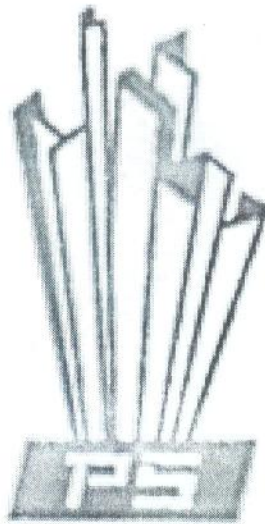


NARDHANA INFRASTRUCTURE LIMITED



ANNUAL REPORT 2010 – 2011



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Suresh Sharma	- Chairman
Mr. Sachin Sharma	- Managing Director
Mr. Daljeet Singh Matharu	- Executive Director
Mr. Hemant Kokatay	- Independent Director
Mr. Rajen Navnitlal	- Independent Director
Mr. Giriraj Prasad Sharma	- Independent Director

AUDITORS

Ashish Vyas & Co.
Chartered Accountant
12 Civil Lines Opp. BJP Office,
Chamunda Complex,
Dewas(M.P.),-455001
Tel. No.: 0722 -252833

REGISTERED OFFICE

509, Chetak Centre,
R. N. T. Marg,
Indore- 452001(MP)
Tel: 0731-3057992,30576999
Email: sales@pithampursteels.com

CORPORATE OFFICE

1011, Embassy Centre,
207, Nariman Point,
Mumbai-400 021
Tel: 022-22823367/68
Fax: 022-2283 2445

NEW PROJECT LOCATION

Plot No. – T-6, MIDC,
Nardhana Industrial Area,
Nardhana, Dist. Dhule,
Maharashtra

REGISTRAR AND SHARE TRANSFER AGENT

Computronics Financial Services (I) Ltd.
1, Mittal Chambers,
Nariman Point,
Mumbai – 400 021.
Tel: 022- 22882960
Fax: 022-22873314 / 66351032

ANNUAL GENERAL MEETING

Date: 28th September 2011
Day: wednesday
Time: At 10.00 A.M.
Place: 509, Chetak Centre,
R.N.T. Marg,
Indore – 452001 (MP)



NARDHANA INFRASTRUCTURE LIMITED

Regd. Office:- 509, Chetak Centre, R.N.T. Marg, Indore-452001(M.P)

NOTICE

Notice is hereby given that the Annual General Meeting of M/s NARDHANA INFRASTRUCTURE LIMITED will be held on Wednesday the 28th September 2011 at 10.00 a.m. at the Registered Office of the Company at 509, Chetak Centre, R.N.T. Marg, Indore-452001(M.P.) to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of Auditors and Directors thereon.
2. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Shri Rajen Navnitlal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Giriraj Prasad Sharma who retires by rotation and being eligible offers himself for reappointment

By Order of the Board

Place: Indore(M.P.)

Dated: 20/08/2011

Suresh Sharma

Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
3. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY CHANGE IN ADDRESS, IF ANY, TO THE COMPANY.

**DIRECTORS' REPORT**

To

The Members,

We have pleasure in presenting to you the Annual Report along with the audited accounts for the year ended on 31st March 2011.

FINANCIAL RESULTS

Sr. No.	Particulars	(Amount in Rs.)	
		31.03.2011	31.03.2010
1.	Income	490,086,334	313,446,253
2.	Total expenditure		
	(i) Cost of Goods Sold	490,364,679	31,22,16,560
	(ii) Administrative Expenses	189,659	7,85,522
	(iii) Depreciation	247,347	1,79,791
3.	Profit/(Loss) before tax	(715,351)	2,64,380
	Add: Prior period income	-----	-----
	Profit before tax after prior period item	(715,351)	2,64,380
4.	Provision for Taxation	-----	71,000
	Provision of FBT	-----	-----
	Provision for Deferred tax liabilities	(292,156)	16,942
5.	Profit after tax	(423,195)	1,76,438

DIVIDEND

Keeping in mind the expansion plans of the Company and also to conserve the resources of the Company and to utilize the resources for the new industry at Nardhana, Dist. Dhule, the Board of Directors does not recommend a dividend for the financial year 2010-11.

REVIEW OF OPERATION AND FUTURE PROSPECTS

During the year under review the sales turnover of Rs. 510,981,711/- as compared to previous years of Rs. 312,286,042/- and net loss of Rs.423,195 /- as compared to previous year profit of Rs. 176,438/-.

The Company is planned to shift its whole operations to its new project location at MIDC, Nardhana Industrial Area, Dist. Dhule and close its activities from Pithampur Dist. Dhar. As the company have only assets of building and land at the Pithampur Dist. Dhar. The plant and machinery are turned into scrap and these are written down fully in the financial year. Also the company is not received any subsidy etc. therefore the Company is not in a position to compete with others due to its increase cost of production.

In the process of shifting, the Company has already purchased land situated at MIDC, Nardhana Industrial Area, Dist. Dhule and taking off possession from MIDC Authorities. The power and water has reached to the site and the Company will start building construction activity their. The company is in process to do joint collaboration with a Russian steel industry for its Nardhana Project.



The year 2010-11 has been eventful for the Company in multiple facts. Your Board of Directors has expected huge opportunities in the business of infrastructure and construction activities.

POSSITION OF CHANGE OF OBJECT CLAUSE

Keeping in mind changing business scenarios and in order to explore upcoming opportunities in construction sector, the Company has amended the "Main Object" of the Memorandum of Association to broaden the existing clause. Special Resolution together with the copy of the Memorandum of Association as altered and registered by Registrar of Companies, Madhya Pradesh and Chattisgarh on 05th July, 2010. Certificate of Change in object clause of the Company is available for inspection for the Members and stackholders.

CHANGE OF NAME

Company has amended the "Name Clause" of the Memorandum of Association to broaden the existing clause. Special Resolution together with the copy of the Memorandum of Association as altered and registered by Registrar of Companies, Madhya Pradesh and Chattisgarh on 02th July, 2010. Certificate of Change in Name clause of the Company is available for inspection for the Members and stakeholders.

