

Chase Bright Steel Ltd.

*51st*  
*Annual Report*  
**2010-2011**

## BOARD OF DIRECTORS

Shri Alok Jajodia (*Chairman*)

Shri Avinash Jajodia (*Managing Director*)

Shri N. G. Khaitan

Shri P. L. Dabral

Smt. Manjudevi Jajodia

**Auditors :**

Messrs A. J. Mehta & Associates

Chartered Accountants

Mumbai

**Registered Office & Works:**

R-237, TTC Industrial Area,

MIDC, Rabale

Navi Mumbai - 400 701.

**NOTE**

Conveyance from Thane station to the place of meeting and back will be made available for shareholders desirous of attending the meeting, provided such shareholders notify their intention at least one week in advance to Ms. Sampada Sakpal in writing at the company's registered office address. Company's representative having a banner with the name of the company shall be waiting outside Thane station (East) near Anand Talkies and shall leave the station at 10.00 a.m. sharp for the place of meeting.

**NOTICE**

Notice is hereby given that the 51st Annual General Meeting of the Members of Chase Bright Steel Limited, shall be held at the Thana Manufacturers' Association, TMA House, P-6 Main Road, Wagle Industrial Estate, Thane-400604, at 11.00 a.m. on Friday, 30th September, 2011 to transact the following business:

1. To receive, consider, and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date, along with the Reports of the Directors and Auditors thereon.
2. To appoint Shri P L Dabral as a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.

"RESOLVED THAT the retiring auditors, M/s. A J Mehta & Associates - Chartered Accountants, who being eligible, offer themselves for re-appointment be and are hereby re-appointed as auditors of the company, to hold office until the conclusion of the next Annual General Meeting on such remuneration, tax, and out of pocket expenses as may be mutually agreed between the Board of Directors and the Auditors in connection with the audit of Accounts of the Company for the year ending 31st March, 2012.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. K. S. Shikari who was appointed as Additional Director of the Company by the Board of Directors under Article 115 of the Articles of Association of the Company with effect from 6th August, 2011 and who holds office under the said article and pursuant to section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and who is eligible for re-appointment under the relevant provisions of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the company and is liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT subject to the approval of the members of the company and provisions of Section 198, 269, 309, 310 and 314 and other applicable provisions of the Companies Act, 1956, or any statutory amendment, re-enactment or modification(s) thereto and such other consent as may be necessary, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Alok Jajodia, a Director of the company as the Executive Chairman of the Company, for a period of three years from 15th January, 2011 to 14th January, 2014 on the terms and conditions (including the remuneration to be paid in the event of absence or in adequacy of profits in any financial years covered by aforesaid period) as set out in the explanatory note annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary to aforesaid terms as to remuneration including perquisites within the ceiling limit in that behalf laid down in the Companies Act, 1956 and/or in schedule XIII

of the Companies Act, 1956 as in force from time to time.”

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT subject to the approval of the members of the company and provisions of Section 198, 269, 309, 310, 311, 314 and other applicable provisions of the Companies Act, 1956, or any statutory amendment, re-enactment or modification(s) thereto and such other consent as may be necessary, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Avinash Jajodia, a Director of the company be and is hereby re-appointed as Managing Director of the Company, for a period of three years from 12th June, 2011 to 11th June, 2014 on the terms and conditions (including the remuneration to be paid in the event of absence or in adequacy of profits in any financial years covered by aforesaid period) as set out in the explanatory note annexed hereto.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary to aforesaid terms as to remuneration including perquisites within the ceiling limit in that behalf laid down in the Companies Act, 1956 and/or in schedule XIII of the Companies Act, 1956 as in force from time to time.”

By Order of the Board,

Place: Mumbai  
Date: 6th August, 2011

Registered Office:  
R-237, TTC Industrial Area  
MIDC, Rabale, Navi Mumbai – 400701.

**Alok Jajodia**  
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.
2. The instrument appointing a Proxy should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share transfer Books of the Company will remain closed from Monday 26th September, 2011 to Friday 30th September, 2011 (both days inclusive)
4. Members /proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members desiring any information as regard to Accounts are requested to write to the Company by 25th September, 2011, so as to enable the management to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO 4.**

Mr K. S. Shikari was appointed as an Additional Director on the Board effective 06.08.2011 in terms of section 260 of the Companies Act, 1956 and Article 115 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting and is eligible for

re-appointment. The Company has received a notice proposing the candidature of Mr K.S. Shikari for the office of Director in terms of section 255 and 257 of the Companies Act, 1956.

The Directors recommend the resolution for members' approval.

None of the Directors other than K.S. Shikari are interested in the resolution.

**Item No. 5**

The Board of Directors of the Company (“the Board”) at its meeting held on 29th January, 2011 re-appointed Mr. Alok Jajodia as the Executive Chairman of the Company for a period of 3 years from 15th January, 2011 to 14th January, 2014 and approved the terms and conditions of the appointment including the remuneration.

The main terms and conditions of re-appointment of Mr. Alok Jajodia are as follows.

**Period of Appointment**

From 15th January, 2011 to 14th January, 2014.

**Remuneration payable**

Salary ₹ 1,50,000/- per month

Perquisites shall be restricted to an amount equal to the annual salary ₹ 6,00,000/- per annum whichever is less as detailed in categories 'A' 'B' and 'C.'

**PERQUISITES**

**CATEGORY 'A'**

**i) Housing**

The Company may provide accommodation to the Executive Chairman or in lieu the Executive Chairman shall be entitled to House Rent Allowance at the rate of upto 60% of the salary.

The Executive Chairman shall also entitled to all amenities such as gas, electricity, water etc and furnishing which will be used for personal / private purposes and also for the purpose of his official duties and shall be valued as per Income Tax Rules 1962. This shall however be subject to a ceiling of ten percent of the salary of the Executive Chairman.

**ii) Medical Reimbursement**

Medical and hospital benefits for self and family. The total cost for which shall not exceed one month's salary in a year or three month's salary over a period of three years.

**iii) Leave Travel Concession.**

Leave Travel Concession for self and family once in a year in accordance with the prevailing practice in the Company.

**iv) Club Membership Fees**

The fees of Club Membership subject to a maximum of two clubs but not including admission or life membership fees.

**v) Personal Accident Insurance.**

Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹ 5,000/- per annum.

**CATEGORY 'B'**

- i) **Provident Fund**  
The Company's contribution towards the provident fund as per the rules of the Company as applicable to the other executives of the Company but not exceeding 12% of the salary as laid down under Income Tax Rules, 1962.
- ii) **Pension/ Superannuation Fund**  
The company's contribution towards pension / superannuation fund as per the rules of the Company. Such contribution shall not exceed 25% of the salary as laid down under Income Tax Rules 1962.
- iii) **Gratuity**  
Gratuity at the rate not exceeding half month's salary for each completed year of service.

**CATEGORY 'C'**

Provision of car for use of company's business and telephone at residence, will not be considered as perquisites. However, personal long distance calls and use of the car for private purpose shall be billed by the company to the Executive Chairman.

Earned Leave: On full pay and allowance as per rules of the Company but not exceeding one month leave for every 11 months of service. The Executive Chairman shall be entitled to encash the leave not availed.

In the event of inadequacy or absence of profit under section 349 and 350 of the Companies Act, 1956 if the remuneration exceeds the limit prescribed under Schedule XIII the same shall be subject to the approval of the Central Government. The information as required under schedule XIII Part II Section II (1) (B) (i) is annexed herewith.

Mr. Alok Jajodia shall not be liable to retire by rotation.

The above should be treated as an abstract required under sec. 302 of the Companies Act. 1956.

The Directors recommended the resolution for members' approval.

Mr. Alok Jajodia may be deemed to be interested in the resolution which pertains to his appointment and remuneration payable to him. Further Mrs. Manju Devi Jajodia and Mr. Avinash Jajodia are related to Mr. Alok Jajodia and may be deemed to be concerned and interested in the said resolution.

**Item no. 6**

The Board of Directors of the Company ("the Board") at its meeting held on 29th January, 2011 re-appointed Mr. Avinash Jajodia as the Managing Director of the Company for a period of 3 years with effect from 12th June, 2011 to 11th June, 2014 and approved the terms and conditions of the appointment including the remuneration.

The main terms and conditions of re-appointment of Mr. Avinash Jajodia are as follows.

**Period of Appointment**

From 12th June, 2011 to 11th June, 2014

**Remuneration payable**

Salary ₹ 1,50,000/- per month

Perquisites shall be restricted to an amount equal to the annual salary ₹ 6,00,000/- per annum whichever is less as detailed in categories 'A' 'B' and 'C.'

