

**INDIAN BRIGHT  
STEEL COMPANY LIMITED**

**50th  
Annual Report  
2010 – 2011**

**BOARD OF DIRECTORS**

Alok Jajodia (Chairman)  
Avinash Jajodia  
Avishek Hirnatsingka  
Tushar Dave  
Deepak Jhanwar

**AUDITORS :**

M/s A.J.Mehta & Associates  
(Chartered Accountants)  
2/3, Shahviri, 1<sup>st</sup> Floor, 37/41,  
R.S.Sapre Road,(Picket road)  
Kalbadevi  
Mumbai-400 002

**REGISTERED OFFICE:**

19/579, Vartaknagar Om Sai co-op Hos Soc. Ltd  
Ground Floor, Vartak Nagar  
Thane(West)-400606

**REGISTRAR & TRANSFER AGENTS**

Bigshare Services Pvt Ltd  
E-2 Ansa Industrial Estate, Sakivihar Road,  
Saki Naka,Andhari (E) Mumbai 400072

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**NOTICE**

Notice is hereby given that the 50th Annual General Meeting of the Members of Indian Bright Steel Company Limited, shall be held at Aurum House, 25 Dadyseth Road, Mumbai-400007 at 10.00 a.m. on Monday, 19<sup>th</sup> September, 2011 to transact the following business:

**Ordinary Business :**

1. To receive, consider, and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date, along with the Auditors and Directors Report.
2. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution pursuant to section 224 of the Companies Act, 1956:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Desai Associates, Chartered Accountants be and are hereby appointed the Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company."

**Special Business :**

**(3) Appointment of Additional directors as Director**

- (a) **"RESOLVED THAT** Mr. Ashish Deora who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing under Section 257 of the Act in writing proposing his candidature for the Office of Director, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."
- (b) **"RESOLVED THAT** Mr. Manubhai K Parekh who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing under Section 257 of the Act in writing proposing his candidature for the Office of Director, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

**(4) Alteration of object clause in the memorandum of association of the Company.**

**"RESOLVED THAT** pursuant to Section 17 and other applicable provisions of the Companies, 1956, consent of the members be and is hereby accorded to add the following as sub clause 1(A) after sub clause (1) under clause 3 of the object Clause of the memorandum of association of the Company."

"To promote, undertake, invest in, carry on, manage, control, acquire directly or indirectly through holding companies or special purpose vehicle or by entering into agreements, contracts, partnerships, alliance or any other arrangement for technical, financial and operational assistance, for sharing of profits / losses with any person/body/bodies corporate incorporated in India or abroad either under a strategic alliance or joint venture or any other arrangement, the various businesses in the field of IT, Telecommunications and Media as manufacturer, service provider or distributor, development of software for Telecom and related businesses, Telecom Services, Solar Energy, trading activities of every description including import/export, Investment and trading in securities of every description including shares/debentures/warrants in India and abroad, Life and General Insurance and Mutual Fund Activities."

**Mumbai : 13<sup>th</sup> August, 2011**

**Registered Office :**  
AB01A, Neelam Centre,  
Hind Cycle road, Worli,  
Mumbai- 400 030:

**BY ORDER OF THE BOARD,**

sd/-  
**Manubhai K Parekh**  
Chairman

**NOTES :-**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of self and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company/Registrar not less than 48 hours before commencement of the Annual General Meeting.

## **Indian Bright Steel Company Limited**

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2. Corporate Members are requested to send to the Company/Registrar & share Transfer Agent, a duly certified copy of the Board Resolution/Power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
  3. The Register of Members and Share transfer Books of the Company will remain closed from Tuesday, 13<sup>th</sup> September, 2011 to Monday 19<sup>th</sup> September, 2011 (both days inclusive).
  4. Members /proxies should bring the attendance slip duly filled in for attending the meeting.
  5. Members are requested to intimate the change of address, if any, atleast one week before the date of the meeting.
  6. Members desiring any information as regard Accounts are requested to write to the Company so as to reach atleast one week before the date of the meeting and thus enable the Management to keep the information ready.
  7. Members are requested to bring their copy of the Annual report to the meeting.
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### **Explanatory Statement (Pursuant to Section 173(2) of the Companies Act, 1956)**

#### **Item No. 4 :**

Your Directors have been considering various proposals for diversifying the Company's activities into other activities like investing in shares, mutual funds, bonds, telecom, It telecommunication, media manufacturers, telecom services Soloar Energy etc.