SUB-DIVISION OF SHARE

In Previous AGM of Financial year 2009-10 we have amended Capital Clause of the Memorandum of Association and also file to ROC form 23.

DIRECTORS

Shri Rajen Navnitlal and Shri Giriraj Prasad Sharma are being liable for retire by rotation and offer them self to appoint further as Director of the Company.

The brief particulars of all directors, for which approval of members for their appointment or re-appointment are sought, have been provided in the Notice of Annual General Meeting pursuant to Clause 49 of the Listing Agreement relating to Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec 217(2AA) of Companies Act, 1956, the directors state that:

that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.

that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 period.

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

that the directors have prepared the annual accounts on a going concern basis.



DEPOSITS

The company has not accepted any deposit from the public attracting the provisions of Sec 58A of the Companies Act 1956.

AUDITORS

The retiring Auditors, M/s. Ashish Vyas & Co., Chartered Accountants, Dewas, being eligible, offer themselves for appointment. They have furnished a certificate to the effect that their appointment if made, would be within the prescribed limits under Sec 224(1B) of the Companies Act 1956.

AUDITORS' REPORT

Report of the auditors and their observations and notes to the accounts of the company for the year under review are attached herewith which are self-explanatory and do not require further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION & FOREIGN EXCHANGE EARNING AND OUTGO

This information required to be given under section 217 (1) (c) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Director) Rules 1988 is annexed herewith.

PARTICULARS OF EMPLOYEES

The information required under Sec 217(2A) of the Companies Act 1956 is not given as there was no employee in receipt of remuneration during the year, exceeding the limits prescribed by the Companies (Particulars of Employees) Rules, 1975 as revised.

LISTING

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's shares are being traded. The Company has paid Listing fees for the year 2010-11.

CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a voluntary code of self discipline. In line with this policy, the Board of Directors strongly believes that it is very important that the company follows healthy corporate governance practices and reports to shareholders the progress made on the various measures undertaken. Therefore, your directors have been reporting the initiatives on Corporate Governance measures adopted by your company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis Report is provided in separate section and forming part of this report.



ACKNOWLEDGEMENT

The company has developed a very cordial, warm and close relationship with the investors, various government and semi-government departments, banks and financial institutions, customers, suppliers and other service providers. The Board of Directors wish to gratefully acknowledge the co-operation, assistance and guidance received from all of them. The company could make the progress it has in these years due to the dedication and creativity of its staff at all levels. The Board of Directors wishes to place on record its warm appreciation for these efforts.

Date: 20-08-2011

Place: Indore

For and on behalf of the Board of Directors

Director	Managing Director
(Suresh Sharma)	(Sachin Sharma)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL REVIEW

Your Company has changed its object to take up the business of projects and infrastructure development pursuant to amendment of the objects. As the company has taken up the new line of business, your directors are focusing towards this field. To unlock the potential and expertise of the management and in view of the available opportunities in infrastructure and related activities, the Company ventured into project and infrastructure development and related business.

The Company being engaged in the Infrastructure and Realty sector and having expertise and support of group developers, it has huge potential for growth.

OUTLOOK, OPPORTUNITIES AND THREATS

Your Company has entered into new arena of the business of projects and infrastructure development. These industries are poised for huge growth for several years to support the GDP growth of India. The Government of India has estimated the GDP to grow approximately at 8.7% for the financial year 2010-11. Accordingly, your Directors expect huge opportunity in these areas.

The same group Company M/s Vertex Spinning Limited has set up Asia's biggest textile Park in Nardhana Dist. Dhule Maharashtra. The Company proposes to carry out infrastructure activity their which is expected to grow the profitability of the company manifold.

The Company is planned to shift its whole operations to its new project location at MIDC, Nardhana Industrial Area, Dist. Dhule and close its activities from Pithampur Dist. Dhar. As the company have only assets of building and land at the Pithampur Dist. Dhar. The plant and machinery are turned into scrap and these are written down fully in the next financial year. Also the company is not received any subsidy etc. therefore the Company is not in a position to compete with others due to its increase cost of production.

In the process of shifting, the Company has already purchased land situated at MIDC, Nardhana Industrial Area, Dist. Dhule and taking off possession from MIDC Authorities. The power and water has reached to the site and the Company will start building construction activity their. The company is in process to do joint collaboration with a Russian steel industry for its Nardhana Project.

Business risks are evident in any business. However, your Company has tried to mitigate the risk. Among other, competition from market, increases in cost of raw material are the major challenges. However, easy accesses to technical expertise available with its group companies are advantages enjoyed by company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has established internal control systems, which provide reasonable assurance with regard to safeguarding of the Company's assets, promoting operational efficiency and ensuring compliances with various statutory provisions. The internal Audit Department reviews internal control systems in various business processes and also verifies compliance of the laid down policies and procedures. Reports of the internal auditor are reviewed by the



senior management and are placed before the Audit Committee of the Directors. The statutory auditors also review their findings with the senior management and Audit Committee.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The key performance indicators providing an insight into the performance of the company vis a vis previous year performance are presented below:

PERFORMANCE

Sr. No.	Particulars	(Amount in Rs.)	
		31.03.2011	31.03.2010
1.	Income	490,086,334	31,344,625
	Sales	510,981,711	31,22,86,042
2.	Total expenditure		
	(i) Cost of Goods Sold	490,364,679	31,22,16,560
	(ii) Administrative Expenses	189,659	7,85,522
	(iii) Depreciation	247,347	1,79,791
3.	Profit/(Loss) before tax	(715,351)	2,64,380
	Add: Prior period income	-----	-----
	Profit before tax after prior period item	(715,351)	2,64,380
4.	Provision for Taxation	-----	71,000
	Provision of FBT	-----	-----
	Provision for Deferred tax liabilities	(292,156)	16,942
5.	Profit after tax	(423,195)	1,76,438

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The industrial relations remained good across all locations. Human resource continued to be recognized as the most valued asset. The company is adequately manned with professionals in the field of Engineering, Finance and Administration etc. In order to meet the challenge of growth and new product line, the company has organized in-house training of its staff and workmen to improve soft skills, technical knowledge, work culture and efficient manufacturing practices.