**PERQUISITES****CATEGORY 'A'**

- i) **Housing**  
The Company shall provide accommodation to the Managing Director. Or he will be entitled to House Rent Allowance at the rate of 50% of the salary.  
  
The Managing Director shall also be entitled to all amenities such as gas, electricity, water etc and furnishing which will be used for personal / private purposes and also for the purpose of his official duties and shall be valued as per Income Tax Rules 1962. This shall however be subject to a ceiling of ten percent of the salary of the Managing Director.
- ii) **Medical Reimbursement**  
Medical and hospital benefits for self and family. The total cost for which shall not exceed one month's salary in a year or three month's salary over a period of three years.
- iii) **Leave Travel Concession.**  
Leave Travel Concession for self and family once in a year in accordance with the prevailing practice in the company.
- iv) **Club Membership Fees**  
The fees of Club Membership subject to a maximum of two clubs but not including admission or life membership fees.
- v) **Personal Accident Insurance.**  
Personal Accident Insurance of an amount, the annual premium of which should not exceed ₹ 5,000/-.

**CATEGORY 'B'**

- i) **Provident Fund**  
The Company's contribution towards the provident fund as per the rules of the Company as applicable to the other executives of the Company but not exceeding 12% of the salary as laid down under Income Tax Rules, 1962.
- ii) **Pension/ Superannuation Fund**  
The company's contribution towards pension / superannuation fund as per the rules of the Company. Such contribution shall not exceed 25% of the salary as laid down under Income Tax Rules, 1962.
- iii) **Gratuity**  
Gratuity at a rate not exceeding half month's salary for each completed year of service.

**CATEGORY 'C'**

Provision of car for use on Company's business and telephone at residence, will not be considered as perquisites. However, personal long distance calls and use of the car for private purpose shall be billed by the company to the Managing Director.

Earned Leave: On full pay and allowance, as per the rules of the Company, but not exceeding one month's leave for every eleven months of service. Managing Director shall be entitled to encash the leave not availed.

In the event of inadequacy or absence of profit under section 349 and 350 of The Companies Act, 1956 if the remuneration exceeds the limit prescribed under Schedule XIII the same shall be subject to the approval of the Central Government.

Mr. Avinash Jajodia shall not be liable to retire by rotation.

The above should be treated as an abstract required under sec. 302 of the Companies Act. 1956.

The Directors recommended the resolution for members' approval.

Mr. Avinash Jajodia may be deemed to be interested in the resolution which pertains to his appointment and remuneration payable to him. Further Mrs. Manju Devi Jajodia and Mr. Alok Jajodia are related to Mr. Avinash Jajodia and may be deemed to be concerned and interested in the said resolution.

By Order of the Board,

**Alok Jajodia**  
Chairman

Place: Mumbai

Date: 06 August, 2011

Registered Office:

R-237, TTC Industrial Area  
MIDC, Rabale,  
Navi Mumbai – 400701.

## I GENERAL INFORMATION

### (1) Nature of industry :

The Company is engaged in manufacturing, trading, and export of bright steel bars

### (2) Date or expected date of commencement of commercial production:

The Commercial production of the Company has already commenced since 1960.

### (3) Incase of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

### (4) Financial performance during last three years

₹ in Lakhs

Financial Parameters	2010-2011	2009-2010	2008-2009
Turnover (Sales)	<b>3334.01</b>	2226.11	2118.80
Net Profit Before Tax	<b>68.94</b>	47.28	59.51
Net Profit After Tax	<b>39.71</b>	26.50	55.92

### (5) Export performance and net foreign exchange earnings.

₹ in Lakhs

2010-2011	2009-10	2008-2009
<b>878.41</b>	200.92	380.90

### (6) Foreign investments or collaborators, if any.

None

## II INFORMATION ABOUT THE APPOINTEE:

### (1) Mr. Alok Jajodia

#### 1. Background details:

Mr Alok Jajodia has been with the company since 1960. He has more than 50 years of experience in the field of business and finance. He oversees the operations of the Company. He plays an important role in providing strategic directions and plays an instrumental role in implementing them.

#### 2. Past remuneration including PF, Superannuation, Gratuity for last three years:

₹ in Lakhs

2010-2011	2009-2010	2008-2009
<b>13.41</b>	9.47	9.29

**3. Recognition and awards;**

Has been responsible from the inception of the company to be the market leader in its product both in the domestic and international market.

**4. Job profile and his suitability:**

Was appointed an Executive Chairman by the members in the meeting held on 30<sup>th</sup> September, 2006 for a period of 5 years upto 14<sup>th</sup> January, 2011 and his responsibilities include the following

- Formulating the Vision of the Company
- Ensuring Profitable operations through efficient and optimum use of Company's resources.
- Taking all major policy decisions.
- Strategic Decisions for the overall growth of the Company.

Mr Alok Jajodia has served the company for 50 years. In view of Mr. Jajodia's vast experience and high esteem which he holds in the Industry for his financial and legal acumen and leadership qualities the Board considers him as a suitable professional for shouldering the responsibility as Executive Chairman of the Company.

**5. Remuneration proposed:**

Salary	₹ 1,50,000/- per month with effect from 15th January, 2011
Perquisites	Perquisites shall be restricted to an amount equal to the annual salary or ₹ 6,00,000/- per annum whichever is less as detailed in categories ₹A' ₹B' & ₹C' as mentioned in the explanatory note annexed to the notice.
Provident Fund	The Company's contribution towards the provident fund as per the Rules of the Company as applicable to the other executives of the Company but not exceeding 12% of the salary as laid down under Income Tax Rules, 1962.
Pension/Superannuation Fund	The company's contribution towards pension/superannuation fund as per the rules of the Company. Such contribution shall not exceed 25% of the salary as laid down under Income Tax Rules, 1962.
Gratuity	At a rate not exceeding half month's salary for each completed year of service.
Minimum Remuneration only in case of absence or inadequacy of profits during any financial year.	To be paid by way of salary, performance linked remuneration, perquisites, and allowance, subject to the limits specified in Part II in Section II to Schedule XIII of the Companies Act, 1956.

**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.e.t. the country of his origin):**

No data is available for comparison in terms of company's size and nature of its operations. The remuneration proposed is in line with the remuneration of similar occupants in some of the companies in the Industry and general trend in this regard

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal if any:**

Relative of Mr. Avinash Jajodia - Managing Director

Relative of Mrs. Manju Devi Jajodia - Director

**III. OTHER INFORMATION:****(1) Reasons of loss or inadequate profits**

Although the Company has been making profits for the last few years the margins are under pressure due to intense competition resulting in significant reduction in net realizations and contributions

Mr. Alok Jajodia as Executive Chairman of the Company has worked out strategies to meet the challenging situation in the business, resulting in improved profitability as has been reflected in the results for the financial year 2010-11.

The Company is seeking permission of the shareholders for making payment to Mr. Alok Jajodia, Executive Chairman in any of the three years of appointment as laid down in part II in Section II to Schedule XIII of the Companies Act, 1956 only in the event the Company has no profits or inadequate profits in any such financial year

**(2) Steps taken or proposed to be taken for improvement;**

- Strategic tie-ups and associations.
- Thrust on exports
- Improvements in productivity and optimum utilization of resources of the Company
- Aggressive implementation of cost reduction and cost control measures.

**(3) Expected increase in productivity and profits in measurable terms;**

The Company, by adoption of measures as aforesaid, expects higher turnover in future years with associated higher profits and productivity. Adoption of cost reduction measures would enable the Company to bring about increase in the profitability.

**IV. INFORMATION ABOUT THE APPOINTEE:****(2) Mr. Avinash Jajodia****1. Background details:**

Mr Avinash Jajodia was an academic excellence awardee in school and college throughout the career. Did M.B.A in U.K, from Manchester University. Started

working career with company as business executive then become Executive Director of the Company and then Managing Director. He is responsible towards rehabilitating the Company into its present strength.

**2. Past remuneration including PF, Superannuation, Gratuity for last three years:**

₹ in Lakhs

2010-2011	2009-2010	2008-2009
19.72	19.65	16.76

**3. Recognition and awards;**

Been an academic awardee throughout his career. He has been responsible in rehabilitating the company and bring a successful turnaround in the fortunes of the Company.

**4. Job profile and his suitability:**

Was re-appointed as an Executive Director by the members in the meeting held on 30<sup>th</sup> September, 2003 and was appointed as Managing Director by the members in the meeting held on 30<sup>th</sup> September, 2006 and was re-appointed as a Managing Director in the shareholders meeting held on 30<sup>th</sup> September, 2008 for a period of 3 years. His responsibilities include the following

- e) Gainful operations through efficient and optimum use of Company's resources.
- f) Employee satisfaction.
- g) Customer satisfaction.
- h) Strategic Decisions for the overall growth of the Company.

