

Chase Bright Steel Limited

52nd
Annual Report
2011-2012

BOARD OF DIRECTORS

Shri Avinash Jajodia (Chairman & Managing Director)
 Shri N. G. Khaitan
 Shri P. L. Dabral
 Shri K. S. Shikari
 Smt. Manju Devi 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 52nd 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 Saturday, 29th September, 2012 to transact the following business:

1. To receive, consider, and adopt the Audited Balance Sheet as at March 31, 2012 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 N. G. Khaitan as 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, 2013.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to 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 appointment of Mrs. Manju Devi Jajodia as a Whole Time Director of the Company, for a period of 3 years with effect from 1st September, 2012 upto and including 31st August, 2015 on the terms and conditions (including the remuneration to be paid in the event of absence or inadequacy 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 authorised to alter and vary the aforesaid terms as to remuneration including perquisites within the ceiling limit as 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: 14th August, 2012

Avinash Jajodia
 Chairman & Managing Director

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

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, 24th September, 2012 to Saturday, 29th September, 2012 (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 Accounts are requested to write to the Company by 25th September, 2012, 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

The Board of Directors of the Company("the Board") at its meeting held on 14th August, 2012 appointed Mrs. Manju Devi Jajodia Director of the Company as a Whole Time Director, whose office is liable to retire by rotation for a period of 3 years with effect from 1st September, 2012 to 31st August, 2015 and approved the terms and conditions of the appointment including the remuneration subject to the approval of the Members in the Annual General Meeting.

The terms and conditions of appointment of Mrs. Manju Devi Jajodia as Whole Time Director are as follows;

Period of Appointment

From 1st September, 2012 to 31st August, 2015

Remuneration payable

Salary ₹ 50,000/- per month

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' and 'C'.

PERQUISITES**CATEGORY 'A'****i) Housing**

The Company shall provide accommodation or she will be entitled to House Rent Allowance at the rate of 50% of the salary.

She 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.

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/-.

CATEGORY 'B'**i) Provident Fund**

The Company's contribution towards the provident Fund @ 12% of the salary as laid down under Income Tax Rules, 1962.

ii) Pension/ Superannuation Fund

The company's contribution towards pension/ superannuation fund. 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 her.

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. She 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.

Mrs. Manju Devi 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.

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

By Order of the Board,

Place: Mumbai
Date: 14th August, 2012

Avinash Jajodia
Chairman & Managing Director

I GENERAL INFORMATION

- (1) Nature of industry :
The Company is engaged in the 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) In case 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	2011-2012	2010-2011	2009-2010
Turnover (Sales)	4089.04	3334.01	2226.11
Net Profit Before Tax	112.76	68.94	47.28
Net Profit After Tax	69.79	39.71	26.50

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

₹ in Lakhs

2011-2012	2010-11	2009-2010
989.64	878.41	200.92

- (6) Foreign investments or collaborators, if any.
None

II INFORMATION ABOUT THE APPOINTEE:

(1) Mrs. Manju Devi Jajodia

1. Background details:

Mrs. Manju Devi Jajodia is a Senior Cambridge from Loretto Convent Dargeeling. Started working career with company as business executive since 1985, then become a director of the Company and now has been appointed as a Whole Time Director. Having vast experience in administrative field and strong Public relations and experience in efficient handling foreign customers. She is responsible for looking after the general administration and Handling Public Relations.

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

₹ in Lakhs

2011-2012	2010-2011	2009-2010
Nil	Nil	Nil

3. Recognition and awards;

Being an excellent spokesperson she has been awarded, for the same during her academic career. She has been instrumental in maintaining continuous harmonious relations with the export buyers .

4. Job profile and his suitability:

Was appointed as a Whole Time Director by the Board of Directors in their meeting held on 14th August, 2012. Her responsibilities include the following

- a. Focus on Export Development
- b. Public Relations with Foreign Clients
- c. Strategic Decisions for the overall growth of the Company.

Mrs Manju Devi Jajodia has served the company for over 2 decades. She has been instrumental in supporting the Export Growth of the Company to its present level. In view of Mrs. Jajodia's vast experience and high esteem which she holds in the Company for her Administrative and Public Relation and leadership qualities the Board considers her as a suitable professional for shouldering the responsibility of the Whole Time Director of the Company.

5. Remuneration proposed:

Salary	₹ 50,000/- per month with effect from 1st September, 2012
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 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. 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, Chairman & Managing 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

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 2011-12.

The Company is seeking the permission of the shareholders for making payment to Mrs. Manju Devi Jajodia, Whole time 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;

- a) Strategic tie-ups and associations.
- b) Thrust on exports
- c) Improvements in productivity and optimum utilization of resources of the Company
- d) 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 52nd 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, 2012.

1. FINANCIAL RESULTS

Your Company's performance for the financial year ending 31st March 2012 is stated below:

Particular	For the year ended on March 31, 2012 ₹	For the year ended on March 31, 2011 ₹
Profit before tax	1,12,75,845	68,94,457
Less: Provision for tax and FBT	43,50,000	34,00,000
Less: Deferred Tax	(52,770)	(4,76,524)
Net profit for the year after tax	69,78,615	39,70,981
Less: Losses brought down from earlier year	(1,27,57,692)	(1,67,28,673)
Balance Losses carried to Balance Sheet	(57,79,077)	(1,27,57,692)

2. WORKING

The company's performance has been encouraging as reflected from the increase in the volumes. Turnover and profits have been higher as compared to last year. Efforts in the export markets have resulted in increased volume of exports.

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

3. DIRECTORS

We regret to inform you the sad demise of Shri. Alok Jajodia, Executive Chairman of the Company on 15th June, 2012.