The Company has formed work committee in order to increase workers participation in the management. This initiative has paid dividends and the Company has experienced improvement in efficiencies, overall workmen satisfaction and stability.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results



could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for listed companies vide Clause 49 of the Listing Agreement with Stock Exchanges.

Corporate Governance is a corporate discipline extended to transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholders' value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances.

Company's Philosophy on Corporate Governance

Your Company believe and constantly try to achieve good governance through timely disclosures, transparency, accountability and the responsibility in all our dealings with our employees, shareholders, clients and community at large.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance of Code of Conduct.

I. BOARD OF DIRECTORS:

a) Composition of the Board

In compliances with Corporate Governance norms, the Board comprises of 6 Directors with a Executive Chairman, a Managing Director and 3 Non-executive Independent Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

b) Number of Board meetings, attendance of Director at Board Meeting and at the Annual General Meeting, outside directorship and Board Committee membership:

During the financial year 2010-11 the Board of Directors of the Company met 6 times 22/04/2010, 08/05/2010, 12/08/2010, 29/10/2010, 15/11/2010 and 14/02/2011 The interval between any two successive meetings did not exceed four calendar months.



Name of Director	Category	Attendance		No. of Directorships held in other Companies	
		Board	Last AGM	Public	Private
Shri Suresh Sharma	Executive Director	5	Present	05	15
Shri Sachin Sharma	Managing Director	5	Present	03	0
Shri Daljeet Matharu	Executive Director	2	Present	03	02
Shri Giriraj Prasad Sharma	Non Executive Independent Director	3	Present	04	0
Shri Hemant Kokatay	Non Executive Independent Director	5	Present	01	03
Shari Rajen Navnitlal	Non Executive Independent Director	2	Present	02	01

* Shri Suresh Sharma, Executive Director and Shri Sachin Sharma, Managing Director are father and son consecutively and are related to each other within the meaning of Section 6 of the Companies Act, 1956.

c) Code of Conduct

The Board of Directors have adopted a code of conduct for the Board members and senior management of the company. The said code has been circulated to the Directors and members of the Senior Management. The code has also been posted on the Company's website. The declaration by Shri Suresh Sharma, Chairman of the company, regarding compliance by the Board members and Senior Management personnel with the said code of conduct is attached to this report.

II. COMMITTEE OF THE BOARD

A. Audit Committee

I. Composition :

The Audit Committee comprises 3 director out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Giriraj Prasad Sharma	Chairman
Shri Daljeet Singh Matharu	Member
Shri Hemant Kokatay	Member

II. Reference:

The powers role and terms of reference of the audit committee covers the area as mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by



the Board of Directors. These include oversight of company's financial reporting process and disclosures of financial information, reviewing the adequacy of the Internal Audit team, reviewing with management the quarterly / annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration.

Apart from the above, the Committee also reviews Management discussion and analysis, statement of related party transactions and the management letters and the response thereto by the management.

III. Meetings and attendance:

During the year 2010-11 the Audit Committee met 5 times on 22/04/2010, 08/05/2010, 12/08/2010 29/10/2010 and 14/02/2011. The attendance of members at the meetings was as follows:

B. REMUNERATION COMMITTEE:

I. Composition :

The Remuneration Committee comprises 3 director out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Giriraj Prasad Sharma	Chairman
Shri Daljeet Singh Matharu	Member
Shri Hemant Kokatay	Member

II. Reference:

- To review, access and recommend the appointment of managing/whole time directors
- To periodically review the remuneration package of managing/whole time directors and next level and recommended suitable revision to the Board.

III. Meetings and attendance:

No meeting was required to be held by this committee.

DETAILS OF REMUNERATION TO DIRECTORS:

We are pleased to inform that the Chairman and Board of Director is not withdrawn any amount against their remuneration due to requirement of funds in the Company.

C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

I. Composition :

The Audit Committee comprises 3 director out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Giriraj Prasad Sharma	Chairman
----------------------------	----------



Shri Daljeet Singh Matharu	Member
Shri Hemant Kokatay	Member

II. Reference:

The Committee looks into redressing of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialization of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated the power of approving transfer/transmission of shares to the Committee.

During the year 2010-11 the committee meets time to time to resolve to grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialization of shares, complaint letters received from Stock Exchanges, SEBI etc.

The total numbers of investor complaints received during the year were resolved to the satisfaction of the shareholders.

Number of share transfers/ transmission/issue of Duplicate share certificate pending as on 31st March 2011 was NIL.

III. DETAILS OF GENERAL BODY MEETING:

- I. The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2007-08	509, Chetak Centre, 12/2, R.N.T. Marg, Indore-452001	29/09/2008	4.00 PM
2008-09	509, Chetak Centre, 12/2, R.N.T. Marg, Indore-452001	12/09/2009	9.30 AM
2009-10	509, Chetak Centre, 12/2, R.N.T. Marg, Indore-452001	09/06/2010	3.00 PM

- II. No special resolution was passed through postal ballot during the year ended on 31.3.2011 and no such resolution is proposed to be passed by postal ballot at the ensuing annual general meeting as well.
- III. Some Special resolutions have been passed in the previous General Meetings.

IV. DISCLOSURES:

The Company has not entered into any transaction of a material nature which will have a conflict with its interest during the year.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the company

The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties/strictures have been imposed against it in the last three years.



The company has complied with the mandatory requirements of corporate governance under clause 49 of the Listing Agreement with the Stock Exchanges.

V. MEANS OF COMMUNICATION:

The quarterly and yearly financial results of the Company are published in the prominent daily newspapers having circulation in the region where the registered office of the company is situated. The quarterly/yearly financial results are also regularly sent to the Mumbai stock exchange where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company.

The Management Discussion and Analysis report has been attached to the Directors Report and forms part of the Annual Report.