Mr Avinash Jajodia has served the company for over 10 years. He has been instrumental in reviving the Company to its present status. In view of Mr. Jajodia's vast experience and high esteem which he holds in the Company for his financial acumen and leadership qualities the Board considers him as a suitable professional for shouldering the responsibility of the Managing Director of the Company.

**5. Remuneration proposed:**

Salary	₹ 1,50,000/- per month with effect from 12 <sup>th</sup> June, 2011
Perquisites	Perquisites shall be restricted to an amount equal to the annual salary or ₹ 6,00,000/- per annum whichever is less as detailed in categories 'A' 'B' & 'C' as mentioned in the explanatory note annexed to the notice.

Provident Fund	The Company's contribution towards the provident fund as per the Rules of the Company as applicable to the other executives of the Company but not exceeding 12% of the salary as laid down under Income Tax Rules, 1962.
Pension/ Superannuation Fund	The company's contribution towards pension/ superannuation fund as per the rules of the Company. Such contribution shall not exceed 25% of the salary as laid down under Income Tax Rules, 1962.
Gratuity	At a rate not exceeding half month's salary for each completed year of service.
Minimum Remuneration only in case of absence or inadequacy of profits during any financial year.	To be paid by way of salary, performance linked remuneration perquisites and allowance, subject to the limits specified in Part II in Section II to Schedule XIII of the Companies Act, 1956.

**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.e.t. the country of his origin):**

No data is available for comparison in terms of company's size and nature of its operations. The remuneration proposed is in line with the remuneration of similar occupants in some of the companies in the Industry and general trend in this regard

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal if any:**

Relative of Mr Alok Kumar Jajodia - Executive Chairman

Relative of Mrs Manju Devi Jajodia - Director

**III OTHER INFORMATION:**

**(1) Reasons of loss or inadequate profits**

Although the Company has been making profits for the last few years the margins are under pressure due to intense competition resulting in significant reduction in net realizations and contributions

Mr. Avinash Jajodia as Managing Director of the Company has worked out strategies to meet the challenging situation in the business, resulting in improved profitability as has been reflected in the results for the financial year 2010-11.

The Company is seeking permission of the shareholders for making payment to Mr.Avinash Jajodia, Managing Director in any of the three years of appointment as

laid down in part II in Section II to Schedule XIII of the Companies Act, 1956 only in the event the Company has no profits or inadequate profits in any such financial year

**(2) Steps taken or proposed to be taken for improvement;**

- e) Strategic tie-ups and associations.
- f) Thrust on exports
- g) Improvements in productivity and optimum utilization of resources of the Company
- h) Aggressive implementation of cost reduction and cost control measures.

**(3) Expected increase in productivity and profits in measurable terms;**

The Company, by adoption of measures as aforesaid, expects higher turnover in future years with associated higher profits and productivity. Adoption of cost reduction measures would enable the Company to bring about increase in the profitability.

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 51st Annual Report on the business and operations of your company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

### 1. FINANCIAL RESULTS

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

Particular	For the year ended on March 31, 2011 ₹	For the year ended on March 31, 2010 ₹
Profit before tax	72,78,628	46,13,307
Less: Provision for tax and FBT	34,00,000	16,25,000
Less: Deferred Tax	(4,76,524)	4,52,626
Add: Excess Provision for I.T. written back	—	4,09,040
Less: Prior Period Adjustment – Debit (net)	(3,84,171)	(2,94,498)
Net profit for the year after tax	39,70,981	26,50,224
Less: Losses brought down from earlier year	(1,67,28,673)	(1,93,78,876)
Balance Losses carried to Balance Sheet	(1,27,57,692)	(1,67,28,673)

### 2. WORKING

The company's working results have been as expected encouraging. Turnover and profits have been higher. However the margins on company's product continue to be under pressure. Efforts in the export markets have resulted in increased volume of exports and the company established their product name in new markets.

The current year is expected to maintain the growth rate as per previous year.

### 3. DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri. P. L. Dabral retires by rotation, and offers himself for re-appointment.

None of the directors are disqualified from being appointed or from holding office as Directors, as stipulated under section 274 of the Companies Act, 1956.

During the year Shri. O V Kuruvilla resigned from the Board of Directors w.e.f. 30th April 2011. Shri. K. S. Shikari has been appointed as additional director of the company w.e.f. 6th August, 2011.



**4. 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.

**5. AUDIT OBSERVATION**

As regards observation of the Auditors, attention is drawn towards the Schedule 19 & 20 Notes on accounts to the Annual Accounts which is self-explanatory.

**6. AUDITORS**

M/s. A. J. Mehta & Associates, Chartered Accountants, present auditors of the Company retire at the forth coming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from the retiring Auditors to the effect that their appointment, if carried out, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Members are requested to appoint them as Auditors.

**7. 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.

**8. 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 EARNINGS/OUTGOINGS.**

Foreign Exchange earning through Export aggregate to 878.41 lacs (Previous Year 200.92 lacs). Particulars of foreign Exchange earned and utilized during the year is given in Schedule "20" of the account.

**9. LISTING AGREEMENT COMPLIANCE**

The Company's securities is listed at The Stock Exchange, Mumbai. The outstanding listing fee payable to the stock exchanges as on March 31, 2011 ₹ Nil.

**10. 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 the Marked as Annexure - 'A'

**11. ACKNOWLEDGEMENT**

Your Directors would like to place on record the sincere thanks for the valuable assistance and co-operation received from various agencies of the Government as well as from the Company's Bankers, Shareholders and other business associates. Your directors also wish to place on record their appreciation for the committed services of all the employees of the company.

For & On behalf of the Board

Place: Mumbai  
Date: 6th August, 2011

**Alok Jajodia**  
Chairman

## COMPLIANCE CERTIFICATE

To,  
The Members,  
**Chase Bright Steel Limited**

I have examined the registers, records, books and papers of **Chase Bright Steel Limited**, having its registered office at R-237, TTC Industrial Area, MIDC, Rabale, Navi-Mumbai- 400701 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 31st 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 there under 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, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
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 27th September, 2010 to 30th 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 31st March, 2010 was held on 30th 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.
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 were no appointment of additional directors, alternate directors or directors to fill casual vacancy during the period under scrutiny.
15. During the year under scrutiny the Company in its Board Meeting dated 29.01.2011 has re-appointed the Managing Director and Executive Chairman in accordance with the provisions of Section 269 read with schedule XIII of the Act and no approval of Central Government was required to be taken as the appointments were in accordance with the terms of Schedule XIII.
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 there under.
19. The Company has not issued shares/debentures/other securities during the financial year.
20. The Company has not bought back shares during the financial year under scrutiny.
21. The Company has not redeemed any preference shares during the financial year under scrutiny.
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 amount borrowed by the Company from Directors, Members and others during the financial year ending 31st March, 2011 is within the borrowing limits of the company
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.
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 show cause notice received by the company for alleged offences under the Act and no fines, penalties or any other punishments was imposed on the Company during the financial year under scrutiny.
32. The Company has not received any security from its employees during the year under scrutiny.
33. The company is regular in depositing both the Employees and Employers Provident Fund Contribution with prescribed authorities pursuant to Section 418 of the Act.

**Leena Agrawal & Co.**  
Practicing Company Secretaries

**Leena Agrawal**  
Proprietress  
Mem. No.: 19600  
C.P. No.: 7030

Place : Mumbai  
Date : 06/08/2011

**ANNEXURE A:**

Registers as maintained by the Company are:

1. Register of Charges u/s 143.
2. Register of Members u/s 150.
3. Attendance Register for General Meetings u/s 174.
4. Minutes Books of General Meeting and Board Meetings u/s 193.
5. Attendance Register for Board Meetings u/s 287.
6. Register of Contracts u/s 301.
7. Register of Directors u/s 303.
8. Register of Directors' Shareholding u/s 307.
9. Register of Investments u/s 372.
10. Register of Share Transfer.
11. Register of Accounts.

ANNEXURE 'B'		Form No. / Return	Filing under Section	For	Date of Filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee Yes/No
Sr. No	1.	Form 23AC & 23ACA - Balance Sheet and Profit & loss Account	220	For the year ended 31st March, 2010	11th October, 2010	Yes	—
	2.	Form 66 - Compliance Certificate	383A	For the year ended 31st March, 2010	01st October, 2010	Yes	—
	3.	Form 20B - Annual Return	159	As on the date of the Annual General Meeting held on 30th September, 2010.	26th November, 2010	Yes	—
	4.	Form 23-Registration of Resolutions	192	As per Companies Act, 1956	07th October, 2010	Yes	—

**Leena Agrawal & Co.**  
Practicing Company Secretaries  
**Leena Agrawal**  
Proprietress  
M No.: 19600  
C.P. No.: 7030

Place: Mumbai  
Date: 06/08/2011

## AUDITORS' REPORT

To,  
The Members,  
CHASE BRIGHT STEEL LTD.