He was the founder of Chase Bright Steel Ltd and his contribution for the last 40 years was instrumental in the progress of the Company. He was a visionary for the Company and always a great force of motivation to the management of the Company. His demise is a great loss to the Company.

The Board of Directors of the Company expresses their profound grief on sad demise of Shri. Alok Jajodia, Executive Chairman of the Company and places on record his valuable services rendered to the Company.

The Board in its meeting held on 14th August, 2012 has appointed Smt. Manju Devi Jajodia as Whole Time Director with effect from 1st September, 2012 and her designation has also accordingly changed from Non-Executive Director to Whole Time Director.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri N. G. Khaitan retire 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.

4. PARTICULARS OF EMPLOYEE

During the year under review the Company had no employees 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 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;

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with appropriate explanation relating to material departures.
- 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.
- 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.
- 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 989.64 lacs (Previous Year 878.41 lacs). Particulars of foreign Exchange earned and utilized during the year is given in notes 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, 2012 ₹ 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, 2012 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 : 14th August, 2012

Avinash Jajodia
Chairman & Managing Director

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, 2012. 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 30/04/2011, 06/08/2011, 22/10/2011 and 21/01/2012 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 26th September, 2011 to 30th September, 2011 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, 2011 was held on 30th September, 2011 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 companied 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 appointment of one additional directors, Further there was no appointment of alternate directors or directors to fill casual vacancy during the period under scrutiny.
 15. The Company has not made any appointment of Whole-time Directors during the financial year under review and complied with the provisions of the Act in respect thereof. The Company has not appointed any new Managing Director/ Manager during the financial year under review.
 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, 2012 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

Proprietress

Place: Mumbai

Mem. No.: 6607

Date: 14th August, 2012

C.P. No.: 7030

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'								
Sr. No	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		
1.	Form 23AC & 23ACA - Balance Sheet and Profit & loss Account	220	For the year ended 31st March, 2011	28th November, 2011	Yes	—		
2.	Form 66 - Compliance Certificate	383A	For the year ended 31st March, 2011	10th October, 2011	Yes	—		
3.	Form 20B - Annual Return	159	As on the date of the Annual General Meeting held on 30th September, 2011.	23rd November, 2011	Yes	—		
4.	Form 25C	269 (C)	Return of Re-appointment of Executive Chairman	26th April, 2011	No	Yes		
5.	Form 25C	269 (C)	Return of Appointment of Managing Director	22nd June, 2011	Yes	—		
6.	Form 32	260	Appointment of Additional Director	25th May, 2011	Yes	—		
7.	Form 32	260	Appointment of Director	22nd Aug., 2011	Yes	—		
8.	Form 23	192	Registration of Resolutions	29th October, 2011	Yes	—		
9.	Form 32	260	Change in Designation	29th October, 2011	Yes	—		

Leena Agrawal & Co.
 Practicing Company Secretaries
Leena Agrawal
 Proprietress
 M.No.: 6607
 C.P.No.: 7030

Place : Mumbai
 Date : 14th August, 2012

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, 2012 the Statement of 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, the Statement of 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 Statement of 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
- (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 the Notes thereto and subject to Note No. 31 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, 2012;

- (b) in the case of the Statement of 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 14, 2012

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 / major 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 six parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance involved during the year was ₹ 362.10 lakhs and the year end balance of loans taken from such parties was ₹ 350.10 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) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder are not applicable.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (8) We have broadly reviewed the books of account maintained by the Company in respect of products, where pursuant to the rules made by the Central Government of India, the maintenance of Cost Records has been prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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, 2012 for a period of more than six months from the date they became payable **except Income-tax dues of ₹ 25.20 lakhs and NMMC Cess of ₹ 21.41 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, 2012, the accumulated losses of the Company are not 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) Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that 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) To the best of our knowledge and belief and according to the information and explanation given us, the proceeds from term loans availed were, prima, facie, applied by the Company during the year for the purpose for which the loans were obtained.
- (17) According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, has not been used during the year for long term investment.
- (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)

Place : Mumbai
Dated : August 14, 2012

Proprietor
Membership No.: 36959

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 ₹	As at March 31, 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	1	16,950,000	16,950,000
Reserves and Surplus	2	(4,263,077)	(11,241,692)
		12,686,923	5,708,308
Non-current Liabilities			
Long Term Borrowings	3	24,360,526	22,366,832
Other Long Term Liabilities		—	—
Long-term provisions	4	2,505,278	2,258,808
		26,865,804	24,625,640
Current Liabilities			
Short Term Borrowings	5	31,075,000	23,050,000
Trade payables	6	118,120,595	120,640,908
Other current liabilities	6	8,897,691	6,660,208
Short-term provisions	5	4,402,537	1,304,309
		162,495,823	151,655,425
Total		202,048,550	181,989,373
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	7	16,894,136	17,177,080
Intangible assets	7	—	—
Non-current Investments	8	5,580	5,580
Deferred tax assets (net)	9	1,829,540	1,776,770
Long-term loans and advances	10	642,996	632,996
Trade receivables	12	1,009,374	1,009,374
Other non-current assets		—	—
		20,381,626	20,601,800
Current Assets			
Inventories	11	87,591,852	77,077,087
Trade receivables	12	71,488,816	70,422,166
Cash and bank balances	13	3,412,847	1,051,861
Short-term loans and advances	10	19,173,409	12,836,459
Other current assets		—	—
		181,666,924	161,387,573
Total		202,048,550	181,989,373
NOTES			
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 14, 2012	For and on behalf of the Board of Directors Avinash Jajodia Chairman & Managing Director N. G. Khaitan P. L. Dabral K. S. Shikari Manju Devi Jajodia Place : Mumbai Dated : August 14, 2012	Directors	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2012