The alteration of the object clause of the memorandum of association as set out in the resolution is to facilitate diversification which will enable the Company to strengthen its current financial position.

Pursuant to section 17(1) of the Act, the above said proposal requires the consent of the members by way of special resolution.

The Directors recommended this resolution for approval of shareholders.

None of the directors of the Company is concerned or interested in this resolution.

**DIRECTORS' REPORT**

To, the Members,

Your Directors have pleasure in presenting the 50th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011.

**1. FINANCIAL RESULTS**

Your Company's performance for the financial year ending 31st March 2011 is stated below:

	For the Current year ended on 31st March 2011	For the previous year ended on 31st March 2011
Profit / (Loss) before Depreciation/adjustment	(5,79,089)	(3,19,654)
Less: Depreciation/prior period adjustment	0.00	0.00
Less: Short prov. For IT for earlier years w/off	0.00	0.00
Net Profit/(Loss) for the year	(5,79,089)	(3,19,654)
Add: Losses brought down from earlier year	(54,18,492)	(50,98,838)
Balance Losses carried to Balance Sheet	(59,97,581)	(54,18,492)

**2. WORKING**

All efforts were made by the management to revive the company's business activities. But due to paucity of funds no progress was made.

**3. PARTICULARS OF EMPLOYEES**

During the year under review the Company had no employee whose particulars are required to be mentioned pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the rules there under.

**4. AUDITORS**

The Company has received resignation letter dated 30<sup>th</sup> April, 2011 from the Statutory Auditors M/s A.J.Mehta & Associates. The Board will consider the matter of resignation at its next meeting.

**5. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 after due enquiry and on the basis of the information from the operating management and relying upon the report of the Auditors, regarding compliance with Accounting Standards, the Directors confirm that ;

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with appropriate explanation relating to material departures.
- b. the accounting policies have been consistently applied and are reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year.
- c. proper and sufficient care has been taken for 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. the annual accounts have been prepared on a going concern basis

## **Indian Bright Steel Company Limited**

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### **6. PARTICULARS OF ENERGY CONSUMPTION, FOREIGN EXCHANGE AND OUTGOINGS**

As required under 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 the relevant information is given below;

#### **CONSERVATION OF ENERGY**

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures are being implemented.

#### **RESEARCH AND DEVELOPMENT**

The Company has no specific Research and Development Programme.

#### **FOREIGN EXCHANGE EARINGS/OUTGOINGS.**

During the year the Company has not undertaken any foreign exchange transaction.

### **7. LISTING AGREEMENT COMPLIANCE**

The Company's securities have been re-listed with effect from 7<sup>th</sup> December, 2010 at Bombay Stock Exchange, Mumbai. The outstanding listing fee payable to the stock exchange for the year ended 31<sup>st</sup> March, 2011 is Nil.

### **8. COMPLIANCE CERTIFICATE**

In accordance with requirement of Section 383A of the Companies Act, 1956, Certificate from a Practising Company Secretary, is enclosed certifying that all secretarial compliance in respect of the Company for the year ended March 31, 2011 have been complied with and marked as Annexure - 'A'

9. Open offer was made by public announcement on 19/01/2011 by Vitesse Telecom Pvt Ltd having its registered office at Mumbai for acquiring upto 1,29,000 equity shares of Rs.10/- each aggregating upto 20% of the paid up and voting share capital of the Company at a price of Rs.5/- per share. The open offer opened on 1<sup>st</sup> April, 2011 and closed on 20<sup>th</sup> April, 2011. The acquirer acquired 1,26,412 shares constituting 19.60% of the equity capital in addition to 1,37,100 shares acquired through MOU constituting 21.26% both aggregating to 40.86% of the equity share capital of the Company.

### **9. ACKNOWLEDGEMENT**

Your Directors would like to place on record their sincere thanks for the co-operation and support received from various agencies of the Government as also from the Company's Bankers, Shareholders and other business associates.

For & On behalf of the Board

**Alok Jajodia**  
Chairman

Place: Mumbai  
Date: 30<sup>th</sup> April, 2011

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Date 13<sup>th</sup> Aug 2011

The shareholders are hereby informed of the following post events of the annual report of the Board of the Company for the period ended 31<sup>st</sup> March, 2011.

1) Resignation of Directors:

The following Directors resigned and their resignation were accepted with effect from 31<sup>st</sup> May, 2011.

- (i) Mr. Alok Jajodia
- (ii) Mr. Tushar Dave
- (iii) Mr. Deepak Jhanwar
- (iv) Mr. Avishek Himatsingka

The Board placed on record its appreciation for the services rendered by the above four Directors.