VI. GENERAL SHAREHOLDERS INFORMATION:

a) Registered Office:

509, Chetak Centre,
R.N.T. Marg,
Indore- 452001(MP)

b) AGM, Date, Time & Venue:

The ensuing AGM will be held on the 28th September 2011 at 10.00 a.m. at 509, Chetak Centre, R.N.T. Marg, Indore- 452001(MP).

c) Financial Calendar:

The Company follows April-March as its financial year. The Financial results for every quarter, beginning from April, are declared in the month following the quarter.

d) Date of Book Closure:

Commencement - 21st September 2011
Ending - 27th September 2011
(Both days inclusive)

e) Dividend Payment date:

Dividend if any, declared in the forthcoming annual general meeting will be paid within 30 days of the date of declaration.

f) Listing on the Stock Exchanges:

The Bombay Stock Exchange Limited
P.J. Towers, Dalal Street, Mumbai-400001

g) Stock code:



Bombay Stock Exchange	Code	513611
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Demat ISIN Number in NSDL & CDSL: INE077H01015

h) Market Price Data:

The monthly High & Low Share prices of the company traded at the Stock Exchange, Mumbai from 1st April 2010 to 31st March, 2011 are given below:

Mumbai Stock Exchange			
Months	Months Price Rs.	High	Months Price Rs. Low
April'2010	34.80		14.85
May'2010	47.70		28.80
June'2010	41.75		22.55
July'2010	28.60		12.15
August 2010	12.79		09.46
September 2010	16.76		07.76
October 2010	19.10		12.40
November 2010	14.00		11.18
December 2010	12.18		09.94
Jan.'2011	10.48		07.08
Feb.'2011	07.45		05.65
Mar.'2011	08.61		05.61

i) Registrar and Share Transfer Agents

Computronics Financial Services (I) Ltd.
1, Mittal Chambers,
Nariman Point,
Mumbai – 400 021
Tel: 022- 22882960
Fax: 022- 22873314 / 66351032

j) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 21 days from the date of receipt thereof. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through the respective depository participants.

k) Dematerialization of Shares

As per the notification issued by the SEBI, the shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 29/01/2001. The company's shares have been dematerialized to the extent of 5.97% as on 31.03.2011

**l) Distribution of Shareholding (as at the year end)**

Category	No. Of Equity Shares	
	No. Of Shares	Shareholding %
Promoters	19704800	49.72
Bank, Mutual Funds & FIs	40000	0.10
Domestic Corporate Bodies	2085000	5.26
Indian Public	17774200	44.86
NRIs/OCBs/FIIs	25000	0.06
Any other (Clearing Members)	-	-
	39629000	100

m) Address for Correspondence**REGISTERED OFFICE**

509, Chetak Centre,
R. N. T. Marg,
Indore- 452001(MP)
Tel: 0731-3057992,30576999
Email: sales@pithampursteels.com

CORPORATE

1011 Embassy Centre,
207, Nariman Point,
Mumbai-400 021
Tel: 022-22823367/68
Fax: 022-2283 2445

NEW PROJECT LOCATION

Plot No. – T-6, MIDC,
Nardhana Industrial Area,
Nardhana, Dhule,
Maharashtra

REGISTRAR AND SHARE TRANSFER AGENT

Computronics Financial Services (I) Ltd.
1, Mittal Chambers,
Nariman Point,
Mumbai – 400 021.
Tel: 022- 22882960
Fax: 022- 22873314 / 66351032



Certificate

All the Board members and Senior Management Personnel have, for the year ended 31st March 2011, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Listing Agreement with Stock Exchanges.

Place: Indore
Date: 20-08-2011

SURESH SHARMA
CHAIRMAN

AUDITOR'S REPORT

To,
THE MEMBERS OF
NARDHANA INFRASTRUCTURE LIMITED
INDORE

1. We have audited the attached Financial Statements of **NARDHANA INFRASTRUCTURE LIMITED** as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act 1956, we enclosed in the attached annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 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 and profit and loss account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 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 best of our information and according to the explanations given to us, the said accounts read together with the notes thereon with specific mention to note 2) give the information required by the Companies Act, 1956 and in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.
- a. in the case of balance sheet, of the state of affairs of the company as at 31st March, 2011; and
 - b. in case of profit and loss account, of the loss for the year ended on that date.
 - c. in case of cash flow statement, of the cash flows for the year ended on that date.

**For Ashish Vyas & Co.
Chartered Accountants**

**(Ashish Vyas)
Proprietor
M. No - 078527**

**Place: Indore (M.P.)
Date: 20/08/2011**

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011 OF NARDHANA INFRASTRUCTURE LIMITED.

- (i) In respect of fixed assets
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its business.
 - c. According to information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) In respect of inventory :-
 - a. According to the information and explanations given to us, the inventory and capital work in progress has been physically verified by the management during 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 inventory and followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The company is maintaining proper records of inventory. As explained to us, no discrepancies were noticed on physical verification between physical stocks and book records.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the company has not granted any new unsecured loans during the current financial year ending March 31, 2011. However Rs. 4877089 is due from 3 parties mentioned in section 301.
 - b. According to the information and explanations given to us, the company has taken unsecured loans. The amount and number of parties involved are Rs. 136350 and 2 respectively. However we would like to draw attention towards Point No 11 in Notes to Accounts (Schedule 14).
 - c. The company is not paying/receiving any interest from these unsecured loans 301 parties.
- (iv) In our opinion and according to the information and explanations given to us, the company further needs to strengthen its internal control system for the purchase of inventory and fixed assets and for the sale of goods and services commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- (v) According to the information and explanations given to us, we are of the opinion that all contracts or arrangements which need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been entered. None of the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- (vi) According to the information and explanations given to us, the company has not accepted deposits from public during the year covered under the provision of section 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) *The company does not have an internal audit system commensurate with its size and nature of its business.*
- (viii) The Central Government has not prescribed maintenance of cost records for the products of the company under section 209(1) (d) of the Companies Act, 1956.
- (ix) In respect of statutory dues relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues:-
 - a. According to the information and explanations given to us, as on March 31st, 2011, there are no undisputed statutory dues appearing in the books of accounts which is payable by the company. However we would like to draw attention to Point no 1 in the Notes to Accounts (Schedule 14).
 - b. According to the information and explanation given to us there are no statutory dues which have not been deposited on account of any disputes.
 - c. *In our opinion there are instances where the company has not deducted/paid statutory dues in respect of expenses incurred/payment made.*
- (x) The company has accumulated losses of Rs. 4091647 and Capital Reserve of Rs. 3729000 as at March 31, 2011 and it has incurred Rs. 423195 cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank or financial institution as at the balance sheet date. However we would like to draw attention to Point No. 12 to the Notes to Accounts (Schedule 14).
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of clause 4(xiii) of the above said order are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the above said order are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks. Therefore, the provisions of clause 4(xv) of the above said order are not applicable to the company.