	NOTES	For the Year ended 31-Mar-2012 ₹	For the Year ended 31-Mar-2011 ₹
INCOME			
Revenue from Operations (Gross)		447,483,272	364,890,287
Less: Excise Duty		34,746,611	30,434,163
Revenue from Operations (net)	14	412,736,661	334,456,124
Other Income	15	233,650	190,105
Total Revenue		412,970,311	334,646,229
Expenses			
Cost of Materials Consumed	16	343,544,719	319,168,357
(Increase) / Decrease in Inventories of Finished goods, Work-in-Progress and Traded Goods	17	(1,995,282)	(40,390,143)
Employee Benefit Expenses	18	12,367,022	11,098,698
Other Expenses	19	40,196,902	31,436,278
Finance Costs	22	5,324,859	3,129,647
Depreciation and Amortization Expenses	23	2,256,246	3,308,935
Total Expenses		401,694,466	327,751,772
Profit Before Exceptional and Extraordinary		11,275,845	6,894,457
Items and Tax			
Exceptional Items		—	—
Profit before Extraordinary Items		11,275,845	6,894,457
Extraordinary Items		—	—
Profit before Tax		11,275,845	6,894,457
Less : Tax Expenses		—	—
- Current Tax		4,350,000	3,400,000
- Deferred Tax (Net)		(52,770)	(476,524)
- Mat Credit Entitlement		—	—
Profit / (Loss) for the Year		6,978,615	3,970,981
Earning per equity share (nominal value of share ₹ 10 (Previous Year ₹ 10 each))			
Basic and Diluted on the basis of profit from continuing business (₹)	24	4.17	2.37
Basic and Diluted on the basis of total profit for the year (₹)	24	4.17	2.37
Number of equity shares used in computing Earnings per share (Basic and Diluted)		1,675,000	1,675,000
NOTES			
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 14, 2012	For and on behalf of the Board of Directors Avinash Jajodia Chairman & Managing Director N. G. Khaitan P. L. Dabral K. S. Shikari Manju Devi Jajodia Place : Mumbai Dated : August 14, 2012	Directors	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012
(Pursuant to amendment to clause 32 of the listing agreement)

	2011 - 2012	2010 - 2011
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & extraordinary items	12,194,113	7,278,628
Adjusted for :		
Depreciation	2,256,246	2,375,895
Goodwill on Amalgamation Written Off	—	933,040
Effect of Exchange Rate Change	(150,753)	336,411
Financial Charges	5,324,859	3,129,647
Interest received	(28,071)	(23,179)
Profit / Loss on Fixed Asset Scrapped	—	(67,010)
	7,402,281	6,684,804
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	19,596,394	13,963,432
Adjusted for :		
CHANGES IN -		
Trade and Other Receivables	(7,413,600)	(39,489,602)
Inventories	(10,514,765)	(37,894,442)
Trade Payable	(1,472,674)	70,298,271
	(19,401,039)	(7,085,773)
CASH GENERATED FROM OPERATIONS	195,355	6,877,659
Direct Taxes paid	1,269,781	2,693,870
Effect of Exchange Rate Change	(150,753)	336,411
	1,119,028	3,847,378
Prior Period Items and adjustments	(923,673)	(384,171)
NET CASH FROM OPERATING ACTIVITIES	(A) (1,841,941)	3,463,207
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to Fixed Assets	(1,973,302)	(3,360,019)
Sale of Fixed Assets	—	150,000
Capital Work in Progress	—	—
Preliminary Expenses Incurred	—	—
Interest Received	28,071	23,179
NET CASH USED IN INVESTING ACTIVITIES	(B) (1,945,231)	(3,186,840)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans	10,060,365	2,295,331
Proceeds From Secured Loans	1,412,652	1,156,862
Interest Paid	(5,324,859)	(3,129,647)
Increase in Capital due to shares to be Issued to shareholders of erstwhile CASPL	—	—
NET CASH USED IN FINANCING ACTIVITIES	(C) 6,148,158	322,546
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	2,360,986	598,913
Cash and Cash Equivalents at beginning of the year	1,051,861	452,948
Cash and Cash Equivalents at the end of the year	3,412,847	1,051,861

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 14, 2012

For and on behalf of the Board of Directors
Avinash Jajodia Chairman &
Managing Director
N. G. Khaitan
P. L. Dabral } Directors
K. S. Shikari
Manju Devi Jajodia
Place : Mumbai
Dated : August 14, 2012

NOTES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2012	As at March 31, 2011
	₹	₹
NOTE - 1 : SHARE CAPITAL		
Authorised :		
19,00,000 (Previous Year 19,00,000) Equity Shares of ₹ 10/- each	19,00,000	19,00,000
1,00,000 (Previous Year 1,00,000) - 15% Redeemable Preference Shares of ₹ 10/- each	1,00,000	1,00,000
	20,00,000	20,00,000
Issued :		
16,75,000 (Previous Year - 16,75,000) Equity Shares of ₹ 10/- each fully paid up	16,75,000	16,75,000
1,00,000 (Previous Year - 1,00,000) 15% Redeemable Preference Shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
	17,75,000	17,75,000
Subscribed :		
16,75,000 (Previous Year - 16,75,000) Equity Shares of ₹ 10/- each fully paid up	16,75,000	16,75,000
(Of the above, 11,25,000 equity shares of ₹ 10/- each were allotted as per the Scheme of Amalgamation Chase Atherton Steel Pvt. Ltd. with the Company.)		
1,00,000 (Previous Year - 1,00,000) 15% Redeemable Preference Shares of ₹ 10/- each	1,00,000	1,00,000
Less: 80,000 Preference Shares redeemed	800,000	800,000
	200,000	200,000
	16,950,000	16,950,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the Reporting Period

	As at 31-03-2012		As at 31-03-2011	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	1,675,000	16,750,000	1,675,000	16,750,000
Issued during the year - Bonus	—	—	—	—
Issued during the year - ESOP	—	—	—	—
Outstanding at the end of the year	1,675,000	16,750,000	1,675,000	16,750,000
Preference Shares				
At the beginning of the year	20,000	200,000	20,000	200,000
Issued during the year	—	—	—	—
Redeemed/bought back during the year	—	—	—	—
Outstanding at the end of the year	20,000	200,000	20,000	200,000

NOTES FORMING PART OF THE BALANCE SHEET

b) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share.

