

INERTIA STEEL LIMITED

Regd. off.: 422, TULSIANI CHAMBER, NARIMAN POINT, MUMBAI - 400021

DIRECTORS' REPORT

To the Members

The Directors herewith presents the 26th Annual Report on the business and operations of your company together with audited accounts for the year ended 31st March, 2010.

Financial Results

The summary of financial results of your company is as under:

(Amount in Rs.)

Particulars	2009-10	2008-09
Total Income	35000	116000
Total Expenditure	25428	106013
Profit/(Loss) for the year	9572	9987
Provision for tax	3500	3100
Net profit/(loss) after tax	6072	6887
Balance b/f from previous year	138893	132006
Balance carried to next year	144965	138893

Dividend

With a view to conserve the resources of the company, the board of directors do not recommend any dividend for the year under review.

Operations

During the year under review, the total income from operations was reduced to Rs. 35000/- as compared to Rs. 116000/- during the corresponding period of previous year. The Company still managed to earn profit of Rs. 6072/- after making necessary provision for tax as against Rs. 6887/- in the previous year.

Auditors Report

The Report of Auditors of the Company is self explanatory and the Board offers no further explanation.



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Deposits

The Company has not accepted any deposits covered u/s 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 during the financial year under scrutiny.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Hari Gopal Joshi, Director retires by rotation and is eligible for re-appointment.

Director's Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies, Act, 1956, the Board of Directors of the company hereby state and confirm that:

- i) All the applicable accounting standards have been followed along with proper explanations relating to material departures in the preparation of the accounts enclosed herewith.
- ii) Annual accounts are prepared on the principle of a Going Concern.
- iii) Accounting policies selected, applied and judgments and estimates made in that behalf to the extent necessary are reasonable and prudent so as to give true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the company for the year under review.
- iv) Sufficient care has been taken for maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and the procedures, practices and control systems in the day-to-day management are sound enough to prevent and detect the occurrence of frauds and irregularities.

Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As the Company does not own an undertaking, where manufacturing operations are carried out, the information to be furnished u/s 217 (1)(e) of the Companies Act, 1956 regarding technology absorption and energy conservation are not applicable.

Similarly there were no foreign exchange earnings and outgo during the year under review.



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Particulars of Employees

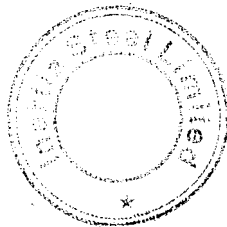
As requires under Section 217 (2A) of the Companies Act, 1956 no employee of the Company, whether employed for whole or part of the year was in receipt of remuneration in excess of limits laid down in the Companies (Particulars of Employees) Rules, 1975 and therefore no such particulars are furnished herewith.

Auditors

M/s Kaloti & Lathiya., Chartered Accountants, the auditor of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The members are requested to appoint auditors for the current year and fix the remuneration.

Acknowledgement

Your Directors take this opportunity to place on record their great appreciation and gratitude for the whole-hearted support, assistance, co-operation and valuable guidance that has been forthcoming from all those who are associated with the operations of the Company during the period under review.



Place : Mumbai

Date : 01.09.2010

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "H G Joshi".

(Hari Gopal Joshi)

Chairman

AUDITOR'S REPORT


To The Members of

INERTIA STEEL LIMITED

1. We have audited the Balance Sheet of M/S INERTIA STEEL LIMITED as on 31st March, 2010 and also the Profit & Loss Account and Cash Flow Statement of the company 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.
2. We conducted our audit in accordance with 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 misstatements. 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 the 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(Auditors's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227(4A) of the Companies Act, 1956, we give in the annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :
 - a) 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;
 - b) In our opinion, proper of books of accounts, as required by law, have been kept by the company, so far as appears from our examination of such books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India.
 - i. In the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2010 and
 - ii. In the case of the Profit & Loss Account, of the profit of the company for the year ended on that date.
 - iii. In case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR M/S KALOTI AND LATHIYA

CHARTERED ACCOUNTANTS


(SANJEEV N. BAJAJ)

PARTNER

Membership No.107678
FRN 104589W

MUMBAI

DATED: 1st September, 2010



ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO MEMBERS OF INERTIA STEEL LIMITED ON THE ACCOUNTS AS ON AND FOR THE YEAR ENDED ON 31ST MARCH, 2010.

