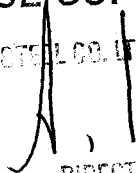


**Indian Bright
Steel Company Limited**

CERTIFIED TRUE COPY

FOR INDIAN BRIGHT STEEL CO. LTD.


DIRECTOR

**48th
Annual Report
2008 - 2009**

Board of Directors

Alok Jajodia (Chairman)

Avinash Jajodia

S. B. Gaud

Avishek Himatsingka

Tushar Dave

Deepak Jhanwar

Registered Office:

19/579, Vartaknagar Om Sai
Co-Op. Hsg. Soc. Ltd.
Ground Floor, Vartak Nagar,
Thane (W) – 400606.

Auditors :

Messrs A. J. Mehta & Associates
(Chartered Accountants)
Mumbai

Indian Bright Steel Company Limited

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the Members of Indian Bright Steel Company 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 Wednesday, 30th September, 2009, to transact the following business:

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date, and reports of the Directors and Auditors thereon.
2. To appoint Shri S. B. Gaud as a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Shri Alok Jajodia as a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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 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, 2010.

By Order of the Board,

Alok Jajodia
Chairman

Place: Mumbai.

Date: 20th June, 2009

Registered Office:
19/579, Vartaknagar Om Sai
Co-Op. Hsg. Soc. Ltd.
Ground Floor, Vartak Nagar,
Thane (W) - 400606.

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, September 28, 2009 to Wednesday, September 30, 2009 (both days inclusive)
4. Members /proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate the change of address, if any.
6. *Members desiring any information as regard Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.*

Indian Bright Steel Company Limited

DIRECTORS' REPORT

To,
the Members,

Your Directors have pleasure in presenting the 48th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009.

1. FINANCIAL RESULTS

Your Company's performance for the financial year ending 31st March 2009 is stated below:

| | For the Current year ended on 31st March 2009 | For the previous year ended on 31st March 2008 |
|--|---|--|
| Profit / (Loss) before Depreciation/adjustment | (3,64,007) | (1,88,294) |
| Less: Depreciation/prior period adjustment | 0.00 | 0.00 |
| Less: Short prov. For IT for earlier years w/off | 0.00 | (1,28,408) |
| Net Profit/(Loss) for the year | (3,64,007) | (3,16,702) |
| Add: Losses brought down from earlier year | (47,34,831) | (44,18,129) |
| Balance Losses carried to Balance Sheet | (50,98,838) | (47,34,831) |

2. WORKING

In spite of continuous effort there has been no progress towards re-commencement of the company's manufacturing activities. Present economic recessionary scenario has made it more difficult to plan any worthwhile project.

3. SHIFTING OF REGISTERED OFFICE:

In order to attain greater administrative efficiency and pursuant to the decision taken by the Board of Directors of the Company, the Registered Office of your Company was shifted w.e.f. 1st July 2009 from Majiwade, Kapurbawdi, Mumbai - Agra Road, Thane to 19/579, Vartaknagar Om Sai Co-op Hsg Soc. Ltd. Ground Floor, Vartak Nagar, Thane (W) - 400606.

Members are requested to make note of it.

4. DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri Alok Jajodia and Shri S. B. Gaud retire by rotation, and being eligible offer themselves 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

5. 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.

6. AUDITORS

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with appropriate explanation relating to material departures.
- b. the accounting policies have been consistently applied and are reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year.
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the annual accounts have been prepared on a going concern basis

8. PARTICULARS OF ENERGY CONSUMPTION, FOREIGN EXCHANGE AND OUTGOINGS

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

CONSERVATION OF ENERGY

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

RESEARCH AND DEVELOPMENT

The Company has no specific Research and Development Programme.

FOREIGN EXCHANGE EARINGS/OUTGOINGS.