Each holder of the Equity Shares is entitled to one vote per share held.

Dividend, if any, proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend

In the event of liquidation of the Company, the holders of the Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms / Rights attached to 15% Redeemable Preference Shares

The Company has only one class of preference shares having a par value of ₹ 10/- per share. The said shares are non cumulative in nature.

Dividend, if any, proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend

In the event of liquidation of the Company, the holders of the preference Shares will be entitled to receive amounts to the extent of their holding in the company before any distribution of remaining assets of the Company to the Equity Shareholders of the Company.

Arrears of Redeemable Cumulative Preference Shares Dividend – ₹ 3,08,750/- (Previous year - ₹ 3,08,750/-)

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. Further extension is being sought for.

c) Shares held by holding / ultimate holding company and / or their subsidiaries / Associates

There are no shares held by holding / ultimate holding company and / or their subsidiaries / Associates

d) Details of Shareholders holding more than 5% of each class of shares issued by the Company

Name of the Shareholder	As at 31-03-2012		As at 31-03-2011	
	Nos.	% of Share-holding	Nos.	% of Share-holding
Equity Shares				
M/s. Swan Investment & Trading Pvt. Ltd.	105,850	6.32%	105,850	6.32%
Shri Avinash Jajodia	486,590	29.05%	486,590	29.05%
Shri Alok Jajodia	516,411	30.83%	516,411	30.83%
Preference Shares				
Life Insurance Coporation of India	8,745	43.73%	8,745	43.73%
The New India Assurance Co. Ltd.	11,255	56.28%	11,255	56.28%

e) Terms of Securities issued with conversion option into Equity / Preference Shares

There are no securities issued with conversion option into equity / preference shares

NOTES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
NOTE - 2 : RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Balance Sheet	800,000	800,000
	800,000	800,000
Securities Premium Account		
As per last Balance Sheet	450,000	450,000
	450,000	450,000
Capital Cash Subsidy Reserve		
As per last Balance Sheet	266,000	266,000
	266,000	266,000
Surplus		
Opening Balance	(12,757,692)	(16,728,673)
Add : Profit for the year	6,978,615	3,970,981
Closing Balance	(5,779,077)	(12,757,692)
Total Reserves and Surplus	(4,263,077)	(11,241,692)

NOTE - 3 : LONG TERM BORROWINGS

Term Loans (Secured)	Non Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
1. From Kotak Mahindra Bank (Secured) Secured by hypothecation of Equipment / Machine and guaranteed by one of the directors) (Repayable in 36 equated Monthly Installments (EMI) of ₹ 26,665/- each commencing from December 2009 and ending on November 2012)	—	204,620	204,620	279,741
2. From HDFC Bank (Secured) (with Company being the main borrower and one of the directors being co-borrower.) Secured by hypothecation of Motor Car) (Repayable in 36 equated Monthly Installments (EMI) of ₹ 24,630/- each commencing from January 2012 and ending on December 2014)	464,863	—	225,458	—

NOTES FORMING PART OF THE BALANCE SHEET

Term Loans (Secured)	Non Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
3. From Tata Capital Ltd. (Secured) (with Company being the main borrower and one of the directors being co-borrower.) Secured by hypothecation of Motor Car (Repayable in 36 equated Monthly Installments (EMI) of ₹ 9,835/- each commencing from August 2008 and ending on July 2011)	—	—	—	47,784
4. From Tata Capital Ltd. (Secured) (with Company being the main borrower and one of the directors being co-borrower.) Secured by hypothecation of Motor Car (Repayable in 36 equated Monthly Installments (EMI) of ₹ 21,965/- each commencing from August 2008 and ending on July 2011)	—	—	—	106,719
5. From Kotak Mahindra Prime Ltd. (Secured) (with Company being the main borrower and one of the directors being co-borrower.) Secured by hypothecation of Motor Car (Repayable in 36 equated Monthly Installments (EMI) of ₹ 37,400/- each commencing from May 2010 and ending on April 2013)	—	422,532	—	423,369
6. From Kotak Mahindra Prime Ltd. (Secured) (with Company being the main borrower and one of the directors being co-borrower.) Secured by hypothecation of Motor Car (Repayable in 36 equated Monthly Installments (EMI) of ₹ 26,440/- each commencing from June 2010 and ending on May 2013)	—	349,838	—	271,648

NOTES FORMING PART OF THE BALANCE SHEET

Term Loans (Secured)	Non Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
7. From Kotak Mahindra Prime Ltd. (Secured) (with Company being the main borrower and one of the directors being co-borrower.) Secured by hypothecation of Motor Car (Repayable in 36 equated Monthly Installments (EMI) of ₹ 11,760/- each commencing from June 2010 and ending on May 2013)	—	154,842	—	119,196
8. From Kotak Mahindra Prime Ltd. (Secured) Secured by hypothecation of Vehicle and further guaranteed by one of the directors (Repayable in 36 equated Monthly Installments (EMI) of ₹ 8,343/- each commencing from April 2012 and ending on March 2015)	163,877	—	61,123	—
9. From Kotak Mahindra Prime Ltd. (Secured) Secured by hypothecation of Vehicle and further guaranteed by one of the directors (Repayable in 36 equated Monthly Installments (EMI) of ₹ 12,570/- each commencing from April 2012 and ending on March 2015)	247,092	—	91,908	—
10. From Kotak Mahindra Prime Ltd. (Secured) Secured by hypothecation of Vehicle and further guaranteed by one of the directors (Repayable in 36 equated Monthly Installments (EMI) of ₹ 14,350/- each commencing from April 2012 and ending on March 2015)	282,077	—	104,923	—
11. From Kotak Mahindra Prime Ltd. (Secured) Secured by hypothecation of Vehicle and further guaranteed by one of the directors (Repayable in 36 equated Monthly Installments (EMI) of ₹ 33,706/- each commencing from April 2012 and ending on March 2015)	662,557	—	246,443	—