We have audited the attached Balance Sheet of **CHASE BRIGHT STEEL LTD.** 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 of the Company;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in 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 financial statements together with the "Significant Accounting Policies" and "Notes to Accounts" and other notes appearing else where in the accounts and subject to Note No. 5 of Schedule 20 relating to non provision for doubtful debts of ₹ 10,09,374/-, give the information required by the Companies' Act, 1956, in the manner so required and present 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 Profit 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

**(ATUL MEHTA)**

Proprietor

Membership No.: 36959

Place : Mumbai  
Dated : August 06, 2011

**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.
  - (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) (a) As explained to us, the inventories have been physically verified by the management at regular intervals during the year and at the close of the year.
  - (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 as explained to us are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt within the books of account.
- (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.
  - (b) The company has taken loans from seven parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance involved during the year was ₹ 362.49 lakhs and the year end balance of loans taken from such parties was ₹ 296.46 lakhs.

- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies and 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.
- (d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- (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 and services. 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, transactions made in pursuance of contracts or arrangements 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 have been made at prices / rates which are reasonable having regard to the prevailing market price / rates at the relevant time.
- (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 Act 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 the manufacturing activities carried on by the Company and therefore, clause 4(viii) of the Order is not applicable.
- (9) (a) According to records of the Company, and on the basis of our examination of the books of accounts and other records, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employee's State Insurance, Income - tax, Service tax, Sales tax / VAT, Customs Duty, Excise Duty and other material statutory dues applicable to it but there have been some delays in few instances. However, according to information and explanation given to us, there is no liability towards Investor Education & Protection Fund, Wealth- tax for the year under audit.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable except Income-tax dues of ₹ 14.88 lakhs and NMMC Cess of ₹ 25.56 lakhs.

- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, excise duty, service tax or custom duty which have not been deposited on account of any dispute.
- (10) As on March 31, 2010, the accumulated losses of the Company are more than 50% of its net worth. The Company has not incurred cash losses during the year ended on that date and 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) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (16) The Company has raised new loans during the year. The loans so raised have been utilized for the purpose for which they were raised.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the Company has utilised short term funds towards financing of losses incurred in the past.
- (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

**(ATUL MEHTA)**

Proprietor  
Membership No.: 36959

Place : Mumbai  
Dated : August 06, 2011

## BALANCE SHEET AS AT MARCH 31, 2011

Schedules	As at		
	March 31, 2011	March 31, 2010	
	₹	₹	
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	1	16,950,000	16,950,000
Reserves and Surplus	2	1,516,000	1,516,000
		<u>18,466,000</u>	<u>18,466,000</u>
<b>LOAN FUNDS :</b>			
Secured Loans	3	2,394,768	1,237,906
Unsecured Loans	4	44,782,168	42,486,837
		<u>47,176,936</u>	<u>43,724,743</u>
<b>TOTAL</b>		<u>65,642,936</u>	<u>62,190,743</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
Gross Block	5	29,129,246	26,464,263
Less: Depreciation		<u>11,952,166</u>	<u>10,188,317</u>
Net Block		17,177,080	16,275,946
<b>INVESTMENTS :</b>	6	5,580	5,580
<b>DEFERRED TAX ASSETS</b>	7	1,776,770	1,300,246
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	8	77,077,087	39,182,645
Sundry Debtors	9	71,431,540	40,821,967
Cash and Bank Balances	10	1,051,861	452,948
Loans and Advances	11	19,850,614	8,276,715
		<u>169,411,102</u>	<u>88,734,275</u>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>	12	<u>135,485,288</u>	<u>61,787,017</u>
		<u>33,925,814</u>	<u>26,947,258</u>
<b>GOODWILL ON AMALGAMATION</b> (to the extent not written off or adjusted)	13	—	933,040
<b>PROFIT AND LOSS ACCOUNT DEBIT BALANCE</b>		<u>12,757,692</u>	<u>16,728,673</u>
<b>TOTAL</b>		<u>65,642,936</u>	<u>62,190,743</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
19			
<b>NOTES ON ACCOUNTS</b>			
20			
As per our report even date	For and on behalf of the Board of Directors		
For A.J. MEHTA & ASSOCIATES Chartered Accountants Firm Registration No. 106179W	Alok Jajodia Avinash Jajodia	Chairman Managing Director	
Atul J. Mehta Proprietor Membership No.: 36959	N. G. Khaitan P. L. Dabral Manju Devi Jajodia	} Directors	
Place : Mumbai Dated : August 6, 2011	Place : Mumbai Dated : August 6, 2011		

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

Schedules	For the	
	Year ended March 31, 2011	Year ended March 31, 2010
	₹	₹
<b>INCOME</b>		
Sales (Less Returns) Including Processing Charges	363,835,238	240,179,162
Less : Excise Duty recovered on Sales	<u>30,434,163</u>	<u>17,568,205</u>
Net Sales	333,401,075	222,610,957
Other Income	14	1,245,154
Increase / ( Decrease ) in Stocks	15	40,390,143
<b>TOTAL</b>	<u>375,036,372</u>	<u>229,436,277</u>
<b>EXPENDITURE</b>		
Consumption of Raw Materials	16	319,168,357
Manufacturing, Administrative and Other Expenses	17	42,150,805
Financial Expenses	18	3,129,647
Depreciation		2,375,895
Goodwill on Amalgamation written off		933,040
<b>TOTAL</b>	<u>367,757,744</u>	<u>224,822,970</u>
<b>PROFIT / (LOSS) before Tax</b>	<u>7,278,628</u>	<u>4,613,307</u>
Less: Provision for Tax - Current	3,400,000	1,625,000
- Fringe Benefit Tax	—	—
- Deferred	(476,524)	452,626
Add: Excess Provision for Income-tax Written Back	—	409,040
Less: Prior Period Adjustment - credit/(Debit) (net)	<u>(384,171)</u>	<u>(294,498)</u>
<b>PROFIT / (LOSS) after Tax</b>	<u>3,970,981</u>	<u>2,650,223</u>
Add : PROFIT / (Loss) brought down from earlier years	<u>(16,728,673)</u>	<u>(19,378,896)</u>
<b>PROFIT CARRIED TO BALANCE SHEET</b>	<u>(12,757,692)</u>	<u>(16,728,673)</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	19	
<b>NOTES ON ACCOUNTS</b>	20	
As per our report even date	For and on behalf of the Board of Directors	
For A.J. MEHTA & ASSOCIATES Chartered Accountants Firm Registration No. 106179W	Alok Jajodia Avinash Jajodia	Chairman Managing Director
Atul J. Mehta Proprietor Membership No.: 36959	N. G. Khaitan P. L. Dabral Manju Devi Jajodia	} Directors
Place : Mumbai Dated : August 6, 2011	Place : Mumbai Dated : August 6, 2011	

## 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>		
20,00,000 Equity Shares of ₹ 10/- each	<b>20,00,000</b>	20,00,000
<b>Issued :</b>		
16,75,000 Equity Shares of ₹ 10/- each	<b>16,75,000</b>	16,75,000
1,00,000 - 15% Redeemable Cumulative Preference Shares of ₹ 10/- each	<b>1,00,000</b>	1,00,000
	<b>17,75,000</b>	17,75,000
<b>Subscribed :</b>		
16,75,000 Equity Shares of ₹ 10/- each (Out of the above, 11,25,000 equity shares of ₹ 10/- each were allotted as per the Scheme of Amalgamation of Chase Atherton Steel Pvt. Ltd. with the Company.) (Refer Note No. 6 of Schedule - 20)	<b>16,75,000</b>	16,75,000
1,00,000 - 15% Redeemable Cumulative Preference Shares of ₹ 10/- each	1,00,000	1,00,000
Less: 80,000 Shares redeemed	800,000	800,000
	<b>200,000</b>	200,000
	<b>16,950,000</b>	16,950,000
<b>SCHEDULE - 2 :</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium Account -		
As per last Balance Sheet	<b>450,000</b>	450,000
Capital Redemption Reserve		
As per last Balance Sheet	<b>800,000</b>	800,000
Capital Cash Subsidy		
As per last Balance Sheet	<b>266,000</b>	266,000
	<b>1,516,000</b>	1,516,000