2) Appointment of additional directors and Chairman of the Board

Mr. Manubhai K Parekh and Mr. Ashish Deora were appointed as additional Directors with effect from 31<sup>st</sup> May, 2011 by the Board till the conclusion of the next Annual General Meeting. Mr. Manubhai K Parekh was elected as the Chairman of the Board.

Presently the Board is composed of the following:

- (1) Mr. Manubhai K Parekh (Chairman)
- (2) Mr. Avinash Jajodia
- (3) Mr. Ashish Deora.

3) The resignation dated 30<sup>th</sup> April, 2011 of Mr. A.J.Mehta & Associates, Chartered Accountants and Statutory Auditors was accepted by the Board. The Board placed on record its appreciation for the services rendered by the Statutory Auditors. The Board appointed M/s Desai Associates, Chartered Accountants as the Statutory Auditors for the year 2011-12 subject to the approval of the members in the ensuing Annual general Meeting.

4) Appointment of Company Secretary

Mr. Subrat Shukla, a member of the Institute of Company Secretaries of India, was appointed as full time Company Secretary cum Compliance officer with effect from 7<sup>th</sup> June, 2011.

5) Shifting of registered office of the Company

The registered office of the Company was shifted to AB01A, Neelam Centre, Hind Cycle Road, Worli, Mumbai-400030 with effect from 31<sup>st</sup> May, 2011.

6) Preferential allotment

In terms of section 81(1A) of the Companies Act, 1956, in principal approval of BSE under its letter dated 15<sup>th</sup> July, 2011 and in terms of special resolution passed by the members in the EOGM held on 30<sup>th</sup> July, 2011, the Board made preferential issue of 3,55,000 equity shares of Rs. 10/- each at a premium of Rs. 22/- per share aggregating to Rs. 1,13,60,000/- and allotted the shares to the applicants on 13<sup>th</sup> August, 2011.

The Board will be pleased to receive suggestions from the members of the Company.

Manubhai K Parekh  
CHAIRMAN

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## **Indian Bright Steel Company Limited**

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Company Regn No. L27200MH1960PLC011794

Authorised Capital : Rs. 1,25,00,000

Paid Up Capital : Rs. 64,50,000

### **Compliance Certificate**

To,  
The Members,  
**Indian Bright Steel Company Limited,**

I have examined the registers, records, books and papers of **Indian Bright Steel Company Limited**, having its registered office at 19/579, Vartak Nagar Om Sai Co-operative Hsg Soc Ltd, Ground Floor, Vartak Nagar, Thane (West) Mumbai-400 606 as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra, on MCA portal within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met Four times on 24/04/2010, 31/07/2010, 30/10/2010 and 29/01/2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 27<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 during the year under scrutiny in accordance with the provisions of Section 154 of the Companies Act, 1956.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 30<sup>th</sup> September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act during the period
9. No contracts were entered during the year attracting the provisions of Section 297 of the Act
10. The company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company did not issue any duplicate share certificates during the financial year under scrutiny.



13. The company has:
- (i) delivered all the certificates on lodgments thereof for transfer of shares in accordance with the provisions of the Act.
  - (ii) not deposited any amount in a separate bank account as no dividend was declared during the year.
  - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) No amounts unpaid in dividend account, application money due for refund, matured debentures and the interest accrued thereon which have remained unclaimed of unpaid for a period of seven years and hence transferring of the same to the Investors Education and Protection Fund does not arise.
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year under scrutiny.
15. The Company has not appointed Managing Director or whole-time Director as such compliance of the applicable provisions of the Act does not become applicable to the Company.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year under scrutiny.
20. The Company has not bought back shares during the financial year under scrutiny.
21. Since the Company has not issued any redeemable preference shares/debentures hence no comment is required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
24. The Company has not made any borrowings during the financial year under scrutiny.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

**Indian Bright Steel Company Limited**

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27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under scrutiny.
31. As explained to us, there was no prosecution initiated against or no show cause notice received by the Company and no fines, penalties or any other punishments imposed on the Company during the year under scrutiny.
32. The Company has not received any security from its employees during the year under scrutiny.
33. The company has not deposited both the Employees and Employers Provident Fund Contribution with prescribed authorities pursuant to Section 418 of the Act., as there are no employee in the company and the Company has stopped its operations.