- (xvi) In our opinion and according to the information and explanations given to us, the company has not taken term loans during the year, the provisions of clause 4(xvi) of the above said order are not applicable to the company.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet, the company has not raised short-term funds during the year; therefore the provisions of clause 4(xvii) of the above said order are not applicable to the company.
- (xviii) According to information and explanations given to us during the current financial year the company has not made any preferential allotment section 301 parties.
- (xix) According to the information and explanations given to us, the company has not issued debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.
- (xx) According to the information and explanations given to us, the company has not raised any money by way of public issue during the year. Accordingly the provisions of clause 4 (xx) of the above said order are not applicable to the company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management..

For Ashish Vyas &Co
Chartered Accountants

(Ashish Vyas)
Proprietor
M. No – 078527

Place: Indore (M.P.)
Date: 20/08/2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
of **NARDHANA INFRASTRUCTURE LIMITED**

We have examined the compliance of conditions of Governance by **NARDHANA INFRASTRUCTURE LIMITED** ("the company"), for the year ended on 31 march 2011, as stipulated in clause 49 of the listing Agreement of the said company with the Mumbai stock exchange.

The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation there of , adopted by the company for ensuring the compliance of the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company,

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned Listing agreement,

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

For Ashish Vyas &Co
Chartered Accountants

(Ashish Vyas)
Proprietor
M. No – 078527

Place: Indore (M.P.)
Date: 20/08/2011

NARDHANA INFRASTRUCTURE LIMITEDs

BALANCE SHEET AS AT 31ST MARCH,2011

	Schedule	As at 31st March,2011	As at 31st March,2010
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUND			
Share Capital	1	39,629,000	39,629,000
Reserve & Surplus	2	3,729,000	3,729,000
LOAN FUNDS			
Secured Loans	3	14,390,439	14,390,439
Unsecured Loans	4	3,182,350	3,046,000
Deferred Tax Liability		3,525,924	3,818,080
TOTAL		64,456,713	64,612,519
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	5	31,173,373	31,173,373
Less:-Accumalated Depreciation		9,427,686	9,180,339
Net Block		21,745,687	21,993,034
INVESTMENTS			
		1,334,000	1,334,000
CURRENT ASSETS LOANS & ADVANCES			
Inventory	6	617,500	21,512,877
Receivable	7	551,919,190	40,937,479
Cash & Bank Balance	8	314,219	435,458
Loans & advances	9	5,394,419	5,349,069
		558,245,328	68,234,884
Less: Current Liabilities and Provisions	10	520,959,949	30,617,851
Net Current Assets		37,285,379	37,617,033
Profit & Loss Account	11	4,091,647	3,668,452
TOTAL		64,456,713	64,612,519
Accounting Policies and Notes to Accounts	14		

Read with Accounting Policies and Notes on Accounts.
As per our Report of even date attached.

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
NARDHANA INFRASTRUCTURE LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 078527

SURESH SHARMA
DIRECTOR

SACHIN SHARMA
MANAGING DIRECTOR

Place: Indore
Dated: 20/08/2011

NARDHANA INFRASTRUCTURE LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particular	Schedule	As at 31st March, 2011	As at 31st March, 2010
<u>INCOME</u>			
Sales		510,981,711	312,286,042
Other Income			189,163
Increase/Decrease In Stock	12	(20,895,377)	971,048
		490,086,334	313,446,253
<u>EXPENDITURE</u>			
Cost of Good Sold		490,364,679	312,216,560
Administrative Expenses	13	189,659	785,522
Depreciation	5	247,347	179,791
		490,801,685	313,181,873
Profit before Tax		(715,351)	264,380
Add: - Prior Period Income		-	-
Profit before Tax after PPI		(715,351)	264,380
Provision for Income Tax		-	71,000
Provision for F B T		-	-
Provision for Deferred Tax Liabilities		(292,156)	16,942
Profit after Tax		(423,195)	176,438
Previous Year Income Tax		-	-
Balance B/F from Previous Year		(3,668,452)	(3,844,890)
Balance carried to Balance Sheet		(4,091,647)	(3,668,452)
<u>Earning per share</u>			
Basic [Nominal value of shares Rs. 39629000 (Previous Year : Rs. 39629000)]		(0.11)	0.04
Diluted [Nominal value of shares Rs. 39629000 (Previous Year : Rs. 39629000)]		(0.11)	0.04
<u>No. of shares for calculating EPS</u>			
Basic		3,962,900	3,962,900
Diluted		3,962,900	3,962,900

Accounting Policies and Notes to Accounts 14

Read with Accounting Policies and Notes on Accounts.
As per our Report of even date attached.