On the basis of the such checks of the books and records of the company as we considered appropriate and in terms of information and explanations given to us, we state that :-

- i) The company does not have any Fixed Assets, hence clause 4(i) of the companies (Auditor's Report)Order, 2003 is not applicable to the company.
- ii) The company does not have any Inventory, hence clause 4(ii) of the companies (Auditor's Report)Order, 2003 is not applicable to the company.
- iii) The company has not granted any unsecured loan during the year to the company covered in the register maintained under section 301 of the Companies Act, 1956.

In our opinion and according to the information and explanations given to us, As explained to us, the rates of interest and other terms and conditions of such loans given by the company, are prima facie are not prejudicial to the interest of the company.

As no tenure of repayment is fixed, it is not possible to express opinion whether the payment of principal is regular.

The company has taken reasonable steps for recovery of principal and interest.

The company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly sub-clauses (e), (f), (g) of clause (iii) of this order are not applicable.

- iv) In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of inventory and for the sale of goods and services. Further, on the basis of our examinations of the books of accounts and according to the information and explanations given to us, we have not come across major weaknesses in the aforesaid internal control system.
- v) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been so entered in the register required to be maintained under that section.

In our opinion, all these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi) The company has not accepted any deposits during the year from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there-under.
- vii) The paid up capital of the company was less than Rs.25 Lacs as at the commencement of the financial year and average annual turnover for the period was not in excess of Rs.2 Crores, hence the internal audit system is not applicable to the company.
- viii) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the central government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the company.
- ix) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues and any other statutory dues except income tax applicable, with the appropriate authorities.
- x) According to information and explanations given to us and the records of the company examined by us, in our opinion, there are no undisputed statutory dues outstanding as on 31st March, 2010 for a period exceeding six months from the date they become payable.

According to the information and explanations given to us, there are no dues of Income Tax pending in dispute.



- xi) The company has no accumulated losses as on March 31, 2010 and it has not incurred any cash losses during the financial year or in the financial year immediately preceding to this financial year.
- xii) 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 financial institution or bank as on balance sheet date.
- xiii) 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 Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) During the year the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- xvi) In our opinion and according to the information and explanations given to us the company has not given corporate guarantee for loans taken by others from bank or financial institutions.
- xvii) According to the records of the company examined by us and the information and explanation given to us, the company has not obtained any term loan during the year, hence, the question of application of the same does not arise.
- xviii) According to the information and explanations given to us and on overall examinations of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xix) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- xx) During the year the company has not issued any debentures nor has created securities in respect of debentures.
- xxi) During the year covered by our report the company has not raised any money by public issue.
- xxii) During the course of information of the books and records of the company, carried out with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by management.

FOR M/S KALOTI AND LATHIYA

CHARTERED ACCOUNTANTS


(SANJEEV N. BAJAJ)

PARTNER

Membership No.107678
FRN 104589W



MUMBAI

DATED: 1st September, 2010

**BALANCE SHEET OF
INERTIA STEEL LIMITED
AS ON 31st MARCH, 2010**

31.03.2009	LIABILITIES	31.03.2010	31.03.2009	A S S E T S	31.03.2010
Rs.		Rs.	Rs.		Rs.
	Share Capital :			Current Assets, Loans and Advances :	
	Authorised:			Cash and Bank Balances:	
2500000	250000 Equity shares of Rs.10/- each	2500000		31056 Cash-in-hand	26208
	Issued, Subscribed and Paid-up:			Balances with Schedule Banks	
2488000	248800 Equity shares of Rs.10/- each, fully paid-up	2488000		45037 In Current Account with Schedule Banks	49020
	Reserve & Surplus :			Sundry Debtors :	
138893	Profit and Loss Account	144965		(unsecured, considered good and subject to confirmation)	
	Unsecured Loans :			116000 a) For a period less than six months	35000
19000	From Directors	19000		758320 b) Others	874320
0	From Body Corporate	0		Loans & Advances :	
	Current Liabilities :			(unsecured and subject to confirmation)	
35744	Sundry creditors	49227		1748048 Advances recoverable in cash or in kind or for value to be received.	1736968
14824	Provision for income-tax	18324			
2000	Provision for Expenses	2000			
<u>2698461</u>	TOTAL :	<u>2721516</u>	<u>2698461</u>	TOTAL :	<u>2721516</u>

Significant accounting policies and notes on Accounts.