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

Indian Bright Steel Company Limited

9. LISTING AGREEMENT COMPLIANCE

The Company's securities are listed at, The Stock Exchange, Mumbai. The outstanding listing fee payable to the stock exchange as on March 31, 2009 was Rs. 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, 2009 have been complied with and marked as Annexure - 'A'

11. ACKNOWLEDGEMENT

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

For & on behalf of the Board

Alok Jajodia

Chairman

Place: Mumbai

Date: 20th June 2009

COMPLIANCE CERTIFICATE

To,

The Members,

Indian Bright Steel Company Limited,

I have examined the registers, records, books and papers of Indian Bright Steel Company Limited, having its registered office at Majiwade, Kapur Bawdi, Mumbai-Agra Road, Thane-400607 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, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra, Navi Mumbai/on MCA site within the time prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met six times on 25/04/2008, 25/06/2008, 28/07/2008, 17/10/2008 and 14/01/2009 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 25th September, 2008 to 30th September, 2008 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, 2008 was held on 30th September, 2008 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 during the period
9. No contracts were entered during the year attracting the provisions of Section 297 of the Act
10. The company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company did not issue any duplicate share certificates during the financial year under scrutiny.

Indian Bright Steel Company Limited

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

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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 no show cause notice received by the Company and no fines, penalties or any other punishments imposed on the Company during the year under scrutiny.
32. The Company has not received any security from its employees during the year under scrutiny.
33. The company has not deposited both the Employees and Employers Provident Fund Contribution with prescribed authorities pursuant to Section 418 of the Act., as there are no employee in the company and the Company has stopped its operations.

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

Place: Mumbai
 Date: June 10, 2009

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 32 | 266 | Appointment of Director | 6th June, 2008 | No | Yes |
| 2. | Form 23AC & 23ACA - Balance Sheet and Profit & loss Account | 220 | For the year ended 31st March,2008 | 27th October, 2008 | Yes | - |
| 3. | Form 66 - Compliance Certificate | 383A | For the year ended 31st March,2008 | 24th October,2008 | Yes | - |
| 4. | Form 23 - Special Resolution | 192 | For the year ended 31st March,2008 | 13th November, 2008 | No | Yes |
| 5. | Form 20B - Annual Return | 159 | As on the date of the Annual General Meeting held on 30th September, 2009. | 22nd November,2008 | Yes | - |

Place: Mumbai
Date: June 10, 2009

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

AUDITORS' REPORT

The Members,

INDIAN BRIGHT STEEL COMPANY LIMITED

We have audited the attached Balance Sheet of INDIAN BRIGHT STEEL COMPANY LIMITED as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to the section 211(3C) of the Companies' Act, 1956 to the extent applicable;
- (v) On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies' Act, 1956, in the manner so required and read together with the notes on accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For A. J. MEHTA & ASSOCIATES

Chartered Accountants

(ATUL J. MEHTA)

Proprietor

Membership No. : 36959

Mumbai

Dated: June 20, 2009

Indian Bright Steel Company Limited

ANNEXURE TO THE AUDITORS' REPORT

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

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

- 1
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off a substantial part of Fixed Assets during the year.
- 2
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during 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.

The Company has taken loans from one party. The maximum balance of loans outstanding during the year was Rs. 1.50 Lakhs and the year end balance was Rs. 1.50 Lakhs.
 - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the Company.
 - (c) The Company is regular in repaying the principal amounts as stipulated.
- 4 In our opinion and according to the information and explanations given to us, there are in general adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and also with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5
 - (a) On the basis of the audit procedures performed by us and according to the information and explanations provided by the management, the contracts or arrangements that

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need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year and hence the provisions of this sub-clause (b) of clause 4(v) of the Order is not applicable.
- 6 The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder are not applicable.
- 7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services and trading activities carried on by the Company and therefore, clause 4(viii) of the Order is not applicable.
- 9 (a) According to the informations and explanation given to us and on the basis of our examination of books of accounts and other records, the Company is regular in depositing with appropriate authorities undisputed statutory dues. We are informed that there is no liability towards Provident Fund, Employees State Insurance Act, Investor Education and Protection Fund, Wealth Tax, Custom Duty, Excise Duty and Cess for the year under Audit.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty, excise duty and cess were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (c) There is no pending dispute in respect of Income-tax and other statutory dues.
- 10 As on March 31, 2009, the accumulated losses of the Company are more than 50% of its net worth. The company has incurred cash losses for the year ended March 31, 2009 and had also incurred cash losses in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debentures and hence clause 4 (xi) of the Order, to that extent, is not applicable.
- 12 In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