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
NARDHANA INFRASTRUCTURE LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 078527

SURESH SHARMA
DIRECTOR

SACHIN SHARMA
MANAGING DIRECTOR

Place: Indore
Dated: 20/08/2011

M/S NARDHANA INFRASTRUCTURE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particular	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 1 :		
<u>Share Capital</u>		
Authorized Share Capital :		
45,00,000 Equity Shares of Rs.10/- each.	45,000,000	45,000,000
<u>Issued, Subscribed & Paid Up :</u>		
3962900 (Previous Year 39629000) Equity Shares of Rs.10/- each fully paid up	39,629,000	39,629,000
	<u>39,629,000</u>	<u>39,629,000</u>
SCHEDULE - 2 :		
<u>Reserve & Surplus</u>		
Capital Reserve	3,729,000	3,729,000
	<u>3,729,000</u>	<u>3,729,000</u>
SCHEDULE - 3 :		
<u>Secured Loans :</u>		
State Bank of India, Indore	14,390,439	14,390,439
(Secured against Hypothication of Stock & Book Debt & Second Charge over the Plant and Machinery of the Company)		
	<u>14,390,439</u>	<u>14,390,439</u>
SCHEDULE - 4 :		
<u>Unsecured Loans :</u>		
From Companies	2,831,000	2,780,000
From Director	351,350	266,000
	<u>3,182,350</u>	<u>3,046,000</u>
SCHEDULE - 6 :		
<u>Inventories:</u>		
Stock In Trade	617,500	21,512,877
	<u>617,500</u>	<u>21,512,877</u>
SCHEDULE - 7 :		
<u>Receivables :-</u>		
(Unsecured & Considered Good).		
Exceeding Six Months	347,632,236	31,595,171
Other	204,286,954	9,342,308
	<u>551,919,190</u>	<u>40,937,479</u>

M/S NARDHANA INFRASTRUCTURE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particular	As at 31st March,2011	As at 31st March,2010
SCHEDULE - 8 :		
<u>Cash & Bank Balances :</u>		
Cash in Hand	173,041	295,041
<u>Balance With Banks</u>		
Balances with Scheduled Banks	141,178	140,417
	314,219	435,458
SCHEDULE - 9 :		
<u>Loans & Advances :</u>		
(Unsecured & Considered Good)		
Advance for Land to Dhule-MIDC	45,000	45,000
Advances Recoverable in Cash or Kind	5,177,089	5,177,089
Income Tax Paid	172,330	126,980
	5,394,419	5,349,069
SCHEDULE - 10 :		
<u>Current Liabilities and Provisions</u>		
Sundry Creditors for Goods	519,128,249	28,821,151
Sundry Creditors for Expenses	185,400	185,400
Provision for IT/FBT	1,603,348	1,603,348
TDS Payable	7,952	7,952
Provision for Audit fees	35,000	
	520,959,949	30,617,851
SCHEDULE - 11 :		
<u>Profit and Loss Account</u>		
Profit/(Loss) as per Last Balnce sheet	(3,668,452)	(3,844,890)
Add: Profit/(Loss) B/f from the Profit & Loss A/c	(423,195)	176,438
	4,091,647	(3,668,452)

NARDHANA INFRASTRUCTURE LIMITED

DETAILS OF FIXED ASSETS & DEPRECIATION CLAIMED THEREON UNDER COMPANIES ACT, ON S.L.M. BASIS ACCOUNTING YAER 2010-11

SCHEDULE -5

SR. NO.	DESCRIPTION OF ASSETS	RATE OF DEP	GROSS BLOCK			DEPRECIATION AS ON 1/4/2010	FOR THE YEAR	DEDUCTION	NET BLOCK	
			AS ON 1/4/2010	ADDITIONS	DEDUCTION				AS ON 31/3/2011	AS ON 31/3/2010
1	LAND	0%	470,503.00	-	-	-	-	-	470,503.00	470,503.00
2	LEASE HOLD LAND(MDC)	0%	300,000.00	-	-	-	-	-	300,000.00	300,000.00
3	FACTORY BUILDING	0%	4,645,423.00	-	-	1,138,060.00	-	-	1,138,060.00	3,507,343.00
4	PLANT & MACHINERY(Old)	0%	19,509,458.00	-	-	5,134,491.00	-	-	5,134,491.00	14,374,967.00
5	PLANT & MACHINE(New)	4.75%	3,525,630.00	-	-	415,609.00	167,467.43	-	583,076.43	2,942,553.58
6	FURNITURE & FIXTURE	13.61%	542,847.00	-	-	338,742.00	73,881.48	-	412,623.48	130,223.52
7	VEHICLES	0%	835,382.00	-	-	835,382.00	-	-	835,382.00	-
8	ROLLS	0%	1,307,130.00	-	-	1,307,130.00	-	-	1,307,130.00	-
9	COMPUTER	16.21%	37,000.00	-	-	10,905.00	5,997.70	-	16,902.70	20,097.30
	TOTAL (INR)		31,173,373.00	-	-	9,180,339.00	247,346.60	-	9,427,685.60	21,745,687.40
	PREVIOUS YEAR (RS.)		31,136,373.00	37,000.00	-	8,803,359.00	179,791.00	-	9,180,339.00	21,993,034.00

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
M/S NARDHANA INFRASTRUCTURE LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 075527

SURESH SHARMA
(DIRECTOR)

SACHIN SHARMA
(DIRECTOR)

Place: Mumbai
Dated: 20/08/2011

M/S NARDHANA INFRASTRUCTURE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

	For Year ended 31st March, 2011	Year ended 31st March, 2010
SCHEDULE - 12 :		
<u>Increase/Decrease in Stock of Finished Goods.</u>		
Closing Stock	617,500	21,512,877
Less : Opening stock	21,512,877	20,541,829
	<u>(20,895,377)</u>	<u>971,048</u>
SCHEDULE - 13 :		
<u>Administrative Expenses</u>		
Advertisement Expenses	-	17,997
Audit Fees	35,000	38,605
Bank and Other Charges	565	4,121
Conveyance Charges	10,061	17,592
Custodian, D-Mat and Filling Fees	453	6,413
Electricity Expenses	17,524	31,090
Internet Charges	-	4,581
Legal and Professional Fees	9,500	56,202
Misc Exps	2,110	70,818
Office Expenses	7,989	16,476
Postage and Courier Charges	2,232	6,320
Repairs and Maintenance	-	-
Revocation Charges	-	-
Salary Expenses	-	397,301
Staff Welfare Expenses	-	21,110
Service Tax	47	-
Share Registry & Transfer Service	87,297	-
Stationery & Printing	1,297	43,000
Telephone Expenses	9,026	31,963
Travelling Expenses	6,558	21,934
	<u>189,659</u>	<u>785,522</u>