Place: Mumbai

Leena Agrawal & Co.  
Practicing Company Secretaries

Date: 30<sup>th</sup> April, 2011

Leena Agrawal  
Proprietress  
Mem. No.: 19600

## ANNEXURE - A

Sr. No.	Registers as maintained by the Company are	Under Section
1.	Register of Charges	143
2.	Register of Members	150
3.	Attendance Register for General Meetings	174
4.	Minutes Books of General Meeting and Board Meetings	193
5.	Attendance Register for Board Meetings	287
6.	Register of Contracts	301
7.	Register of Directors	303
8.	Register of Directors' Shareholding	307
9.	Register of Investments	372
10.	Register of Share Transfer.	
11.	Register of Accounts.	

## ANNEXURE B:

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2011.

Sr No	Form No/ Return	Filing under Section	Purpose	Date of Filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee Yes/No
1.	Form 23AC & 23ACA	220	As per requirement of Act	07 <sup>th</sup> October, 2010	Yes	-
2.	Form 66 for 2009-2010	383A	As required under Companies (Compliance Certificate Rules) 2001	04 <sup>th</sup> October, 2010	Yes	-
3.	Form 20B	159	As per requirement of Act	26 <sup>th</sup> November, 2010	Yes	-

Leena Agrawal &amp; Co.

Practicing Company Secretaries

Place: Mumbai

Date: 30th April, 2011

Leena Agrawal  
Proprietress  
Mem. No.: 19600

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## Indian Bright Steel Company Limited

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### AUDITORS' REPORT

**The Members,  
INDIAN BRIGHT STEEL COMPANY LIMITED**

We have audited the attached Balance Sheet of **INDIAN BRIGHT STEEL COMPANY LIMITED** as at **March 31,, 2011**, the Profit and Loss Account and also the Cash Flow Statement for the Year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003 (CARO 2003) (as amended) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to the section 211(3C) of the Companies' Act, 1956 to the extent applicable;
- (v) On the basis of written representations received from the directors, as on **March 31,, 2011** and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on **March 31,, 2011** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies' Act, 1956, in the manner so required and read together with the notes on accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2011**;
  - (b) in the case of the Profit and Loss Account, of the Loss for the Year ended on that date; and
  - (c) in the case of the Cash Flow statement, of the cash flows for the Year ended on that date.

**For A. J. MEHTA & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 106179W**

**Mumbai  
Dated: April 30, 2011**

**(ATUL MEHTA)  
Proprietor  
Membership No. : 36959**

## Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date)

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate and in terms of information and explanations given to us on our enquiries, we state that

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets / capital work in progress.
- (b) As explained to us, all the assets have been physically verified by the management at reasonable intervals during the Year. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off a substantial part of Fixed Assets during the year.
- 2 The Company does not have any opening or closing inventories.
- 3 (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clauses (b), (c) and (d) of paragraph 4(iii) of the Order are not applicable. The Company has taken loan from two parties. The maximum balance of loans outstanding during the Year was Rs. 7.10 Lakhs and the year end balance was Rs. 7.10 Lakhs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company is regular in repaying the principal amounts as stipulated.
- 4 In our opinion and according to the information and explanations given to us, there are in general adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and also with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5 (a) On the basis of the audit procedures performed by us and according to the information and explanations provided by the management, the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year and hence the provisions of this sub-clause (b) of clause 4(v) of the Order is not applicable.
- 6 The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder are not applicable.
- 7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services and trading activities carried on by the Company and therefore, clause 4(viii) of the Order is not applicable.
- 9 (a) According to the information and explanation given to us and on the basis of our examination of books of accounts and other records, the Company is regular in depositing with appropriate authorities undisputed statutory dues. We are informed that there is no liability towards Provident Fund, Employees State Insurance Act, Investor Education and Protection Fund, Wealth Tax, Custom Duty, Excise Duty and Cess for the year under Audit.

## **Indian Bright Steel Company Limited**

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- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty, excise duty and cess were in arrears, as at March 31,, 2011 for a year of more than six months from the date they became payable.
- (c) There is no pending dispute in respect of Income-tax and other statutory dues.
- 10 As on March 31,, 2011, the accumulated losses of the Company are more than 50% of its net worth. The company has incurred cash losses for the year ended March 31,, 2011 and had also incurred cash losses in the immediately preceding financial year.
- 11 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 or banks. Further, the Company has not issued any debentures and hence clause 4 (xi) of the Order, to that extent, is not applicable.
- 12 In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- 14 In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions during the year.
- 16 The Company has neither raised any new term loans during the year nor there was any amount outstanding at the beginning or at the end of the Year.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we are of the opinion that there are no funds raised on short term basis which have been used for long term investments. The Company has not raised any funds on long term basis.
- 18 The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 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 A. J. MEHTA & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No. 106179W**