Indian Bright Steel Company Limited

- 14 In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions during the year.
- 16 The Company has neither raised any new term loans during the year nor there was any amount outstanding at the beginning or at the end of the year.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we are of the opinion that there are no funds raised on short term basis which have been used for long term investments. The Company has not raised any funds on long term basis.
- 18 The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For A. J. MEHTA & ASSOCIATES

Chartered Accountants

(ATUL MEHTA)

Proprietor

Membership No. : 36959

Mumbai

Dated: June 20, 2009

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BALANCE SHEET AS AT 31ST MARCH 2009

| SOURCES OF FUNDS | | As at 31st March, 2009 Rs. | As at 31st March, 2008 Rs. |
|---|--------------|---|----------------------------------|
| | Schedule | | |
| SHAREHOLDERS' FUNDS : | | | |
| Share Capital | 1 | 6,450,000 | 6,450,000 |
| Reserves and Surplus | 2 | 100,482 | 100,482 |
| | | <u>6,550,482</u> | <u>6,550,482</u> |
| LOAN FUNDS : | | | |
| Secured Loans | | 0 | 0 |
| Unsecured Loans | 3 | 150,000 | 125,000 |
| | | <u>150,000</u> | <u>125,000</u> |
| | TOTAL | <u>6,700,482</u> | <u>6,675,482</u> |
| APPLICATION OF FUNDS : | | | |
| FIXED ASSETS : | | | |
| Gross Block | | 0 | 0 |
| Less: Depreciation | | 0 | 0 |
| Net Block | | 0 | 0 |
| CAPITAL WORK IN PROGRESS | | 1,262,375 | 1,254,875 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Inventories | 4 | 288,750 | 607,500 |
| Cash and Bank Balances | 5 | 36,203 | 31,119 |
| Loans and Advances | 6 | 26,346 | 58,146 |
| | | <u>351,299</u> | <u>696,765</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS | 7 | 12,030 | 10,989 |
| | | <u>339,269</u> | <u>685,776</u> |
| PROFIT AND LOSS ACCOUNT DEBIT BALANCE | | 5,098,838 | 4,734,831 |
| | TOTAL | <u>6,700,482</u> | <u>6,675,482</u> |
| SIGNIFICANT ACCOUNTING POLICIES | 9 | | |
| NOTES ON ACCOUNTS | 10 | | |
| As per our report even date | | For and on behalf of the Board of Directors | |
| For A.J.MEHTA & ASSOCIATES | | Alok Jajodia | Chairman |
| <i>Chartered Accountants</i> | | | |
| Atul J. Mehta | | Avinash Jajodia | } Directors |
| <i>Proprietor</i> | | S. B. Gaud | |
| <i>M.No.: 36959</i> | | | |
| Place : Mumbai | | Place : Mumbai | |
| Dated : June 20, 2009 | | Dated : June 20, 2009 | |

Indian Bright Steel Company Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

| Schedule | For the Year ended 31.03.2009 Rs. | For the Year ended 31.03.2008 Rs. |
|---|--|---|
| INCOME | | |
| Sale of Raw Materials | 25,000 | 0 |
| Closing Stock of Raw Materials | 288,750 | 607,500 |
| TOTAL | <u>313,750</u> | <u>607,500</u> |
| EXPENDITURE | | |
| Opening Stock of Raw Materials | 607,500 | 607,500 |
| Administrative and Other Expenses 8 | 70,257 | 188,294 |
| TOTAL | <u>677,757</u> | <u>795,794</u> |
| PROFIT / (LOSS) before Tax | (364,007) | (188,294) |
| Less: Provision for Tax - (Current / Deferred) | 0 | 0 |
| Less: Short Provision for Income-tax for earlier years written off | 0 | (128,408) |
| PROFIT / (LOSS) after Tax | (364,007) | (316,702) |
| Add : PROFIT / (LOSS) brought down from earlier years | (4,734,831) | (4,418,129) |
| PROFIT / (LOSS) CARRIED TO BALANCE SHEET | <u>(5,098,838)</u> | <u>(4,734,831)</u> |
| Basic and Diluted Earning Per Equity Share of Rs. 10/- each | (0.56) | (0.49) |
| SIGNIFICANT ACCOUNTING POLICIES 9 | | |
| NOTES ON ACCOUNTS 10 | | |
| As per our report even date For A.J.MEHTA & ASSOCIATES <i>Chartered Accountants</i> Atul J. Mehta <i>Proprietor</i> <i>M.No.: 36959</i> Place : Mumbai June 20, 2009 | | For and on behalf of the Board of Directors Alok Jajodia Chairman Avinash Jajodia } Directors S. B. Gaud } |
| | | Place : Mumbai Dated : June 20, 2009 |