NARDHANA INFRASTRUCTURE LIMITEDs
Cash Flow Statement for the year ended 31st March, 2011

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
A. Cash Flow from Operating Activities		
Net Profit before Tax	(715,351)	264,380
Adjustment for : Depreciation	247,347	179,791
	247,347	179,791
Operating Profit before Working Capital Changes	(468,004)	444,171
Adjustment for Working Capital Changes (Increase)/Decrease in Stock in Trade	20,895,377	(971,048)
(Increase)/Decrease in Debtors	(510,981,710)	25,799,945
(Increase)/Decrease in Loans & Advances	(45,350)	180,000
Increase/(Decrease) in Current Liabilities	490,342,098	(18,563,843)
Cash Generated from Operation	210,415	6,445,054
Taxes Paid	-	126,980
Cash Flow before Exceptional item	210,415	6,318,074
	-	
Net Cash from Operating Activities	(257,589)	6,762,245
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	(37,000)
Net Cash used in Investing Activities	-	(37,000)
C. Cash Flow from Financing Activities		
Increase in Unsecured Loan	136,350	(7,034,000)
Net Cash used in Financing Activities	136,350	(7,034,000)
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	(121,239)	(308,755)
Opening Cash and Cash Equivalents	435,459	744,214
Closing Cash and Cash Equivalents	314,219	435,459

AUDITORS CERTIFICATE

To Board of Directors

We have examined the attached Cash Flow Statement of **NARDHANA INFRASTRUCTURE LIMITED**. From the audited financial statement for the year ended 31st March,2011 and 31st March,2010 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
NARDHANA INFRASTRUCTURE LIMITED

ASHISH VYAS
(PROPRIETOR)
M.No. 078527
Place: Indore (M.P.)
Dated: 20/08/2011

SURESH SHARMA
(EXECUTIVE DIRECTOR)

SACHIN SHARMA
(MANAGING DIRECTOR)

NARDHANA INFRASTRUCTURE LIMITED

Accounting Policies and Notes to Accounts

SCHEDULE – 14

1. BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared to comply in all material respects with all the applicable accounting principles in India, the applicable accounting standard notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. SYSTEM OF ACCOUNTING

The company generally, follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. Financial Statements are based on historical cost. Those cost are not adjusted to reflect the impact of the changing value in the purchasing power of money

3. REVENUE RECOGNITION

- a) Domestic sales are recognized on transfer of significant risks and rewards to the customer which takes place on dispatch of goods from the stockyard / storage area.
- b) Sales are disclosed net of Sales Tax, Discount and Returns as applicable.

4. FIXED ASSETS

Fixed assets are carried at cost of acquisition or construction or at manufacturing cost in the year of capitalization less accumulated depreciation.

5. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which each asset is put to use as part of the cost of that asset.

6. DEPRECIATION

- a) Fixed assets except leasehold land and vehicles are depreciated on straight line method on a pro-rata basis from the month in which each assets is put to use. Depreciation has been provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) Plant and machinery, the written down value of which at the beginning of the year is Rs. 5,000 or less, and other assets, the written down value of which at the beginning of the year is Rs. 1,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing Rs 5000 or less are depreciated at the rate of 100%.
- c) No Depreciation has been charged in the books except for New Machinery, Furniture and

Computer purchased during the current financial year.

7. INVENTORIES

- a) Inventories are valued at the lower of cost, determined on the weighted average basis, and net realizable value
- b) Obsolete and Non-Moving Inventory of Raw Material, Stores and Spares is provided for on identification by the Management

8. INVESTMENTS

Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in the case of a permanent diminution in their value, in which case the necessary provision is made.

9. DEFERRED TAXES

Tax expense for the period, comprising current tax and deferred tax, is included in determining the net profit/(loss) for the year. Current tax is recognized based on assessable profit computed in accordance with the Income Tax Act and at the prevailing tax rate.

Deferred tax is recognized for all timing differences. Deferred tax assets are carried forward to the extent it is reasonably / virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

NOTES TO ACCOUNTS

1. Contingent Liabilities

- Claims against the Company disputed and not acknowledged as debts – NIL
- The contingent liability which might arise from pending assessments under various statutes. In view of the management the effect of same is not ascertainable.

2. Information as required

	<u>Current Year</u>	<u>Prev. Year</u>
a) Estimated amount of Capital Contract outstanding	NIL	NIL
b) Claim against Company not acknowledged as debts	NIL	NIL
c) Advance against capital goods	NIL	NIL
d) Contingent liability not acknowledged as debt	NIL	NIL
e) Loans & Advances include due from Directors	NIL	NIL
f) Balance of Debtors, Creditors, Unsecured Loans, Loans & Advances are subject to confirmation and reconciliation and are stated in the ordinary course of business. Many of the accounts in which there is no movement/transactions during the previous financial years, are		

100% recoverable and/payable in view of the management.

3. Auditors Remuneration

Particulars	FY 2010-2011	FY 2009-2010
For Statutory Audit	20000	20000
For Tax Audit	15000	15000

4. Foreign Exchange Transactions

EARNING	NIL
OUTGO	NIL

5. Quantitative Details –

The details of SALES, OPENING STOCK AND CLOSING STOCK are as under:-

Particulars	Fabrics		Shirting's		Suiting	
	Qty(in Mtr)	Amount	Qty(in Pcs)	Amount	Qty (in Pcs)	Amount
Opening Stock	25916	895116	56417	8860939	40305	11756823
Purchases	0	0	0	0	1679695	490464679
Sales	8039	281365	56417	8890939	1720000	502062407
Closing Stock	17877	617500	0	0	0	0

6. In the opinion of the management the balances of current assets, current liabilities, loans and advances have a realizable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet. The balance standing the said accounts are subject to confirmation and reconciliations.