NOTES FORMING PART OF THE BALANCE SHEET

Term Loans (Secured)	Non Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
12.From Kotak Mahindra Prime Ltd. (Secured) Secured by hypothecation of Vehicle and further guaranteed by one of the directors) (Repayable in 36 equated Monthly Installments (EMI) of ₹ 25,511/- each commencing from April 2012 and ending on March 2015)	501,472	—	186,528	—
13.From Kotak Mahindra Prime Ltd. (Secured) Secured by hypothecation of Vehicle and further guaranteed by one of the directors) (Repayable in 36 equated Monthly Installments (EMI) of ₹ 12,978/- each commencing from April 2012 and ending on March 2015)	254,917	—	95,083	—
Term Loans (Unsecured)				
14.From Religare Finvest Ltd. (Unsecured) (with Company being the main borrower and two of the directors being co-borrowers.) (Repayable in Monthly Installments (EMI) of ₹ 1,96,445/- (8 installments), of ₹ 1,10,156/- (8 installments) and of ₹ 60,586/- (8 installments) commencing from January 2012 and ending on December 2013)	548,671	—	1,486,694	—
15.From Directors (Unsecured)	7,800,000	7,800,000	—	—
16.From Other Corporates (Unsecured) (Including from Associates – ₹ 34,35,000/- – Previous Year – ₹ 34,35,000/-)	13,435,000	13,435,000	—	—
	24,360,526	22,366,832	2,702,780	1,248,457
Amount shown under Other Current Liabilities (Note - 6)			(2,702,780)	(1,248,457)

The Company does not have any continuing defaults in repayment of loans and interest as on the Reporting Date

NOTES FORMING PART OF THE BALANCE SHEET

NOTE - 4 : PROVISIONS				
	Long Term		Short Term	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Provision for Employee Benefits				
Provision for Gratuity	2,505,278	2,258,808	—	—
Provision For Leave Benefits	—	—	148,477	130,468
	2,505,278	2,258,808	148,477	130,468
Other Provisions				
Provision for Income-tax (net of Income-tax paid and refund adjustable)	—	—	4,254,060	1,173,841
	—	—	4,254,060	1,173,841
Total Provisions	2,505,278	2,258,808	4,402,537	1,304,309
		As at	As at	
		March 31, 2012	March 31, 2011	
		₹	₹	
NOTE - 5 : SHORT TERM BORROWINGS				
Loans from Directors		16,500,000	13,550,000	
Loans from Corporates (Including from Associates - ₹ 27,75,000/- - Previous Year - ₹ NIL)		10,075,000	5,000,000	
Loans from Others (Including from Associates - ₹ 45,00,000/- - Previous Year - ₹ 45,00,000/-)		4,500,000	4,500,000	
		31,075,000	23,050,000	
NOTE - 6 : OTHER CURRENT LIABILITIES				
Trade Payable		118,120,595	120,640,908	
Other Liabilities				
Current maturities of Long Term Borrowings (Refer Note 3)		2,702,780	1,248,457	
Other Payables net of counter claims				
Interest accrued and due on the borrowings		2,078,760	497,168	
Interest accrued but due on the borrowings		6,420	14,479	
Advances from customers		4,109,731	4,900,104	
		8,897,691	6,660,208	
		127,018,286	127,301,116	

NOTES FORMING PART OF THE BALANCE SHEET

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK				
	As at April 01, 2011	Additions/ (Deduction) during the yr.	Deductions/ (Adjustments)	As at March 31, 2012	Charge For the Year	Disposals during the Year	As at April 01, 2011	As at March 31, 2012	As at March 31, 2011
Tangible Assets									
Lease hold Lands	3,104,734	—	—	3,104,734	—	—	—	3,104,734	3,104,734
Factory Building	9,545,233	—	—	9,545,233	513,031	—	4,428,945	4,603,257	5,116,288
Furniture & Fixture	245,303	85,978	—	331,281	16,170	—	48,789	64,959	196,514
Plant & Machinery	9,476,613	778,447	—	10,255,060	756,302	—	4,313,348	5,069,650	5,163,265
Electric Installation	448,201	—	—	448,201	19,421	—	308,966	328,387	139,235
Office Equipments	448,324	143,999	—	592,323	46,568	—	224,546	271,114	223,778
Motor Cars	5,463,645	964,878	—	6,428,523	880,483	—	2,290,889	3,171,372	3,172,756
Computers	397,193	—	—	397,193	24,271	—	336,683	360,954	60,510
	29,129,246	1,973,302	—	31,102,548	2,256,246	—	11,952,166	14,208,412	17,177,080
As at March 31, 2011	26,464,263	3,360,019	695,036	29,129,246	10,188,317	612,046	11,952,166	17,177,080	16,275,946
Intangible Assets									
Goodwill arising on Amalgamation	9,330,471	—	—	9,330,471	—	—	9,330,471	—	—
	9,330,471	—	—	9,330,471	—	—	9,330,471	—	—
As at March 31, 2011	9,330,471	—	—	9,330,471	933,040	—	8,397,431	9,330,471	—
Grand Total	38,459,717	1,973,302	—	40,433,019	21,282,637	2,256,246	23,538,883	16,894,136	17,177,080
Previous Year	35,794,734	3,360,019	695,036	38,459,717	18,585,748	3,308,935	612,046	21,282,637	16,275,946