**Mumbai**  
**Dated: April 30, 2011**

**(ATUL MEHTA)**  
**Proprietor**  
**Membership No. : 36959**

BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULES	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>I. SOURCES OF FUNDS :</b>			
<b>1. SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	1	6,450,000	6,450,000
b) Reserves and Surplus	2	100,482	100,482
		<u>6,550,482</u>	<u>6,550,482</u>
<b>2. LOAN FUNDS :</b>			
a) Secured Loans		0	0
b) Unsecured Loans	3	710,000	200,000
		<u>710,000</u>	<u>200,000</u>
<b>TOTAL</b>		<u><u>7,260,482</u></u>	<u><u>6,750,482</u></u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1. FIXED ASSETS :</b>			
a) Gross Block		0	0
b) Less: Depreciation		<u>0</u>	<u>0</u>
c) Net Block		0	0
d) CAPITAL WORK IN PROGRESS		1,262,375	1,262,375
<b>2. CURRENT ASSETS, LOANS AND ADVANCES</b>			
a) Cash and Bank Balances	4	25,815	57,079
b) Loans and Advances	5	26,346	26,346
		<u>52,161</u>	<u>83,425</u>
<b>3. LESS: CURRENT LIABILITIES AND PROVISIONS</b>	6	<u>51,635</u>	<u>13,810</u>
		526	69,615
<b>4. PROFIT AND LOSS ACCOUNT DEBIT BALANCE</b>		<u>5,997,581</u>	<u>5,418,492</u>
	<b>TOTAL</b>	<u><u>7,260,482</u></u>	<u><u>6,750,482</u></u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	8		
<b>NOTES ON ACCOUNTS</b>	9		

As per our Report even date  
For **A. J. MEHTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 106179W

For and on behalf of the Board of Directors

Alok Jajodia  
(Chairman)

Avinash Jajodia  
(Director)

(ATUL MEHTA)  
Proprietor  
M. No. 36959

Place : Mumbai  
Dated : April 30, 2011

Place : Mumbai  
Dated : April 30, 2011

## Indian Bright Steel Company Limited

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

SCHEDULES	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
<b>INCOME</b>		
Sale of Raw Materials	0	19,500
Closing Stock of Raw Materials	0	0
<b>TOTAL</b>	<b>0</b>	<b>19,500</b>
<b>EXPENDITURE</b>		
Opening Stock of Raw Materials	0	288,750
Administrative and Other Expenses	7	578,989
Interest paid	100	0
<b>TOTAL</b>	<b>579,089</b>	<b>339,154</b>
<b>PROFIT / ( LOSS ) before Tax</b>	<b>(579,089)</b>	<b>(319,654)</b>
Less: Provision for Tax - (Current / Deferred)	0	0
<b>PROFIT / ( LOSS ) after Tax</b>	<b>(579,089)</b>	<b>(319,654)</b>
Add : PROFIT / (LOSS) brought down from earlier years	(5,418,492)	(5,098,838)
<b>PROFIT / (LOSS) CARRIED TO BALANCE SHEET</b>	<b>(5,997,581)</b>	<b>(5,418,492)</b>
Basic and Diluted Earning Per Equity Share of Rs. 10/- each	(0.90)	(0.50)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	8	
<b>NOTES ON ACCOUNTS</b>	9	

As per our Report even date  
For **A. J. MEHTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 106179W

(ATUL MEHTA)  
Proprietor  
M. No. 36959

Place : Mumbai  
Dated : April 30, 2011

For and on behalf of the Board of Directors

Alok Jajodia  
(Chairman)

Avinash Jajodia  
(Director)