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

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE - 3 :</b>		
<b>SECURED LOANS</b>		
Car Loans From Tata Capital Ltd. against hypothecation of Motor Cars (installment due within one year ₹ 1,54,502.97 - Previous year ₹ 3,42,034.21)	<b>154,503</b>	496,538
Accrued Interest on Above	<b>1,363</b>	4,380
Hydra Crane Loans From Kotak Mahindra Bank Ltd. against hypothecation of Hydra Crane (installment due within one year ₹ 2,79,741/- - Previous year ₹ 2,50,191/-)	<b>484,361</b>	734,552
Accrued Interest on Above	<b>1,606</b>	2,436
Car Loans From Kotak Mahindra Prime Ltd. against hypothecation of Motor Cars (installment due within one year ₹ 7,76,266/- - Previous year ₹ NIL)	<b>1,741,425</b>	—
Accrued Interest on Above	<b>11,510</b>	—
	<b>2,394,768</b>	1,237,906
<b>SCHEDULE - 4 :</b>		
<b>UNSECURED LOANS</b>		
From Directors	<b>21,710,874</b>	23,626,465
From Corporate Bodies	<b>18,571,294</b>	13,691,467
From Others	<b>4,500,000</b>	5,168,905
	<b>44,782,168</b>	42,486,837

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

SCHEDULE - 5 : FIXED ASSETS	PARTICULARS	At Cost		Depreciation		Net Block		
		As at April 01, 2010	Additions/ (Deduction) during the yr.	As at March 31, 2011	Up to March 31, 2010	For the Year Adjustments	As at March 31, 2011	As at March 31, 2010
	Lease hold Lands	3,104,734	—	3,104,734	—	—	3,104,734	3,104,734
	Factory Building	9,545,233	—	9,545,233	3,860,469	568,476	5,116,288	5,684,764
	Plant & Machinery	9,228,773	247,840	9,476,613	3,511,956	801,392	5,163,265	5,716,817
	Electric Installation	448,201	—	448,201	288,469	22,497	139,235	161,732
	Furniture & Fixture	190,563	54,740	245,303	36,420	12,369	196,514	154,143
	Office Equipments	448,324	—	448,324	188,389	36,157	224,546	259,935
	Computers	389,777	7,416	397,193	297,346	39,337	60,510	92,431
	Motor Cars	3,108,658	3,050,023	5,468,645	2,007,268	895,667	3,172,756	1,101,390
			(695,036)					
		<b>26,464,263</b>	<b>2,664,983</b>	<b>29,129,246</b>	<b>10,188,317</b>	<b>2,375,895</b>	<b>11,952,166</b>	<b>16,275,946</b>
	As at March 31, 2010	<b>24,534,613</b>	<b>1,929,950</b>	<b>26,464,263</b>	<b>8,305,721</b>	<b>1,882,596</b>	<b>10,188,317</b>	<b>16,275,946</b>

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

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE - 6 :</b>		
<b>INVESTMENTS</b>		
Unquoted Shares - Non Trade		
166 Shares of the Bombay Mercantile Co. Op. Bank Ltd.	<b>4,980</b>	4,980
@ ₹ 30/- per Shares		
12 Shares of Steel Chamber Kalamboli Business and Office Premises Co. Op. Soc. Ltd.	<b>600</b>	600
	<b>5,580</b>	5,580
Notes : Aggregate of Unquoted Investments - Cost	<b>5,580</b>	5,580
<b>SCHEDULE - 7 :</b>		
<b>DEFERRED TAX ASSETS</b>		
(Refer Note No. 23 of Schedule - 20)		
Deferred Tax Assets (Net)		
Per last Balance Sheet	<b>1,300,246</b>	1,752,872
Add: Deferred Tax Assets (Net) for Current Year	<b>476,524</b>	(452,626)
	<b>1,776,770</b>	1,300,246
<b>SCHEDULE - 8 :</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials including goods in transit	<b>21,150,093</b>	23,645,794
Stock In Process	<b>48,777,492</b>	7,981,140
Finished Goods including goods lying at docks	<b>7,149,502</b>	7,555,711
	<b>77,077,087</b>	39,182,645
<b>SCHEDULE - 9 :</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured and considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered doubtful	<b>1,009,374</b>	1,009,374
Less : Provision for Doubtful Debts	—	—
	<b>1,009,374</b>	1,009,374
Considered good	<b>21,121,487</b>	11,049,772
	<b>22,130,861</b>	12,059,146
Other Debts - considered good	<b>49,300,679</b>	28,762,821
	<b>71,431,540</b>	40,821,967



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

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE - 10 :</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in Hand	642,351	401,225
With Scheduled Banks on - Current Accounts	409,510	51,723
	<u>1,051,861</u>	<u>452,948</u>
<b>SCHEDULE - 11 :</b>		
<b>LOANS AND ADVANCES</b> (Unsecured and considered good unless otherwise stated)		
Advance recovered in cash or in kind or for value to be received	11,956,999	3,598,871
Advances Given to Suppliers / Others	639,460	131,029
Deposits	872,996	859,526
Income-tax / Fringe Benefit Tax paid	6,381,159	3,687,289
	<u>19,850,614</u>	<u>8,276,715</u>
<b>SCHEDULE - 12 :</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors and Other Liabilities	116,182,759	43,923,412
Advance Received From Customers	4,900,104	7,447,484
Other Liabilities	4,588,617	4,944,297
	<u>125,671,480</u>	<u>56,315,193</u>
<b>Provisions</b>		
Provision for Tax / Fringe Benefit Tax	7,555,000	4,155,000
Provision for Gratuity	2,258,808	1,316,824
	<u>9,813,808</u>	<u>5,471,824</u>
	<u>135,485,288</u>	<u>61,787,017</u>
<b>SCHEDULE - 13 :</b>		
<b>GOODWILL ON AMALGAMATION</b> (Refer Note No. 06 of Schedule - 20)		
Goodwill arising on Amalgamation as per the Scheme	9,330,471	9,330,471
	<u>9,330,471</u>	<u>9,330,471</u>
Less : Written Off till date	9,330,471	8,397,431
	<u>—</u>	<u>933,040</u>

## SCHEDULES TO THE PROFIT &amp; 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 - 14 :</b>		
<b>OTHER INCOME</b>		
Profit On Sale of DEPB Licences	1,055,049	727,200
Profit on Sale of Fixed Assets	67,010	—
Interest Received (TDS ₹ 2,318/- – Previous Year ₹ 2,241/-)	23,179	22,538
Miscellaneous Income	99,916	25,798
Sundry Debit / Credit Balances Written back	—	189,319
	<u>1,245,154</u>	<u>964,855</u>
<b>SCHEDULE - 15 :</b>		
<b>INCREASE / (DECREASE) IN STOCKS</b>		
Closing Stock -		
Finished Goods	7,149,502	7,555,711
Stock-in-Process	48,777,492	7,981,140
	<u>55,926,994</u>	<u>15,536,851</u>
Less : Opening Stock -		
Finished Goods	7,555,711	2,183,002
Stock-in-Process	7,981,140	7,493,384
	<u>15,536,851</u>	<u>9,676,386</u>
Increase / (Decrease) in Stocks	<u>40,390,143</u>	<u>5,860,465</u>
<b>SCHEDULE - 16:</b>		
<b>RAW MATERIALS CONSUMED</b>		
Raw Materials		
Opening Stock	23,645,794	6,305,068
Purchases of Raw Materials	317,272,886	205,171,322
	<u>340,918,680</u>	<u>211,476,390</u>
Less : Sale of Raw Materials	600,230	2,363,570
	<u>340,318,450</u>	<u>209,112,820</u>
Less: Closing Stock of Raw Materials	21,150,093	23,645,794
	<u>319,168,357</u>	<u>185,467,026</u>

## SCHEDULES TO THE PROFIT &amp; 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 - 17 :</b>		
<b>Manufacturing and Other Expenses</b>		
Job Work Charges Paid	3,933,051	1,773,796
Acid, Chemicals, Stores, Spares and Loose Tools Consumed	7,533,015	5,852,463
NMMC Cess Paid	646,348	373,854
Power, Fuel and Water Charges	4,158,022	4,239,077
Salary and Wages	8,384,401	7,232,386
Staff Welfare Expenses	349,820	420,328
Co's Contribution to PF, ESIC & Labour Welfare Fund	1,311,636	1,131,008
Ex-gratia Payment	86,000	78,000
Gratuity Paid	—	304,766
Provision for Gratuity	966,841	109,172
	11,098,698	9,275,660
Transport, Octroi, Forwarding & Clearing Charges	3,916,356	1,851,600
Repairs and Maintenance		
To Plant & Machinery	1,765,941	1,193,648
To Building	130,171	31,509
To Electrical	118,147	52,509
To Others	162,229	119,261
	2,176,488	1,396,927
Insurance Charges	449,110	323,202
Rent, Rates and Taxes	151,102	174,998
Directors' Remuneration and Perquisites (Refe Note No. 10 of Schedule 20)	3,030,238	2,545,144
Exchange Difference	336,411	341,107
Bank Charges	104,278	62,025
Temporary Shed Charges (Hire Charges)	25,000	—
Crane Hire Charges	6,350	114,200
Advertisement and Business Promotion Expenses	182,645	210,292
Directors' Travelling Expenses	1,215,561	1,680,606
Travelling Expenses - Others	8,027	11,744