NOTES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
NOTE - 8 : NON CURRENT INVESTMENTS		
Investment in Unquoted Equity Instruments (At Cost)		
166 Shares of the Bombay Mercantile Co. Op. Bank Ltd. @ ₹ 30/- per Shares	4,980	4,980
12 Shares of Steel Chamber Kalamboli Business and Office Premises Co. Op. Soc. Ltd.	600	600
	5,580	5,580
Aggregate of Unquoted Investments - Cost	5,580	5,580
NOTE - 9 : DEFERRED TAX ASSETS / (LIABILITIES)		
Deferred Tax Assets		
Depreciation	196,155	158,744
Others	1,633,385	1,618,026
	1,829,540	1,776,770
Deferred Tax Liabilities	—	—
Net Deferred Tax Assets	1,829,540	1,776,770
NOTE - 10 : LOANS AND ADVANCES		
Term Loans (Secured)	Non Current	Current
	31-03-2012	31-03-2011
Security Deposits		
Unsecured, considered good	642,996	632,996
Advance recoverable in cash or in kind		
unsecured, considered good	—	2,241,590
Other Loans and Advances		
Balance with Customs / Excise and VAT Authorities	—	16,691,819
	642,996	632,996
	19,173,409	12,836,459

NOTES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2012 ₹		As at March 31, 2011 ₹	
NOTE - 11 : INVENTORIES (Valued at lower of the cost and net realisable value unless stated otherwise)				
Raw Materials (Including in transit ₹ 33,28,792 - Previous year - ₹ NIL)	29,669,576		21,150,093	
Work in Progress	51,348,816		48,777,492	
Finished Goods	6,573,460		7,149,502	
	87,591,852		77,077,087	
NOTE - 12 : TRADE RECEIVABLE (Unsecured, considered good unless stated otherwise)				
	Non Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Outstanding for a period exceeding six months				
Considered doubtful	1,009,374	1,009,374	—	—
Less : Provision for Doubtful Debt	—	—	—	—
	1,009,374	1,009,374	—	—
Considered Good	—	—	24,505,532	17,880,858
(A)	1,009,374	1,009,374	24,505,532	17,880,858
Other Receivables				
Other Debts - considered good	—	—	46,983,284	52,541,308
(B)	—	—	46,983,284	52,541,308
	1,009,374	1,009,374	71,488,816	70,422,166
NOTE - 13 : CASH AND BANK BALANCES				
	Non Current		Current	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Balances with Bank on Current Accounts	—	—	2,841,326	409,510
Cheques, Draft on hand	—	—	43,000	0
Cash on Hand	—	—	528,521	642,351
	—	—	3,412,847	1,051,861

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011 ₹
NOTE - 14 : REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	322,971,945	256,963,366
Exports	106,011,778	96,425,864
Other Operating Revenues		
Job Work / Processing Income	14,667,285	10,446,008
Export Incentives	3,832,264	1,055,049
Revenues from Operations (Gross)	447,483,272	364,890,287
Less : Excise Duty	34,746,611	30,434,163
Revenues from Operations (Net)	412,736,661	334,456,124
Sale of Products		
Bright Bars	425,913,209	351,591,475
Scrap	3,070,514	1,797,755
	428,983,723	353,389,230
NOTE - 15 : OTHER INCOME		
Exchange Difference	150,753	—
Interest Income on Deposits (TDS ₹ 2,807/- - Previous Year - ₹ 2,318/-)	28,071	23,179
Profit on sale of Fixed Assets	—	67,010
Other Income	54,826	99,916
	233,650	190,105
NOTE - 16 : COST OF RAW MATERIALS CONSUMED		
Inventory at the beginning of the year	21,150,093	23,645,794
Add: Purchases	352,064,202	317,272,886
	373,214,295	340,918,680
Less : Raw Materials sold during the year	—	600,230
	373,214,295	340,318,450
Less: Inventory at the end of the year	29,669,576	21,150,093
Cost of Raw Materials Consumed	343,544,719	319,168,357
Details of Raw Materials Consumed		
Wire Rods	343,544,719	319,168,357
	343,544,719	319,168,357
Details of Inventories of Raw Materials		
Wire Rods	29,669,576	21,150,093
	29,669,576	21,150,093

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹	
NOTE - 17 : (INCREASE) / DECREASE IN INVENTORIES			
			(Increase) / Decrease 31-Mar-2012
Inventories at the end of the year			
Work in Progress	51,348,816	48,777,492	(2,571,324)
Finished Goods	6,573,460	7,149,502	576,042
	57,922,276	55,926,994	(1,995,282)
			31-Mar-2011
Inventories at the beginning of the year			
Work in Progress	48,777,492	7,981,140	(40,796,352)
Finished Goods	7,149,502	7,555,711	406,209
	55,926,994	15,536,851	(40,390,143)
	(1,995,282)	(40,390,143)	
NOTE - 18 : EMPLOYEES BENEFIT EXPENSES			
Salaries, Wages, Bonus, Ex-gratia etc.	9,635,891	8,470,401	
Contribution to Provident and Other Funds	1,581,869	1,311,636	
Gratuity paid during the year	14,625	—	
Provision for Gratuity	646,470	966,841	
Workman and Staff Welfare Expenses	488,167	349,820	
	12,367,022	11,098,698	
NOTE - 19 : OTHER EXPENSES			
Job Work / Processing Charges Paid	4,535,373	3,933,051	
Acid, Chemicals, Stores, Spares and Loose Tools Consumed	9,155,197	7,533,015	
NMMC Cess Paid	669,124	646,348	
Power, Fuel and Water Charges	4,762,167	4,158,022	
Transport, Octroi, Forwarding & Clearing Charges	4,951,204	3,916,356	
Repairs and Maintenance			
To Plant & Machinery	1,479,620	1,765,941	
To Building	103,819	130,171	
To Electrical	256,836	118,147	
To Others	165,422	162,229	