Place : Mumbai  
Dated : April 30, 2011



**STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT  
WITH STOCK EXCHANGE FOR THE YEAR ENDED MARCH 31, 2011**

	Rs.	2010-2011 Rs.	2009-2010 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Tax & extraordinary items		(579,089)	(319,654)
Adjusted for :			
Depreciation	0		0
Financial Charges	100		0
		<u>100</u>	<u>0</u>
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		(578,989)	(319,654)
adjusted for :			
<b>CHANGES IN -</b>			
Trade and Other Receivables	0		0
Inventories	0		288,750
Current Liabilities	<u>37,825</u>		<u>1,780</u>
		<u>37,825</u>	<u>290,530</u>
CASH GENERATED FROM OPERATIONS		(541,164)	(29,124)
Direct Taxes paid	0	<u>0</u>	
NET CASH FROM OPERATING ACTIVITIES	(A)	<u>(541,164)</u>	<u>(29,124)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Fixed Assets		<u>0</u>	<u>0</u>
NET CASH USED IN INVESTING ACTIVITIES	(B)	<u>0</u>	<u>0</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Unsecured Loans	510,000		50,000
Financial Charges	<u>(100)</u>	<u>509,900</u>	
NET CASH USED IN FINANCING ACTIVITIES	(C)	<u>509,900</u>	<u>50,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>(31,264)</u>	<u>20,876</u>
Cash and Cash Equivalents at beginning of the year		57,079	36,203
Cash and Cash Equivalents at the end of the year		25,815	57,079

As per our Report even date  
For **A. J. MEHTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 106179W

(ATUL MEHTA)  
Proprietor  
M. No. 36959  
Place : Mumbai  
Dated : April 30, 2011

For and on behalf of the Board of Directors

Alok Jajodia  
(Chairman)

Avinash Jajodia  
(Director)

Place : Mumbai  
Dated : April 30, 2011

**Indian Bright Steel Company Limited**

**SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2011**

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE - 1 :</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
12,50,000 Equity Shares of Rs. 10/- each	<u>12,50,000</u>	<u>12,50,000</u>
<b>Issued, Subscribed and Paid up :</b>		
6,45,000 Equity Shares of Rs. 10/- each fully paid up	<u>6,45,000</u>	<u>6,45,000</u>
<b>SCHEDULE - 2 :</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve :</b>		
Balance as per last Balances Sheet	<u>100,482</u>	<u>100,482</u>
	<u>100,482</u>	<u>100,482</u>
<b>SCHEDULE - 3 :</b>		
<b>UNSECURED LOANS</b>		
From Directors	<u>710,000</u>	<u>200,000</u>
	<u>710,000</u>	<u>200,000</u>
<b>SCHEDULE - 4 :</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in Hand	17,798	24,678
With Scheduled Banks on -		
In Current Accounts with Scheduled Banks	8,017	32,401
	<u>25,815</u>	<u>57,079</u>
<b>SCHEDULE - 5 :</b>		
<b>LOANS AND ADVANCES</b>		
( Unsecured and considered good unless otherwise stated )		
Income-tax paid	<u>26,346</u>	<u>26,346</u>
	<u>26,346</u>	<u>26,346</u>
<b>SCHEDULE - 6 :</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors and other Liabilities	<u>51,635</u>	<u>13,810</u>
	<u>51,635</u>	<u>13,810</u>
<b>Provisions</b>		
Provision for Tax	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
	<u>51,635</u>	<u>13,810</u>

## SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
<b>SCHEDULE - 7 :</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Bank Charges	2,249	1,298
Directors' Meeting Fees	2,000	3,750
Directors' Conveyance / Travelling Expenses	0	2,500
Advertisement Expenses	10,425	7,497
Stock Exchange Listing Fees	11,030	11,030
Stock Exchange Processing Fees / Penalty	480,660	0
Depository Processing Fees	22,060	0
Postage and Telegram	2,600	2,525
Printing and Stationery	3,360	3,120
Registrar of Companies Filing Fees	1,500	2,000
Legal and Professional Fees	29,575	3,154
Profession Tax on Company	2,500	2,500
Audit Fees (Including Service Tax)	11,030	11,030
	<b><u>578,989</u></b>	<b><u>50,404</u></b>

## **Indian Bright Steel Company Limited**

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### **Schedule – 08 :**

#### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES IN COMPILATION OF ACCOUNTS :**

**01 Basis for preparation of Financial Statements :**

The accompanying Financial Statements are prepared in accordance with the Accounting Principles generally accepted in India and comply with the Accounting Standards specified by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

**02 Method of Accounting :**

The accompanying Financial Statements are based on historical costs and are prepared on accrual basis except where impairment is made.