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SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2009

| | As at 31st March, 2009 Rs. | As at 31st March, 2008 Rs. |
|--|----------------------------------|----------------------------------|
| SCHEDULE 1 : | | |
| SHARE CAPITAL : | | |
| Authorised : | | |
| 12,50,000 Equity Shares of Rs. 10/- each | 12,50,000 | 12,50,000 |
| Issued, Subscribed and Paid up : | | |
| 6,45,000 Equity Shares of Rs. 10/- each fully paid up | 6,45,000 | 6,45,000 |
| SCHEDULE 2 : | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve : | | |
| Balance as per last Balances Sheet | 100,482 | 100,482 |
| | <u>100,482</u> | <u>100,482</u> |
| SCHEDULE 3 : | | |
| UNSECURED LOANS | | |
| From Directors | 150,000 | 125,000 |
| | <u>150,000</u> | <u>125,000</u> |
| SCHEDULE 4 : | | |
| INVENTORIES | | |
| (As taken, valued and certified by the Management) | | |
| (At lower of the Cost and Net Realisable Value) | | |
| Raw Materials | 288,750 | 607,500 |
| Total | <u>288,750</u> | <u>607,500</u> |
| SCHEDULE 5 : | | |
| CASH AND BANK BALANCES | | |
| Cash in Hand | 29,327 | 15,244 |
| With Scheduled Banks on - | | |
| In Current Accounts with Scheduled Banks | 6,876 | 15,875 |
| | <u>36,203</u> | <u>31,119</u> |
| SCHEDULE 6 : | | |
| LOANS AND ADVANCES | | |
| (Unsecured and considered good unless otherwise stated) | | |
| Advance recovered in cash or in kind or for value to be received | 0 | 31,800 |
| Income-tax paid | 26,346 | 26,346 |
| | <u>26,346</u> | <u>58,146</u> |

Indian Bright Steel Company Limited

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

| | As at 31st March, 2009 Rs. | As at 31st March, 2008 Rs. |
|---|----------------------------------|----------------------------------|
| SCHEDULE 7 : | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Current Liabilities | | |
| Sundry Creditors and other Liabilities | 12,030 | 10,989 |
| | <u>12,030</u> | <u>10,989</u> |
| Provisions | | |
| Provision for Tax | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| | <u>12,030</u> | <u>10,989</u> |
| SCHEDULE 8 : | | |
| ADMINISTRATIVE AND OTHER EXPENSES | | |
| Bank Charges | 733 | 1,292 |
| Directors' Meeting Fees | 3,750 | 4,500 |
| Directors' Conveyance / Travelling Expenses | 2,500 | 3,000 |
| Advertisement Expenses | 5,181 | 3,345 |
| Stock Exchange Listing Fees | 11,684 | 10,000 |
| Postage and Telegram | 2,540 | 2,016 |
| Printing and Stationery | 2,912 | 2,288 |
| Registrar of Companies Filing Fees | 2,500 | 1,500 |
| Legal and Professional Fees | 627 | 24,354 |
| Profession Tax on Company | 2,500 | 2,500 |
| Sundry Balances written off | 0 | 124,510 |
| Audit Fees (Including Service Tax) | 11,030 | 8,989 |
| MVAT written off | 24,300 | 0 |
| | <u>70,257</u> | <u>188,294</u> |

SCHEDULE 9**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES IN COMPILATION OF ACCOUNTS :****01 Basis for preparation of Financial Statements :**

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

02 Method of Accounting :

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

03 Fixed Assets :

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

04 Depreciation :

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

05 Valuation of Inventories :

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

06 Retirement Benefits :

Provision for Gratuity to Employees and Leave Encashment are charged to the Profit and Loss Account on the basis of actuarial valuation.