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

	For the year ended March 31, 2012 ₹	For the year ended March 31, 2011 ₹
Insurance Charges	604,148	449,110
Rent, Rates and Taxes	156,711	151,102
Directors' Remuneration and Perquisites	4,134,368	3,030,238
Exchange Difference	—	336,411
Bank Charges	127,371	104,278
Temporary Shed Charges (Hire Charges)	—	25,000
Crane Hire Charges	10,275	6,350
Advertisement and Business Promotion Expenses	589,012	182,645
Directors' Travelling Expenses	1,448,697	1,215,561
Travelling Expenses - Others	4,332	8,027
Conveyance Expenses and Allowance	254,511	248,319
Communication Expenses	413,721	475,404
Membership and Subscription	176,354	116,586
Motor Car Expenses	645,221	352,454
Service Charges	157,866	230,219
Printing and Stationery	95,569	99,171
Legal and Professional Charges	1,152,430	893,359
Commission and Brokerage	487,913	3,922
Miscellaneous, General and Administrative Expenses	342,302	243,783
Auditors' Remuneration (Net of Service Tax) (Refer Note No. 20)	190,000	190,000
VAT Audit Fees	20,000	20,000
Sundry Debit / Credit Balances Written off	525,380	193,237
Bad Debts	1,653,191	—
Donation	10,500	113,651
Prior Period Expenses (Refer Note No. 21)	918,268	384,171
	40,196,902	31,436,278
NOTE - 20 : AUDITORS' REMUNERATION		
As Auditor		
For Audit	80,000	70,000
For Tax Audit	20,000	20,000
For Taxation Matter	40,000	20,000
For Certification and Other Matters	50,000	80,000
	190,000	190,000

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
	₹	₹
NOTE - 21 : PRIOR PERIOD EXPENSES (NET OF INCOME)		
Expenses		
Directors' Travelling Expenses	93,400	—
Business Promotion Expenses	49,101	—
MOT Charges paid to Excise Department	41,895	—
Interest to Others	950,000	—
Water Charges	—	34,000
VAT payable at Delhi	—	8,970
Contribution to Provident Fund	—	990
Short Provision for Expenses	—	347,352
	1,134,396	391,312
Income		
Rebate on purchase of Raw Materials	216,128	—
Excess Provision for Expenses written back	—	7,141
	216,128	7,141
Net Prior Period Expenses over Prior Period Income	918,268	384,171
NOTE - 22 : FINANCE COSTS		
Interest:		
Fixed Period Loans	436,157	263,157
Others	4,888,702	2,866,490
	5,324,859	3,129,647
NOTE - 23 : DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	2,256,246	2,375,895
Amortisation of Intangible Assets	—	933,040
	2,256,246	3,308,935
NOTE - 24 : EARNINGS PER SHARE (EPS - BASIC AND DILUTED)		
Profit / (Loss) after tax for calculation of Basic and Diluted EPS	6,978,615	3,970,981
No. of shares used for calculation of Basic and Diluted EPS	1,675,000	1,675,000
Earning per Share - Basic and Diluted (Face value of ₹ 10/-)	4.17	2.37

NOTES FORMING PART OF THE ACCOUNTS

NOTE 25 :

SIGNIFICANT ACCOUNTING POLICIES

i) **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.

ii) **Method of Accounting :**

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

iii) **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.

iv) **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.

v) **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.

vi) **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 basis of weighted average cost. Due allowance is estimated and made for defective and obsolete items, wherever considered necessary.

vii) **Excise Duty :**

a) The excise duty is paid / provided on Bright 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

NOTES FORMING PART OF THE ACCOUNTS

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.

viii) 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.

ix) Revenue Recognition :

- a) Sale of goods is recognised on despatches to customers which generally coincides with transfer of title, significant risk and rewards of ownership to customer and includes excise duty.
- b) Dividend Income is accounted for when right to receive is established.
- c) Interest is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Interest is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

x) 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.

xi) 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.

NOTES FORMING PART OF THE ACCOUNTS

xii) 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.

xiii) Provisions and Contingent Liabilities :

- a) Provision in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.
- b) Contingent Liabilities are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

26. 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)
27. Estimated amounts of contracts remaining to be executed on capital accounts and not provided for – ₹ NIL (Previous year– ₹ NIL).
 28. 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.
 29. 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.
 30. Unsecured Loans include that of the Directors and their Associates
 31. The Company has not made provision for doubtful debts of ₹ 10,09,374/- (Previous year ₹ 10,09,374/-) as the Company is taking required steps for recovery of the amounts from the party.
 32. The sales-tax assessment of the Company has been finalised upto and including the accounting year 2007-2008.
 33. The Income-tax Assessments of the Company are completed upto March 31, 2009 (Assessment Year 2009-2010).