**03 Fixed Assets :**

- a) All Fixed Assets are capitalised at costs of acquisition which includes taxes, duties (net of tax credits as applicable) and other identifiable direct expenses. Interest on borrowed funds attributable to the qualifying asset upto the date the asset is put to use is included in the cost.
- b) Capital Work in Progress are stated at cost and other relevant overheads.
- c) Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**04 Depreciation :**

Except for items on which 100% depreciation rates are applicable, depreciation is provided on Straight Line Method for the period of use of the assets in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**05 Taxation :**

- a) Provision for current income-tax / wealth-tax is computed as per 'Total Income' returnable under the Income-tax Act, 1961 taking into account available deductions and exemptions.
- b) In accordance with Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing difference is accounted for, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.
- c) Deferred Tax Assets arising from timing difference are recognised only on the consideration of prudence.

## Schedule – 09

## NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS :

- 1) In the opinion of the Management, Current Assets, Loans and Advances are approximately of the value stated, except otherwise stated, if realised in the ordinary course of business. The provision of all known liabilities, is adequate and not in excess of the amounts reasonably necessary.
- 2) Sales-tax assessment of the Company has been finalised upto and including the accounting year 2007 - 2008 and the Income-tax assessment are completed upto Accounting Year 2010 - 2011. The Company does not expect any Sales-tax and Income-tax liability for the pending assessments.
- 3) In the opinion of the management, in view of the loss for the current year and past carried forward losses under the Income-tax Act, there will not be any liability towards income-tax for the current year.
- 4) Sundry Creditors include Rs. NIL (Previous Year Rs. NIL) due to Small Scale Industrial Undertakings (SSI's) to the extent such parties have been identified from the available information / documents with the company.
- 5) As per the information available with the Company in response to the enquiries from all existing suppliers with whom the Company deals, none of the suppliers are registered with the Micro, Small and Medium Enterprises Development Act, 2006.
- 6) Additional information pursuant to the provision of paragraphs 3, 4-C and 4-D of Part II of Schedule VI of the Companies Act, 1956 (As certified by the Director)

The quantitative information in regard to class of goods manufactured by the Company :

	FOR THE YEAR ENDED MARCH 31, 2011 M. T.	FOR THE YEAR ENDED MARCH 31, 2010 M. T.
Licensed Capacity (On three Shift basis)	5,400	5,400
Installed Capacity	NIL	NIL
Actual Production	NIL	NIL

Other Information / particulars are either not applicable or nil.

- 1) Deferred Tax is computing the tax effect of timing difference which arise during the year and reverse in subsequent periods keeping in view consideration of prudence, reasonable certainty and in the absence of sufficient future taxable income deferred tax assets is not provided for.
- 2) The company's operations relate to manufacture of Bright Steel Bars. The Company does not have separate business segments.
- 3) Earning per Share :

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The number used in calculating the basic and diluted earnings per equity share are as stated below :

## Indian Bright Steel Company Limited

		For the year ended MARCH 31., 2011	2009 – 2010
		₹	₹
Profit / (Loss) after taxation	Rs.	(5,79,089)	(3,19,654)
Weighted average number of shares	Nos.	6,45,000	6,45,000
Earning per share ( basic and Diluted )(Not annualized)	Rs.	(0.90)	(0.50)
Face value per Share	Rs.	10	10

10) **Related Party Information :-**

Disclosures in respect of related parties (as defined in Accounting Standard 18), with whom transactions have taken place during the year given below :

a) **Relationship**

i) **Key Management Personnel**

- 1 Shri Alok Kumar Jajodia
- 2 Shri Avinash Jajodia
- 3 Shri Avishek Himatsingka
- 4 Shri Tushar Dave
- 5 Shri Deepak Jhanwar

**Note :** Related Party relationship is as identified by the company and relied upon by the auditors.

b) **Transaction with Related Parties :**

Particulars	Referred in 1(a) above
<b>1) EXPENSES</b>	
Expenses / Reimbursement of Expenses	NIL (NIL)
<b>2) INCOME</b>	
Income Received	NIL (NIL)
<b>3) TEMPORARY ADVANCES RECEIVED</b>	
Opening	2,00,000 (1,50,000)
Received	5,10,000 (50,000)
Repaid	NIL (NIL)
Outstanding	7,10,000 (2,00,000)

(Figures in brackets pertains to previous year)

11) Figures of the previous year have been regrouped / reclassified / rearranged, wherever necessary, to conform with the current year's presentation. Amounts and other disclosures for the preceding year are included as an integral part of the current year's financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

12) Information required as per part IV of Schedule VI of the Companies Act, 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I) Registration Details**

Registration No.	11794
State Code	11
Balance Sheet Date	31.03.2011

**II) Capital Raised during the year**

(Rs. in Thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**III) Position of Mobilisation and Deployment of Funds**

(Rs. in Thousands)