	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
Conveyance Expenses and Allowance	248,319	291,583
Communication Expenses	475,404	475,458
Membership and Subscription	116,586	104,512
Motor Car Expenses	352,454	257,523
Service Charges	230,219	140,972
Printing and Stationery	99,171	107,863
Legal and Professional Charges	893,359	818,215
Commission and Brokerage	3,922	4,538
Miscellaneous, General and Administrative Expenses	243,783	187,196
Security Charges	—	25,000
Auditors' Remuneration (Net of Service Tax)	190,000	190,000
VAT Audit Fees	20,000	15,000
Bad Debts	—	172,402
Penalty on NMMC Assessment / Profesion Tax	—	27,350
Sundry Debit / Credit Balances Written back	193,237	—
Donation	113,651	47,501
	42,150,805	33,091,808
<b>SCHEDULE - 18 :</b>		
<b>FINANCIAL CHARGES</b>		
Interest On :		
On Term Loan - to Banks and Others	263,157	95,844
Interest to Others	2,866,490	2,419,600
	3,129,647	2,515,444

**SCHEDULE 19:****Statement of Significant Accounting Policies in Compilation of Accounts :****01 Basis for preparation of Financial Statements:**

The 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 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) 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 Written Down Value 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 Investments :**

- a) Investments, being long term, are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is not temporary in the opinion of the management.
- b) Investments are capitalized at cost plus expenses by applying specific identification method.

**06 Valuation of Inventories :**

Inventories are valued at Lower of Cost and Net Realisable Value except scrap and rejected duty paid goods which are valued at net realizable value. Cost comprises all cost of purchase and all other costs incurred in bringing the inventories to their present location and condition. The cost is arrived at on First In First Out (FIFO) basis. Due allowance is estimated and made for defective and obsolete items, wherever considered necessary.

**07 Excise Duty :**

- a) The excise duty is paid / provided on Bright Steel Bars manufactured during the year. The same has been included in the valuation of closing inventory of finished goods.
- b) Cenvat credit available on Raw Materials, Fuel and Packing materials, stores, spares

and capital goods and Service Tax credits on services availed are accounted for by reducing purchase cost of the related materials or the expenses respectively.

**08 Foreign Currency Transactions :**

- a) Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions.
- b) Foreign Currency monetary assets and liabilities are translated at the exchange rates prevailing on the Balance Sheet date.
- c) In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognised as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or expense for the year.
- d) Transactions not covered by forward contracts and outstanding at the year end are translated at exchange rates prevailing at the year end and the profit / loss so determined is recognized in the Profit and Loss Account.

**09 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 intended use. All other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

**10 Employee Benefits :**

- a) The Company's Contribution in respect of Provident and other Funds is charged to the Profit and Loss Account on accrual basis.
- b) Provision for Gratuity to Employees is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprises experience adjustment and the effect of changes in actuarial assumptions are recognised in the Profit and Loss Account.
- c) The Employees of the Company are entitled to leave as the leave policy of the Company. The liability in respect of unutilized leave balances is provided on actual basis at the year end and charged to the Profit and Loss Account.

**11 Taxation :**

- a) Provision for current income-tax / wealth-tax / Fringe Benefit 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.

**12 Treatment of Goodwill arising on Amalgamation :**

The Goodwill arising on Amalgamation of Chase Atherton Steel Pvt. Ltd. with the Company is treated as an asset and amortised over a period of five years commencing from 6 months period ended March 31, 2006.

**SCHEDULE 20 :****NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

- 1 Contingent Liabilities not provided for :
  - a) Arrears of Redeemable Cumulative Preference Shares Dividend – ₹ 3,08,750/- (Previous year – ₹ 3,08,750/-)
  - b) Purchase of Raw Material viz 108 tonnes of steel was cleared by the company at a lower rate of duty i.e. at 75% (i.e. at pre-budget rate) against 175% (as increased by the budget proposal 1981) as per the orders passed by a division bench of the High Court at Delhi in the matter of a writ petition filed by the Company, challenging the validity of the budget proposal. As per the said orders, the Company has furnished a bond, till further order of the court. The said writ petition has been disposed off for adjudication by customs. There is a contingent liability of ₹ 17.52 lakhs (Previous Year ₹ 17.52 lakhs)
  - c) Estimated amounts of contracts remaining to be executed on capital accounts and not provided for – ₹ NIL (Previous year – ₹ NIL).
- 2 The amounts of certain Sundry Debtors, Sundry Creditors, Advances and Lenders are subject to confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 3 In the opinion of the Board of Directors, unless otherwise stated in the Balance Sheet, the current assets, loans and advances have value of realisation, in the ordinary course business, at least equal to the amount stated in the Balance Sheet.
- 4 Unsecured Loans include that of the Directors and their Associates
- 5 The Company has not made provision for doubtful debts of ₹ 10,09,374/- (Previous year ₹ 10,09,374/-) as the Company is in the taking required steps for recovery of the amounts from the parties.
- 6 The Scheme of Amalgamation :
  - a) In accordance with the Scheme of Amalgamation Scheme ("the Scheme") as approved by the Hon'ble Bombay High court vide Order dated 10.02.2006, all the assets and liabilities of erstwhile Chase Atherton Steel Pvt. Ltd. (CASPL) whose principal business was of manufacturing of bright steel bars, has been transferred to and vested with the Company with effect from appointed date 01.04.2004. The Scheme has been given effect to in the accounts for the period ended March 31, 2006.
  - b) The amalgamation has been accounted for under "Purchase Method" of accounting as prescribed by Accounting Standard (AS) 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India.

- c) The difference of ₹ 93,30,471/- arising between the assets transferred as of 01.04.2004 and the equity shares to be issued in terms of the Scheme of Amalgamation (as computed below) has been debited to "Goodwill on Amalgamation"

Fixed Assets	₹ 1,13,14,573
Current Assets	₹ 58,05,432
Preliminary Expenses	₹ 18,000
	<u>₹ 1,71,38,005</u>

Less : Secured Loans	₹ 4,35,366
Unsecured Loans	₹ 68,92,833
Share Application Money	₹ 17,97,000
Deferred Tax Liability	₹ 1,97,750
Current Liability & Prov.	<u>₹ 58,95,526</u>

	<u>₹ 1,52,18,475</u>
Net Assets transferred to the Company	₹ 19,19,529
Amount of Equity Shares to be issued to the Shareholders of erstwhile CASPL	₹ 1,12,50,000
Goodwill arising on Amalgamation	<u>₹ 93,30,471</u>

- d) The aforesaid difference, as per AS-14 "Accounting for Amalgamation" has been debited to Goodwill on Amalgamation Account and shown separately in the Balance Sheet. Further, as per the said Accounting Standard, the said Goodwill on Amalgamation is to be written off over a period of 5 years and hence a sum of ₹ 9,33,040/- (Previous Year ₹ 18,66,094/-) is written off in the Profit and Loss Account.
- e) From April 01, 2004, the erstwhile CASPL had carried on its business in "Trust" on behalf of the Company. Profit for the 18 months period April 01, 2004 to September 30, 2005 of erstwhile CASPL after making the following adjustments has been added to the Profit and Loss Account as disclosed in the Profit and Loss Account :
 

Profit and Loss Before Tax	₹ 50,06,793
Less : Provision for Tax (FBT)	₹ 2,10,000
Less : Prior Period Expenses	₹ 4,46,666
Add: Excess Prov. For Depreciation written back	₹ 3,098
Net Profit for the 18 months Period	<u>₹ 43,53,225</u>
- f) In terms of the Scheme, 11,25,000 equity shares of ₹ 10/- each of the Company were to be issued and allotted to the shareholders of the erstwhile CASPL in the ratio of 450 shares of the Company for every 100 shares of CASPL. The Company has issued the said shares to the shareholders of the erstwhile Chase Atherton Steel Pvt. Ltd during the year 2006-2007.
- g) Certain leasehold rights, buildings, licenses, agreements, loan documents etc. are in the process of being transferred in the name of the Company.
- h) In terms of the Scheme, all employees in service of the erstwhile CASPL have become employees of the Company without any break or interruption in service. All rights,

duties, power and obligations of erstwhile CASPL in relation to Provident Fund etc. are in the process of being transferred in the name of the Company.