07 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.

Indian Bright Steel-Company Limited

- b) In accordance with Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing difference is accounted for, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.
- c) Deferred Tax Assets arising from timing difference are recognised only on the consideration of prudence.

SCHEDULE 10

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS :

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

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

| | Bright Bars | 2008-2009 M/Tons | 2007-2008 M/Tons |
|-----|--|---------------------|---------------------|
| (a) | Licensed Capacity at the year end (on three shifts basis) | 5,400 | 5,400 |
| (b) | Installed Capacity at the year end on three shifts basis | NIL | NIL |
| (c) | Actual production | NIL | NIL |
| (d) | Goods Processed | NIL | NIL |

Other Information / particulars are either not applicable or nil.

Annual Report 2008-2009

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

9) Earning per Share :

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

| | | 2008 - 2009 | 2007 - 2008 |
|---|------|-------------|-------------|
| Profit / (Loss) after taxation | Rs. | (3,64,007) | (3,16,702) |
| Weighted average number of shares | Nos. | 6,45,000 | 6,45,000 |
| Earning per share (basic and Diluted) | Rs. | (0.56) | (0.49) |
| Face value per Share | Rs. | 10 | 10 |

10) Related Party Information :-

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

- 1) Relationship
- a) Key Management Personnel
- 1 Shri Alok Kumar Jajodia
 - 2 Shri Avinash Jajodia
 - 3 Shri S. B. Gaud
 - 4 Shri Avishek Himatsingka
 - 5 Shri Tushar Dave
 - 6 Shri Deepak Jhanwar

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

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

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE.

I) Registration Details :

| | | | |
|----------------------|------------|------------|----|
| Registration No. | 11794 | State Code | 11 |
| Balance Sheet Date : | 31.03.2009 | | |

II) Capital Raised during the year : (Rs. in Thousand)

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Right issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

III) Position of mobilisation and deployment of funds : (Rs.in Thousand)

| | | | |
|-------------------|-------|--------------|-------|
| Total Liabilities | 6,700 | Total Assets | 6,700 |
|-------------------|-------|--------------|-------|

Sources of Funds :

| | | | |
|------------------------|-------|--------------------|-----|
| Paid up Capital | 6,450 | Reserves & Surplus | 100 |
| Secured Loans | 0 | Unsecured Loans | 150 |
| Deferred Tax Liability | 0 | | |

Application of Funds :

| | | | |
|---------------------------|---|--------------------------|-------|
| Net Fixed Assets | 0 | Capital Work in Progress | 1,262 |
| Investment | 0 | Net Current Assets | 339 |
| Miscellaneous Expenditure | 0 | Accumulated Loss | 5,099 |

IV) Performance of the Company : (Rs. in Thousand)

| | | | |
|---|--------|--|-------|
| Sales net of Excise Duty & Other Income | 25 | Total Expenditure | 389 |
| Profit/(Loss) before tax | (364) | Provision for Income Tax (Current/Deferred) | 0 |
| Short Provision for Income-tax for earlier years | 0 | Prior Period Expenses | 0 |
| Earning per Share in Rs. | (0.56) | Profit/(Loss) after tax | (364) |
| | | Dividend Rate | NIL |

V) General Names of Principal Products/Services of Company : (As per monetary terms)

| | | |
|--------------------------|---------|---------|
| Item Code No. (ITC Code) | 7215.10 | 7215.20 |
| | 7228.50 | 7220.20 |

| | |
|---------------------|-------------------|
| Product Description | BRIGHT STEEL BARS |
|---------------------|-------------------|