7. Earning Per Share –

Particulars	2010-11	2009-10
STATEMENT OF EARNINGS PER SHARE		
Net Profit after tax attributable to shareholders (INR)	(423195)	176438
Weighted Average Number of Equity Shares Outstanding during the year	3962900	3962900
Nominal value per share (In Rupees)	10	10
Basic/Diluted Earnings Per Share (In Rupees)	(0.11)	0.04

8. Related Party Transactions –

The Disclosure as per AS – 18 'Related Party Transactions'

- a) Key Managerial Person/ Directors/ Persons having significant influence in the company
- Suresh Sharma
- b) Relatives of b) and c) above.
- Sachin Sharma
- c) Entities over which Company or Key Managerial Personnel or their relatives, exercise significant influence.
- Brakes Auto India Limited
 - S S Forgings & Engineering Limited
 - Vertex Spinning Limited

Transactions with Related Parties during the year ended on 31.03.2011:

(In Rs.)			
Transaction	(a)	(b)	(c)
Loans Taken	136350	0	0
Purchase of Goods	0	0	510981711
Sale of Goods	0	0	490464679
Closing balances as on 31.03.2011 with Related parties: (In Rs.)			
Transaction	(a)	(b)	(c)
Loans Taken	136350	0	0
Sale of Goods (Debtors)	0	0	510981710
Purchases of Goods (Creditors)	0	0	490407098

In view of the management of the company the transactions entered, payments received and given are in ordinary course of business and are done at arm length price.

9. Segmental Reporting –

The reporting requirements of Segmental Reporting (AS-17) are not applicable on the company.

10. Deffered Tax

The computation of Deferred Tax Liability as on 31.03.2011 is as mentioned hereunder:-

PARTICULARS	AMOUNT (INR)
WDV as on 31-03-2011 of Fixed Assets as per Companies Act 1956	21745687
WDV as on 31-03-2011 of Fixed Assets as per Income Tax 1961	9992606
Difference	11753081
Effective Tax Rate	30%
Deferred Tax Liability as on 31.03.2011	3525924
Less: Recognized till 31.03.2010	3818080
Deferred Tax Liability for FY 2010-2011	(292156)

11. Share Application Money Pending Allotment –

At the start of financial year the company has Rs. 2780000 lying to the credit of Share Application Money pending allotment from last few years from certain parties. In the view of the management the same needs to be paid back and will be paid back and consequently the same has been regrouped in Unsecured Loans.

12. Secured Loans –

The company has Rs. 14390439 standing to the credit of SBI, Indore as Outstanding Term Loan secured against the hypothecation of Stock & Book Debt & Second Charge over the Plant and Machinery of the Company. The matter of settlement is subjudiced.

13. Regrouping/Rearrangement

Previous year figures have been regrouped or rearranged wherever necessary so as to make them comparable with current year classifications.

14. Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2011. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

The Schedules referred to above form an integral part of the Balance Sheet & Profit & Loss Account.

As per our Report of even date attached

For and on behalf of

For and on behalf of the BOARD OF DIRECTORS

**For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS**

**ASHISH VYAS
PROPRIETOR
M.No. 078527**

**SURESH SHARMA
DIRECTOR**

**SACHIN SHARMA
DIRECTOR**

**PLACE: Indore
Dated: 20/08/2011**

NARDHANA INFRASTRUCTURE LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) <u>REGISTRATION DETAILS</u>		
Registration No.	:	3908
State Code	:	11
Balance Sheet Date	:	31-03-2011
II) <u>CAPITAL RAISED DURING THE YEAR</u>		
PUBLIC ISSUE	:	NIL
RIGHT ISSUE	:	NIL
BONUS ISSUE	:	NIL
PRIVATE PLACEMENT	:	NIL
III) <u>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT IN THOUSAND)</u>		
<u>TOTAL LIABILITIES</u>		<u>TOTAL ASSETS</u>
64,457		64,457
<u>SOURCES OF FUNDS</u>		
Paid up Capital	:	39629
Reserves & Surplus	:	3729
Secured Loans	:	14390
Unsecured Loans	:	3182
Deferred Tax Liabilities	:	3526
<u>APPLICATION OF FUNDS</u>		
Net Fixed Assets	:	21746
Investments	:	1334
Net Current Assets	:	37285
Miscellaneous Expenditure	:	0
Accumulated Losses	:	4092
IV) <u>PERFORMANCE OF COMPANY</u>		
Total Income	:	490086
Total Expenditure	:	490802
Profit before Tax	:	-715
Profit after Tax	:	-423
Earning per Share	:	-0.27
Dividend Per Share	:	NIL
V) <u>GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY:</u>		
Item Code (ITC CODE)	:	
Product Description	:	



NARDHANA INFRASTRUCTURE LIMITED

NARDHANA INFRASTRUCTURE LIMITED

Regd. off: 509, Chetak centre, R.N.T. Marg,
Indore-452001 (MP)

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the Annual General Meeting of the company held at 509, Chetak Center, R.N.T. Marg, Indore (MP) on Wednesday 28th September 2011 at 10.00 A.M.

Signature of the Member/Proxy _____ Folio No./Client ID _____

NARDHANA INFRASTRUCTURE LIMITED

Regd. off: 509, Chetak centre, R.N.T. Marg,
Indore-452001 (MP)

PROXY FORM

Folio No/Client ID _____

I/We _____ of _____ being
member/shareholder of PITHAMPUR STEELS LIMITED hereby appoint _____ of
_____ or failing him _____ of _____

As my proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General meeting of the company to be held on Wednesday 28th September 2011 at 10.00 A.M.

and at any adjournment thereof.

As Witness my/our hand/hands this _____ day of _____ 2011.

Signature _____

Rs. 1
Revenue
Stamp

Notes: The proxy must be deposited at the registered office of the company 48 hours before the time fixed for holding the meeting. The Proxy need not be a member of the company