- 7 The sales-tax assessment of the Company has been finalised upto and including the accounting year 2007-2008.
- 8 The Income-tax Assessments of the Company are completed upto March 31, 2009 (Assessment Year 2009-2010).
9. a) The Company has been advised that the computation of net profits for the purpose of Directors' Remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to Directors. Fixed monthly remuneration has been made to the Executive Chairman / Managing Director.
- b) Executive Chairman / Managing Director's Remuneration :

	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
Remuneration to Executive Chairman	8,54,839	6,00,000
Remuneration to Managing Director	15,00,000	15,00,000
Gratuity paid to Directors	—	1,50,289
Contribution to Provident and Other Funds	2,82,581	2,52,000
Estimated value of perquisites as per Income-tax Rules	6,75,399	4,45,144

10. The Board of Directors have re-appointed the Executive Chairman for a period of three years with effect from January 15, 2011 at a remuneration of ₹ 18,00,000/- per annum along with applicable perquisites as set out in the appointment letter / contract with the Executive Chairman. The said re-appointment and payment of the remuneration with effect from January 15, 2011 is subject to approval by the shareholders in the General Meeting.
11. The Balance 20,000 - 15% Preference Shares of ₹ 10/- each are yet to be redeemed. The time for redemption was extended upto 10.05.1999 vide resolution passed at the Board Meeting of the Company held on 16.07.1991.
12. Sundry Creditors include ₹ NIL (Previous Year ₹ 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.
13. 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 under the Micro, Small and Medium Enterprises Development Act, 2006.
14. One of the creditors of the Company has filed legal case against the Company for recovery of dues. However, the same is being contested by the Company.
15. The Company has filed a legal case or is in the process of filing legal cases against various parties to recover amounts due from them.
16. The Company does not expect any shortfall on realisation of assets on aggregate basis, despite accumulated losses as on March 31, 2011.

17. Disclosures pursuant to Accounting Standard-15 : Employees' Benefit

	2010-2011 ₹	2009-2010 ₹
<b>A Defined Contribution Plan</b>		
The Company has recognised the following amounts in the Profit & Loss Accounts for the year :		
1 Contribution to Employees' Provident Fund / Employees' Family Pension Fund	13,06,092	11,25,698
<b>B Define Benefits Plan</b>		
<b>Net Assets / (Liability) recognized in the Balance Sheet</b>		
<b>A Funded Status</b>		
a) Present Value of Defined Benefit Obligations	22,59,962	13,16,824
b) Fair Value of Plan Assets	13,63,627	6,51,370
c) Net Assets / (Liability) Recognised in the Balance Sheet	8,96,335	6,65,454
<b>Total Expenses recognized in the statement of Profit &amp; Loss A/c.</b>		
<b>A) Component of Employer Expenses</b>		
a) Current Service Cost	2,15,352	1,56,330
b) Interest Cost	97,830	79,145
c) Expected Return on Plan Assets	NIL	(72,300)
d) Actuarial Losses / (Gains)	6,54,813	(1,78,463)
e) Actuarial Losses / (Gain) on Plan Assets	(1,154)	(71,874)
f) Total Expenses recognized in Statement of Profit & Loss A/c.	9,66,841	4,13,512
g) Short Term Compensated absences paid during the year charged to Profit & Loss A/c.	NIL	NIL
<b>Reconciliation of Defined Benefit Obligation and Fair Value of Assets</b>		
<b>A Change in Defined Benefit of Obligations</b>		
a) Present Value of DBO at beginning of the year	13,16,824	12,07,652
b) Current Service Cost	2,15,352	1,56,330
c) Interest Cost	97,830	79,145
d) Actual (Gains) / Losses	6,54,813	1,78,463
e) Benefits paid	(24,857)	(3,04,766)
f) Present value of DBO at the end of the year	22,59,962	13,16,824
<b>B Change in the Fair Value of Assets</b>		
a) Plan Assets at the beginning the year	6,51,370	9,55,710
b) Expected Return on Plan Assets	NIL	72,300
c) Actual Company Contributions	NIL	NIL
d) Employees Contributions	NIL	NIL
e) Actuarial gains / (Losses) on Plan Assets	1,154	(71,874)
f) Benefits paid	(24,857)	(3,04,766)
g) Plan Assets at the end of year	13,63,627	6,51,370

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand factors in the employment markets.

18. Provisions for Current tax / Fringe Benefit Tax have been made based on the current tax rates and other provisions of the Income-tax Act, 1961.
19. Auditor' Remuneration (Excluding Service tax)

	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
Statutory Audit Fees	70,000	70,000
In Other Capacities – Tax Audit	20,000	20,000
For Taxation	20,000	20,000
For Certificates and Other matters	80,000	80,000
Total	1,90,000	1,90,000

20. The Company's operations relate to manufacture of Bright Steel Bars. The Company does not have any separate business segments.
21. Additional information pursuant to para 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956,

**a) Details of Licensed Capacity, Installed Capacity, Production, Purchases, Turnover and Stocks etc. :**

	For the year ended 31-Mar-11		For the Year ended 31-Mar-10	
	Quantity	Value	Quantity	Value
<b>BRIGHT STEEL BARS</b>	MT	₹	MT	₹
Licensed Capacity	Not Applicable		Not Applicable	
Installed Capacity	Not Applicable		Not Applicable	
<b>Production –</b>				
Bright Bars	4,550	–	3,674	–
Scrap generated # \$	34	–	28	–
Job Work Processing	3,402	–	4,109	–
<b>Sales –</b>				
Bright Bars	4,604	32,13,25,190	3,590	20,88,70,996
Scrap # \$	35	16,29,877	38	14,18,455
<b>Opening Stock –</b>				
Bright Bars	108	66,30,708	24	13,96,591
Scrap # \$	19	9,25,003	17	7,86,411
<b>Closing Stock –</b>				
Bright Bars	54	56,98,231	108	66,30,708
Scrap # \$	28	14,51,271	19	9,25,003

# Including generated out of own production and job work production  
\$ Including reject bright bars sold as scrap.

**b) Details of Raw-Materials / Intermediates Consumed :**

	Quantity MT	Value ₹	Quantity MT	Value ₹
Raw Materials	4,689	31,91,68,357	3,769	18,54,67,026

**c) Value of Imported and Indigenous Consumption :**

	%	Value ₹	%	Value ₹
<b>A. Raw Materials :</b>				
Imported	NIL	NIL	NIL	NIL
Indigenous	100.00	31,91,68,357	100.00	18,54,67,026
<b>Total</b>	<b>100.00</b>	<b>31,91,68,357</b>	<b>100.00</b>	<b>18,54,67,026</b>
<b>B. Stores, Spares and Loose Tools</b>				
Imported	NIL	NIL	NIL	NIL
Indigenous	100.00	75,33,016	100.00	58,52,463
<b>Total</b>	<b>100.00</b>	<b>75,33,016</b>	<b>100.00</b>	<b>58,52,463</b>

	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
<b>d) C. I. F. Value of Imports</b>	NIL	NIL
<b>e) Earnings in Foreign Exchange – Exports</b>	8,78,41,283	2,00,92,254
<b>f) Expenditure in Foreign Currencies (on accrual basis)</b>		
Travelling	4,37,222	6,93,218

Other Additional information is either NIL or Not Applicable

22. Prior Period Adjustment represents Debit relating to earlier years ₹ 3,91,312/- (Previous Year ₹ 5,99,839/-) and credits relating to earlier years ₹ 7,141/- (Previous Year ₹ 3,05,341/-)

## 23. TAXATION :

## a. Deferred taxation

	Accumulated As at March 31, 2010 ₹	Charge / Credit During the Year ₹	Accumulated As at March 31, 2011 ₹
<b>Deferred Tax Liability on account of:</b>	NIL	NIL	NIL
<b>TOTAL (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Deferred Tax Assets on account of:</b>			
1. Depreciation	1,24,628	34,116	1,58,744
2. Employees' benefit / Expenses Under Section 43B / 40(ia) of the Income-tax Act, 1961	11,75,618	4,42,408	16,18,026
<b>TOTAL (B)</b>	<b>13,00,246</b>	<b>4,76,524</b>	<b>17,76,770</b>
Net Deferred Tax Liability / (Assets) (A-B)	(13,00,246)	4,76,524	17,76,770

b. The Deferred Tax Assets (Net) for the year of ₹ 4,76,524/- (Previous Year – Deferred Tax Liabilities of ₹ 4,52,626/-) is added to the Current Year's Profit and shown as Deferred Tax Assets and added to the Deferred Tax Assets.