Signature of Schedule 1 to 10

As per our report even date
For A.J.MEHTA & ASSOCIATES
Chartered Accountants

Atul J. Mehta
Proprietor
M.No.: 36959

Place : Mumbai
Dated : June 20, 2009

For and on behalf of the Board of Directors

Alok Jajodia Chairman

Avinash Jajodia } Directors
S. B. Gaud }

Place : Mumbai
Dated : June 20, 2009

Indian Bright Steel Company Limited

2) Transaction with Related Parties :

| Particulars | Referred in 1(a) above |
|---------------------------------------|---------------------------|
| 1) EXPENSES | |
| Expenses / Reimbursement of Expenses | NIL (NIL) |
| 2) INCOME | |
| Income Received | NIL (NIL) |
| 3) TEMPORARY ADVANCES RECEIVED | |
| Opening | 1,25,000 (NIL) |
| Received | 25,000 (NIL) |
| Repaid | NIL (NIL) |
| Outstanding | 1,50,000 (NIL) |

(Figures in brackets pertains to previous year)

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

Indian Bright Steel Company Limited

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGE FOR THE YEAR ENDED MARCH 31ST, 2009

| | 2008-2009 | 2007-2008 |
|---|---------------------|------------------|
| | Rs. | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax & extraordinary items | (364,007) | (188,294) |
| Adjusted for : | | |
| Depreciation | 0 | 0 |
| Interest received / receivable | 0 | (1,292) |
| (Profit) / Loss on sale of Fixed Assets | 0 | 0 |
| | <u>0</u> | <u>(1,292)</u> |
| OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES | (364,007) | (189,586) |
| adjusted for : | | |
| CHANGES IN - | | |
| Trade and Other Receivables | 31,800 | 153,738 |
| Inventories | 318,750 | 0 |
| Current Liabilities | 1,041 | (61,925) |
| | <u>351,591</u> | <u>91,813</u> |
| CASH GENERATED FROM OPERATIONS | (12,416) | (97,773) |
| Direct Taxes paid | 0 | (128,408) |
| NET CASH FROM OPERATING ACTIVITIES | (A) (12,416) | (226,181) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (7,500) | (80,000) |
| Interest received / receivable | 0 | 1,292 |
| NET CASH USED IN INVESTING ACTIVITIES | (B) (7,500) | (78,708) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Unsecured Loans | 25,000 | 125,000 |
| NET CASH USED IN FINANCING ACTIVITIES | (C) 25,000 | 125,000 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | <u>5,084</u> | <u>(179,889)</u> |
| Cash and Cash Equivalents at beginning of the year | 31,119 | 211,008 |
| Cash and Cash Equivalents at the end of the year | 36,203 | 31,119 |

As per our report even date

For A.J.MEHTA & ASSOCIATES
Chartered AccountantsAtul J. Mehta
Proprietor
M.No.: 36959Place : Mumbai
Dated : June 20, 2009

For and on behalf of the Board of Directors

Alok Jajodia Chairman

Avinash Jajodia } Directors
S. B. Gaud }Place : Mumbai
Dated : June 20, 2009

Indian Bright Steel Co. Ltd.

Regd. Office: 19/579, Vartaknagar Om Sai Co-Op. Hsg. Soc. Ltd.,
Ground Floor, Vartak Nagar, Thane (W) - 400606.

PROXY FORM

I/We.....of.....
in the district of.....being a member/members of the above
named Company, hereby appoint Mr./Mrs.....of.....
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 Forty-Eighth Annual General Meeting of the Company to be held at 11.00 a.m. on Wednesday, the 30th day of September, 2009 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.....2009

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.

Indian Bright Steel Co. Ltd.

Regd. Office: 19/579, Vartaknagar Om Sai Co-Op. Hsg. Soc. Ltd.,
Ground Floor, Vartak Nagar, Thane (W) - 400606.

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 Forty-Eighth Annual General Meeting of the Company being held on September 30, 2009.

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

Signature of the Shareholder/Proxy

Registered Folio No.....

No. of Shares held.....

BOOK-POST

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If undelivered, please return to :

Indian Bright Steel Co. Ltd.
19/579, Vartaknagar Om Sai Co-Op. Hsg. Soc. Ltd.
Ground Floor, Vartak Nagar, Thane (W) - 400606.

GP Offset Pvt Ltd © : 2850 7766 / 2850 7056