsidiary
Shri M. C. Garg	Key Management Personnel
Shri R. C. Garg	
Shri Nitin Garg	
Shri Ram Agarwal	
Shri Rajat Garg	
Shri Manish Garg	Relatives of Key Management Personnel
Shri Umesh Garg	
Smt. Archana Agarwal	
Shri Dhruv Agarwal	
Smt. Kanak Lata	
Smt. Anju Garg	
Shri Sushil Kumar Garg	
Shri Saras Garg	Others (Enterprises Over which Key Management Personnel are able to exercise significant influence)
R.A. Garments LLP	
Excellent Fincap Pvt. Ltd.	
Shri Jee Housing Pvt Ltd.	

(ii) Transactions during the year with related parties:

Nature of Transactions	Subsidiary	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
Loans Taken:					
Current Year		20.00	-	1,824.07	1,844.07
Previous Year	-	9.50	271.15	411.40	692.05
Loans Repaid:					
Current Year		26.50	67.20	1,291.37	1,385.07
Previous Year	-	3.00	277.40	22.00	302.40
Interest Paid:					
Current Year		-	-	80.17	80.17
Previous Year	-	-	-	2.41	2.41
Remuneration Paid:					
Current Year		151.80	82.65	-	234.45
Previous Year	-	88.80	55.20	-	144.00
Processing Charges					
Current Year	-	-	-	-	-
Previous Year	121.22	-	-	-	121.22
Goods sold:					
Current Year	-	-	-	-	-
Previous Year	2,142.50	-	-	-	2,142.50

# CONSOLIDATED FINANCIAL STATEMENT

## 36. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Contingent Liabilities		
1. Outstanding bank guarantees issued by the banks Counter guaranteed by the Company	617.04	668.19
2. Bills discounted with Banks	2,244.35	1,642.85
3. Disputed demand under Central Excise	130.86	119.63
Commitments		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	625.52	6,274.00

## 37. DEPRICIATION

(i) Consequent to the enactment of the Companies Act 2013 (the Act) and its applicability for accounting period commencing after 1st April, 2014, the Company has reviewed and revised the estimated useful lives of its fixed assets in accordance with the provisions of the schedule II of the Act. Therefore, the depreciation charged for the year ended 31st March, 2015 is higher by ₹185.55 Lacs.

(ii) In respect of assets of which useful life has expired before 1st April, 2014 depreciation of ₹34.88 lakh has been set off out of brought forward General Reserve of the company in pursuance to the amendment in Schedule II of the Companies Act, 2013.

## 38. FINANCIAL AND DERIVATIVE INSTRUMENTS

The Company has entered into the following derivative instruments. All the swaps and forward contracts are accounted for as per accounting policies stated in Note "J" annexed to the balance sheet and statement of profit and loss.

(1) The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the company's strategy approved by the board of director which provide principles on the use of such forward contracts consistent with the company's risk management policy. The company does not use forward contract for speculative purposes.

Particulars of outstanding Short term forward exchange contracts entered into by the company on account of receivables including forecast receivables :

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
No. of Contracts	113	64
US Dollar equivalent	15,887,459	10,361,155
INR equivalent	9,944.09	6,206.03

(2) The Company also uses derivative currency interest rate swap contracts other than forward contract on its capital account. Such transactions are governed by the company's strategy approved by the board of directors which provide principles on the use of these instruments consistent with the company's risk management policy. The company does not use these contracts for speculative purposes.



(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
No. of Contracts	4	
US Dollar equivalent	3,597,326.55	-
INR equivalent	2,251.60	-

## 39. SEGMENT INFORMATION

### A. Business Segments

The Group has identified three segments viz. Pipe/Sheets/Structure/Auto Tubes, Engineering goods & Steel Product. 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 group.

Notes on Consolidated Financial Statement for the year ended 31st March, 2015

### The segments are further described below:

- The Pipe/ Auto Tubes /Sheet/Structure segment includes Black & G.I.Pipe, C.R.Sheet/Coil, G.P.G.C.Sheet/Coil, C.R.C.A. Sheet/Coil, Structures, Poles and their scrap and by-products.
- The Engineering Goods segment includes stainless/mild/alloy steel forgings, bright bars, flanges and their scrap.
- Steel Product includes mild steel ingot and runner riser

## INFORMATION ABOUT BUSINESS SEGMENTS

Segment Revenue, Results, Assets & Liabilities

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Segment Revenue		
a) Pipe/ Auto Tubes/Sheet/Structure		
- External	88,503.98	81,021.73
- Inter-segment	1,563.17	0.60
- Total	90,067.15	81,022.33
b) Engineering goods		
- External	18,341.15	19,076.24
- Inter-segment	239.12	192.08
- Total	18,580.27	19,268.32
c) Steel Product		
- External	3,277.39	-
- Inter-segment	501.55	-
- Total	3,778.94	-
Total Segment Revenue	112,426.36	100,290.65

# CONSOLIDATED FINANCIAL STATEMENT



(₹ in lacs)

Less: Inter Segment Revenue	2,303.85	192.68
Net Sales / Income from Operations	110,122.51	100,097.97
Add: Unallocable Revenue	186.04	107.26
Total Revenue	110,308.57	100,205.23
Segment Results		
Profit before interest and tax from each segment		
a) Pipe/ Auto Tubes/Sheet/Structure	6,071.70	5,140.31
b) Engineering goods	1,118.74	1,094.75
c) Steel Product	104.07	-
Total Segment Results	7,294.51	6,235.06
Add: Unallocable Income	177.83	107.26
Less: Finance cost	3,790.01	3,538.15
Less: Other unallocable expenses	(33.00)	2.27
Profit before tax	3,715.32	2,801.90
Less: Provision for taxes	927.73	1,030.47
Profit after tax	2,787.58	1,771.43