NOTES FORMING PART OF THE ACCOUNTS

34. The Company has modified the method of valuation of closing stock of goods from April 2011 onwards. Due to the said modification in the method of valuation of the closing stock, the closing stock as on March 31, 2012 has been valued lower by ₹ 21.36 lakhs and profit after tax for the year is lower by ₹ 14.43 lakhs.
35. 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.
36. 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.
37. 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.
38. Some of the unsecured loan creditors have initiated legal action against the company for recovery of their loan amount along with interest. The Company is examining the issue and suitable steps will be taken to protect the interest of the company.
39. 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.
40. The Company does not expect any shortfall on realisation of assets on aggregate basis, despite accumulated losses as on March 31, 2012.
41. Disclosures pursuant to Accounting Standard – 15 : Employees' Benefit

	2011-2012 ₹	2010-2011 ₹
A Defined Contribution Plan		
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	15,76,073	13,06,092
B Define Benefits Plan		
Net Assets / (Liability) recognized in the Balance Sheet		
A Funded Status		
a) Present Value of Defined Benefit Obligations	25,05,278	22,59,962
b) Fair Value of Plan Assets	25,05,278	13,63,627
c) Net Assets / (Liability) Recognised in the Balance Sheet	Nil	(8,96,335)
Total Expenses recognized in the statement of Profit & Loss A/c.		
A) Component of Employer Expenses		
a) Current Service Cost	2,39,463	2,15,352
b) Interest Cost	1,80,800	97,830
c) Expected Return on Plan Assets	2,14,200	NIL
d) Actuarial Losses / (Gains)	(2,02,365)	(6,54,813)
e) Actuarial Losses / (Gain) on Plan Assets	(2,14,024)	1,154
f) Total Expenses recognized in Statement of Profit & Loss A/c.	4,08,428	9,66,841
g) Short Term Compensated absences paid during the year charged to Profit & Loss A/c.	NIL	NIL

NOTES FORMING PART OF THE ACCOUNTS

Reconciliation of Defined Benefit Obligation and Fair Value of Assets

A Change in Defined Benefit of Obligations

a) Present Value of DBO at beginning of the year	22,59,962	13,16,824
b) Current Service Cost	2,39,463	2,15,352
c) Interest Cost	1,80,800	97,830
d) Actual (Gains) / Losses	(11,659)	6,54,813
e) Benefits paid	(1,63,288)	(24,857)
f) Present value of DBO at the end of the year	25,05,278	22,59,962

B Change in the Fair Value of Assets

a) Plan Assets at the beginning of the year	13,63,627	6,51,370
b) Adjustment to Opening Fair Value of Plan Assets	8,91,085	7,35,960
c) Expected Return on Plan Assets	2,14,200	NIL
d) Actual Company Contributions	4,13,678	NIL
e) Employees Contributions	NIL	NIL
f) Actuarial gains / (Losses) on Plan Assets	(2,14,024)	1,154
g) Benefits paid	(1,63,288)	(24,857)
h) Plan Assets at the end of year	25,05,278	13,63,627

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.

42. The Company's operations relate to manufacture of Bright Bars. The Company does not have any separate business segments.

43. **Details of Raw-Materials / Intermediates Consumed :**

	2011-2012		2010-2011	
	Quantity MT	Value ₹	Quantity MT	Value ₹
Wire Rods	5,350	34,35,44,719	4,689	31,91,68,357

44. **Value of Imported and Indigenous Consumption :**

	2011-2012		2010-2011	
	%	Value ₹	%	Value ₹
A. Raw Materials :				
Imported	NIL	NIL	NIL	NIL
Indigenous	100.00	34,35,44,719	100.00	31,91,68,357
	100.00	34,35,44,719	100.00	31,91,68,357
B. Stores, Spares and Loose Tools				
Imported	NIL	NIL	NIL	NIL
Indigenous	100.00	91,55,197	100.00	75,33,016
	100.00	91,55,197	100.00	75,33,016

NOTES FORMING PART OF THE ACCOUNTS

45. Expenditure in Foreign Currency

	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011 ₹
Travelling	2,87,051	4,37,222

46. Earning in Foreign Currency (on accrual basis)

	For the Year ended March 31, 2012 ₹	For the Year ended March 31, 2011 ₹
FOB value of Exports	9,89,63,994	8,78,41,283

47. 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 Investments 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) Relative of Key Management Personnel
 - 1 Smt. Shamoli Malhotra
 - 2 Smt. Rajnidevi Jajodia

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

NOTES FORMING PART OF THE ACCOUNTS

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	4,13,771 (NIL)	62,11,326 (45,46,931)	9,00,000 (NIL)	75,25,097 (45,46,931)
Income received	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Finance received (Including interest payable)	51,00,000 (NIL)	95,00,000 (74,34,112)	NIL	1,46,00,000 (74,34,112)
Finance Repaid (excluding interest paid)	23,25,000 (NIL)	65,50,000 (89,14,571)	NIL (5,00,000)	88,75,000 (94,14,571)
Amount receivable	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Loan Amount Payable (Including Interest payable)	62,10,000 (34,35,000)	2,43,00,000 (2,17,10,874)	45,00,000 (45,00,000)	3,50,10,000 (2,96,45,874)
Other Amounts Payable	21,07,056 (20,75,000)	3,16,005 (2,93,058)	8,10,000 (NIL)	32,33,061 (23,68,058)

The figures in brackets are for previous year.

48. 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, 2012 and at the end of the year as on March 31, 2011
- b. The foreign currency exposures that are not hedged by a derivative instrument are as follows :

Details	Currency	Amount outstanding as on March 31, 2012	
Export Debtors	USD	74,470	38,09,634
Advance from Customers.	USD	6,634	3,39,372
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

NOTES FORMING PART OF THE ACCOUNTS

49. Previous Year Figures :

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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 14, 2012

For and on behalf of the Board of Directors
Avinash Jajodia Chairman &
Managing Director
N. G. Khaitan }
P. L. Dabral } Directors
K. S. Shikari }
Manju Devi Jajodia }
Place : Mumbai }
Dated : August 14, 2012 }

Cut here

Chase Bright Steel Limited

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 Second Annual General Meeting of the Company to be held at 11.00 a.m. on Saturday, 29th September, 2012 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 2012.

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 Limited

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 Second Annual General Meeting of the Company being held on September 29, 2012.

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.