Total Liabilities	7,260
Total Assets	7,260

**Sources of Funds :**

Paid-up Capital	6,450
Reserves and Surplus	100
Secured Loans	0
Unsecured Loans	710
Deferred Tax Liability	0

**Application of Funds :**

Net Fixed Assets	0
Capital Work in Progress	1,262
Investments	0
Net Current Assets	0
Miscellaneous Expenditure	0
Accumulated Losses	5,998

**IV) Performance of Company**

(Rs. in Thousands)

Sales net of Excise Duty and Other Income	0
Total Expenditure	579
Profit / (Loss) Before Tax	(579)
Provision for Income Tax ( Current / Deferred )	0
Profit / (Loss) After Tax	(57992)
Earning per share in Rs. (Not annualized)	(0.90)
Dividend rate	NIL

**Indian Bright Steel Company Limited**

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<b>V) Generic Name of Principal Products / Services of Company</b>	<b>(As per monetary terms)</b>	
Item Code No. (ITC Code)	7215.10	7215.20
	7228.50	7220.20
Product Description	Bright Steel Bars	

**Signature to Schedule 1 and 09**

**For A. J. MEHTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 106179W

**(ATUL MEHTA)**  
Proprietor  
M. No. 36959

Place : Mumbai  
Dated : April 30, 2011

**For and on behalf of the Board of Directors**

Alok Jajodia  
(Chairman)

Avinash Jajodia  
(Director)

Place : Mumbai  
Dated : April 30, 2011



## GROUPINGS TO THE BALANCE SHEET AS AT MARCH 31, 2011

**LIABILITIES SIDE****UNSECURED LOANS**

From Directors		
Alok Jajodia	260,000.00	
Avinash Jajodia	<u>450,000.00</u>	710,000.00
		<u>710,000.00</u>

**SUNDRY CREDITORS****For Expenses and Others**

M/s. A. J. Mehta & Associates	22,060.00	
M/s. HHS & Associates	2,000.00	
M/s. Bigshare Services Pvt. Ltd.	<u>27,575.00</u>	51,635.00
		<u>51,635.00</u>

**ASSETS****CASH AND BANK BALANCES**

Cash in hand	<u>17,797.90</u>	17,797.90
<b>Bank Balance with Scheduled Bank in -</b>		
Current Accounts -		
Bank of Baroda	<u>8,017.00</u>	8,017.00
		<u>25,814.90</u>

**LOANS AND ADVANCES****Advances Recoverable in cash or in Kind or for value to be received****Income-tax paid**

Income-tax Paid ( A. Y. 2006-2007 )	24,332.00	
Income-tax Paid ( A. Y. 2007-2008 )	<u>2,014.00</u>	26,346.00
		<u>26,346.00</u>



**INDIAN BRIGHT STEEL COMPANY LIMITED**

Regd. Office : AB01A, Neelam Centre, Hind Cycle Road, Worli, Mumbai-400030

**PROXY FORM**

**ANNUAL GENERAL MEETING**

Regd. Folio No. ....

Client ID No. ....

No. of Shares held .....

I/We..... of .....being a Member/Members of the above named Company hereby appoint Mr./Ms. .... of ..... or failing him ..... of..... as my / our proxy to attend and vote for me/ us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 19<sup>th</sup> September, 2011 at 10.00 a.m. at Aurum House, 25 Dayseth Road, Mumbai-400 007.

One Rupee  
Revenue Stamp

Place :  
Signed:  
Date:

Note: Proxy Form must reach the Company's Registered Office not less than 48 (Forty- Eight) hours before the time of the Meeting.

**INDIAN BRIGHT STEEL COMPANY LIMITED**

Regd. Office : AB01A, Neelam Centre, Hind Cycle Road, Worli, Mumbai-400030

**ATTENDANCE SLIP**

**ANNUAL GENERAL MEETING**

Regd. Folio No. ....

Client ID No. ....

No of Shares held .....

To be handed over at the entrance of Meeting Venue.

Name of the attending Member (IN BLOCK LETTERS).....

Name of the Proxy (IN BLOCK LETTERS) .....

(To be filled in by Proxy attending instead of the Member)

I hereby record my presence at the Annual General Meeting of the Company being held on Monday, 19<sup>th</sup> September , 2011 at 10.00 A M at Aurum House, 25 Dayseth Road, Mumbai-400 007.

Members'/Proxy Signature

**Book Post**

If undelivered, please return to :

**Bigshare Services Pvt Ltd**

E-2 Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andhari (E) Mumbai 400072