Notes on Consolidated Financial Statement for the year ended 31st March, 2015

## OTHER INFORMATION

(₹ in lacs)

DESCRIPTION	As on 31.03.2015	As on 31.03.2014
Segment Assets		
a) Pipe/ Auto Tubes/Sheet/Structure	43,939.90	39,023.74
b) Engineering goods	12,064.58	13,110.40
c) Steel Product	1,543.01	-
Total	57,547.49	52,134.14
Add: Unallocable Assets	532.28	425.76
Total Assets	58,079.78	52,559.90
Segment Liabilities		
a) Pipe/ Auto Tubes/Sheet/Structure	2,042.85	3,417.06
b) Engineering goods	3,423.44	3,969.28
c) Steel Product	605.30	-
Total	6,071.59	7,386.34
Add: Unallocable Liabilities	774.15	770.21
Total Liabilities	6,845.74	8,156.55
Capital Expenditure		
a) Pipe/ Auto Tubes/Sheet/Structure	6,852.52	2,582.86
b) Engineering goods	288.86	159.64
c) Steel Product	22.50	-
Total	7,163.88	2,742.50

(₹ in lacs)

DEPRECIATION	As on 31.03.2015	As on 31.03.2014
a) Pipe/ Auto Tubes/Sheet/Structure	854.65	567.98
b) Engineering goods	276.12	188.14
c) Steel Product	37.16	-
Total	1,167.94	756.12
Non Cash Expenses other than Depreciation		
a) Pipe/ Auto Tubes/Sheet/Structure	-	-
b) Engineering goods	-	-
c) Steel Product	-	-
Total	-	-
B. Geographical Segments		
Revenue		
- Within India	77,637.00	62,902.37
- Outside India	32,671.57	37,302.87
Total Revenue	110,308.57	100,205.24

## 40. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

(₹ in lacs)

NAME OF THE ENTITY	Good Luck Steel Tubes Ltd	Masterji Metalloys PVT Ltd	Total
% OF CONSOLIDATED NET ASSETS	98.86	1.14	100.00
NET ASSETS (AMT IN LACS)	18,097.94	208.96	18,306.90
% OF CONSOLIDATED PROFIT OR LOSS	98.91	1.09	100.00
PROFIT OR LOSS (AMT IN LACS)	2757.28	30.30	2,787.58

**41. AS PER AS 21 FIGURES FOR THE PREVIOUS YEAR ARE THE STANDALONE FIGURES OF GOOD LUCK STEEL TUBES LTD, AS M/S MASTERJI METALLOYS (P) LIMITED HAS BECOME WHOLLY OWNED SUBSIDIARY ON MARCH 31, 2015.**

**42. THE PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED / RECLASSIFIED / REARRANGED, WHEREVER NECESSARY TO CONFIRM TO THE CURRENT YEAR PRESENTATION.**

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 : 23rd May 2015

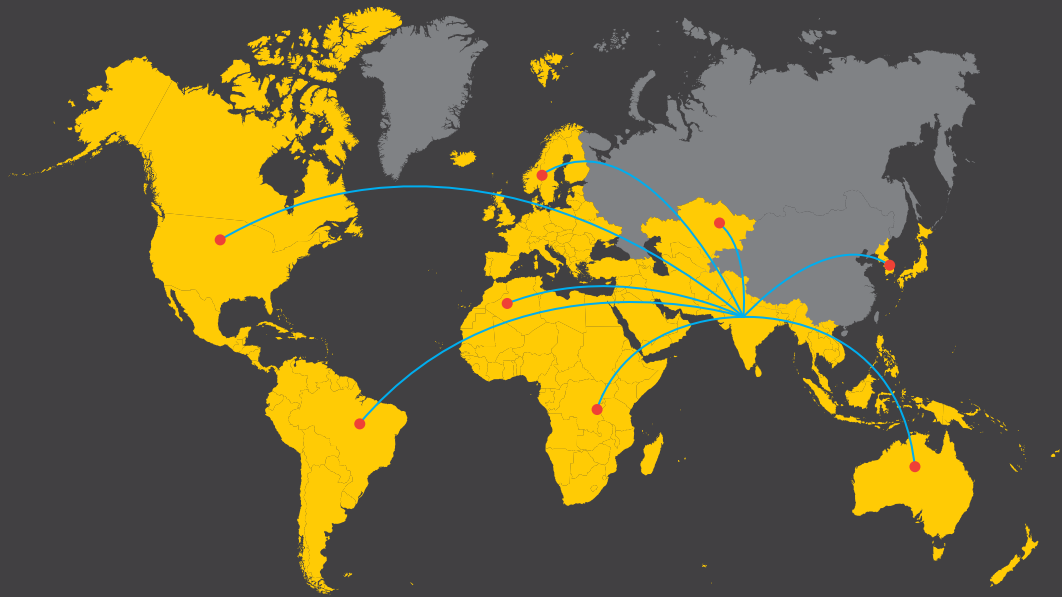
(M.C.GARG)  
Chairman  
DIN NO. 00292437

(ABHISHEK AGRAWAL)  
Company Secretary

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

(R.C.GARG)  
Director  
DIN NO. 00298129

(SANJAY BANSAL)  
C.F.O.



## GOOD LUCK STEEL TUBES LTD.

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*Ph. +91-11-22465439*

*CIN No. : L74899DL1986ILC050910*

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### **CORPORATE OFFICE:**

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