## 24. 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 :

## 1) Relationship

- a) Enterprise where control of Key Management Personnel and/ or their relatives exists.
  1. Rose Investment Pvt. Ltd.
  2. Avanti Traders Pvt. Ltd.
- b) Key Management Personnel
  1. Shri Alok Kumar Jajodia – Executive Chairman
  2. Shri Avinash Jajodia - Managing Director
  3. Smt. Manjudevi Jajodia – Director
- c) Relatives of Key Management Personnel
  1. Smt. Shamoli Malhotra
  2. Smt. Rainidevi Jajodia

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

## 2) Transaction with Related Parties

Particulars	Related Parties Referred in 1(a) above	Related Parties Referred in 1(b) above	Related Parties Referred in 1(c) above	Total
	₹	₹	₹	₹
Expenses	NIL (NIL)	45,46,931 (35,45,840)	NIL (4,50,000)	45,46,931 (39,95,840)
Income received	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Finance received (Including interest payable)	NIL (NIL)	74,34,112 (32,00,000)	NIL (NIL)	74,34,112 (32,00,000)
Finance repaid (Including interest paid)	NIL (NIL)	89,14,571 (43,00,000)	5,00,000 (1,00,000)	94,14,571 (44,00,000)
Amount receivable	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Loan Amount Payable (Including Interest payable)	34,35,000 (34,35,000)	2,17,10,874 (2,31,91,333)	45,00,000 (50,00,000)	2,96,45,874 (3,16,26,333)
Other Amounts Payable	20,75,000 (26,25,000)	2,93,058 (5,51,832)	NIL (1,68,905)	23,68,058 (33,45,737)

The figures in brackets are for previous year.

## 25. Earnings 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

		For the Year ended March 31, 2011	For the Year ended March 31, 2010
		₹	₹
a)	Profit after tax available for Equity Shareholders	39,70,981	26,50,224
b)	Weighted average number of Equity Shares For Basic Earnings per Share	16,75,000	16,75,000
	For Diluted Earnings per Share	16,75,000	16,75,000
c)	Basic and Diluted Earnings per Equity Share of ₹ 10/-	2.37	1.58

## 26. Disclosures in respect of Derivative Instruments :

- a. There are no derivative instrument like Forward Exchange Contracts etc. outstanding at the end of the year as on March 31, 2011 and at the end of the year as on March 31, 2010
- b. The foreign currency exposures that are not hedged by a derivative instrument are as follows :

Details	Currency	Amount outstanding as on March 31, 2011	
Export Debtors	USD	51,271	22,89,250
	Euro	70,454	44,55,489
Import Creditors / Expenses.	USD	NIL	NIL
Details	Currency	Amount outstanding as on March 31, 2010	
Export Debtors	USD	NIL	NIL
Import Creditors / Expenses.	USD	NIL	NIL

27. 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.

## 28. Information required as per part IV of Schedule VI of the Companies Act, 1956.

**BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.**

<b>1. Registration Details :</b>			
Registration No.	11479	State Code	11
Balance Sheet Date :	31.03.2011		
<b>2. Capital Raised during the year : (₹ in Thousands)</b>			
Public Issue	NIL	Right issue	NIL
Bonus Issue	NIL	Private Placement	NIL
<b>3. Position of mobilisation and deployment of funds : (₹ in Thousands)</b>			
Total Liabilities	65,643	Total Assets	65,643
<b>Sources of Funds :</b>			
Paid up Capital	16,950	Reserves & Surplus	1,516
Secured Loans	2,395	Unsecured Loans	44,782
Deferred Tax Liability	0		
<b>Application of Funds :</b>			
Net Fixed Assets	17,177	Capital Work in Progress	0
Investments	6	Deferred Tax Assets	1,776
Net Current Assets	33,926	Goodwill on Amalgamation	0
Miscellaneous Expenditure	0	Accumulated Loss	12,758
<b>4. Performance of the Company : (₹ in Thousand)</b>			
Sales including processing charges net of excise duty and including other income			3,34,646
Total Expenditure	3,27,367	Profit/(Loss) Before tax	7,279
Provision for Income Tax (Current/Deferred)	2,924	Prior Period Income / (Expenses)	(384)
Profit/(Loss) after tax	3,971	Earning per Shares (₹)	2.37
Dividend Rate	NIL		
<b>5. Generic Names of Principal Products / Services of the Company (As per monetary terms)</b>			
Item Code No. (ITC Code)	7215.10	7215.20	
	7228.50	7222.20	
Product Description	BRIGHT STEEL BARS		

Signature to Schedule 1 to 20

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 Managing Director

Atul J. Mehta  
Proprietor  
Membership No.: 36959

N. G. Khaitan  
P. L. Dabral  
Manju Devi Jajodia } Directors

Place : Mumbai  
Dated : August 6, 2011

Place : Mumbai  
Dated : August 6, 2011



## Chase Bright Steel Limited

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**  
 (Pursuant to amendment to clause 32 of the listing agreement)

	2010 - 2011	2009 - 2010
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & extraordinary items	7,278,628	4,613,307
Adjusted for :		
Depreciation	2,375,895	1,882,596
Goodwill on Amalgamation Written Off	933,040	1,866,096
Effect of Exchange Rate Change	336,411	341,107
Financial Charges	3,129,647	2,515,444
Interest received	(23,179)	(22,538)
Profit / Loss on Fixed Asset Scrapped	(67,010)	0
	6,684,804	6,582,705
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	13,963,432	11,196,012
adjusted for :		
CHANGES IN -		
Trade and Other Receivables	(39,489,602)	(12,763,616)
Inventories	(37,894,442)	(23,201,191)
Trade Payable	70,298,271	25,229,453
	(7,085,773)	(10,735,354)
<b>CASH GENERATED FROM OPERATIONS</b>	6,877,659	460,658
Direct Taxes paid	2,693,870	710,386
Effect of Exchange Rate Change	336,411	341,107
	3,030,281	(590,835)
Prior Period Items and adjustments	3,847,378	(294,498)
	(384,171)	(885,333)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(A) 3,463,207	(885,333)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to Fixed Assets	(3,360,019)	(1,929,650)
Sale of Fixed Assets	150,000	0
Capital Work in Progress	0	147,326
Preliminary Expenses Incurred	0	0
Interest Received	23,179	22,538
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(B) (3,186,840)	(1,759,786)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unsecured Loans	2,295,331	4,097,696
Proceeds From Secured Loans	1,156,862	429,249
Interest Paid	(3,129,647)	(2,515,444)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(C) 322,546	2,011,501
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	598,913	(633,618)
Cash and Cash Equivalents at beginning of the year	452,948	1,086,566
Cash and Cash Equivalents at the end of the year	1,051,861	452,948

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

Atul J. Mehta  
 Proprietor  
 Membership No.: 36959

Place : Mumbai  
 Dated : August 6, 2011

For and on behalf of the Board of Directors

Alok Jajodia Chairman  
 Avinash Jajodia Managing Director

N. G. Khaitan  
 P. L. Dabral  
 Manju Devi Jajodia } Directors

Place : Mumbai  
 Dated : August 6, 2011

## Chase Bright Steel Ltd.

Regd. Office : R-237, TTC Industrial Area, MIDC, Rabale, Navi Mumbai - 400 701.

### PROXY FORM

I/We ..... of .....  
 in the district of ..... being a member/members of the above  
 named Company, hereby appoint Mr./Mrs ..... of .....  
 in the district of ..... Or failing him/her Mr./Mrs ..... of .....  
 in the district of .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the Fifty First Annual General Meeting of the Company to be held at 11.00 a.m. on Friday, 30<sup>th</sup> September, 2011 at the premises of Thana Manufacturers' Association, TMA House, P-6 Main Road, Wagle Industrial Estate, Thane - 400 604 and any adjournment thereof.

As witness my/our hands this ..... day of ..... 2011.

Signature.....

Affix a  
 Revenue  
 Stamp

Registered Folio.....

No of Shares held.....

Note : The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Scheduled time for holding the meeting.

## Chase Bright Steel Ltd.

Regd. Office : R-237, TTC Industrial Area, MIDC, Rabale, Navi Mumbai - 400 701.

### ATTENDANCE SLIP

(Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall).

I hereby record my attendance at the Fifty First Annual General Meeting of the Company being held on September 30, 2011.

Member's/Proxy's name (In Block Letters)

Signature of the Shareholder/Proxy

Registered Folio No.....

No. of Shares held.....



Book-Post

*If undelivered, please return to :*

**Chase Bright Steel Ltd.**

R-237, TTC Industrial Area, MIDC,  
Rabale, Navi Mumbai - 400 701.