As per our report of even date.

For Kaloti & Lathiya

Chartered Accountants.

FRN 104589 W
S. N. BAJAJ

SANJEEV N. BAJAJ

Partner

M.No. 107678

Place : Mumbai

Dated : 01-09-2010



On behalf of the Board Of Directors.

S. J. AJMERA H. G. JOSHI

S.J.AJMERA
DIRECTOR

H.G. JOSHI
DIRECTOR

INERTIA STEEL LIMITED
TRADING, PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON 31st MARCH, 2010

(Amount in Rs.)

PRE-YR	PARTICULARS.	AMOUNT		PRE-YR	PARTICULARS.	AMOUNT	
<u>Rs.</u>		<u>Rs.</u>	<u>Ps.</u>	<u>Rs.</u>		<u>Rs.</u>	<u>Ps.</u>
43736	To Professional Charges		0	116000	By Commission		35000
36500	To Filing Fees		0				
10000	To Listing Fees		11080				
13483	To Audit Fees		13483				
2236	To Miscellaneous Exp.		0				
58	To Bank charges		865				
3100	To Prov for Income tax		3500				
6887	To Balance carried down		6072				
116000	TOTAL :	35000		116000	TOTAL :	35000	
138893	To Balance carried to Balance Sheet		144965	132006	By Balance as per last Balance Sheet		138893
				6887	By Balance brought down		6072
138893	TOTAL :	144965		138893	TOTAL :	144965	

Significant accounting policies and notes on Accounts.

	31-03-2010	31-03-2009
Basic & Diluted Earning per Share of Rs. 10 each	(Rs.)	(Rs.)
	0.02	0.03

As per our report of even date.

For Kaloti & Lathiya
Chartered Accountants.

FRN 104189W
(Signature)
SANJEEV N. BAJAJ

Partner

M.No. 107678

Place : Mumbai

Dated : 01-09-2010

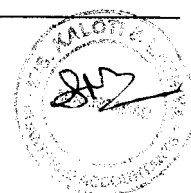


On behalf of the Board Of Directors.

(Signature) *(Signature)*
S.J. AJMERA H.G. JOSHI
DIRECTOR DIRECTOR

INERTIA STEEL LIMITED
LIST AS ON 31st MARCH, 2010

<u>PARTICULARS</u>	<u>31-Mar-10</u>		<u>31-Mar-09</u>	
<u>LIST OF SUNDRY DEBTORS :</u>				
<u>Less then six months</u>				
Commission Receivable		35,000		116,000
<u>More then six months</u>				
Lossy Estates & Investments	267,600		267,600	
Commission Receivable	606,720	874,320	490,720	758,320
TOTAL :		909,320		874,320
<u>LIST OF UNSECURED LOANS :</u>				
Jayaswal Holdings Pvt Ltd		0		0
TOTAL :		0		0
<u>LIST OF ADVANCES :</u>				
Advance against land purchase		1,283,156		1,283,156
Steel & Tube Exports Ltd.		153,812		164,892
Jayaswal Holdings Pvt Ltd		300,000		300,000
TOTAL :		1,736,968		1,748,048
<u>LIST OF CASH AND BANK BALANCES :</u>				
Cash - in - hand		26,208		26,208
<u>Balance with :</u>				
Bank Of India, Mumbai	3983		4,848	
Development Credit Bank Ltd	16,328	0	16,328	
ICICI Bank Ltd.	28,709	49,020	28,709	49,885
TOTAL :		75,228		76,093
<u>LIST OF SUNDRY CREDITORS :</u>				
Chaturvedi & Shah		21,300		21,300
Kaloti & Lathiya		27,927		14,444
TOTAL :		49,227		35,744
<u>LIST OF PROVISIONS OF INCOME TAX :</u>				
Asst. Year 2003-2004		3,224		3,224
Asst. Year 2004-2005		1,400		1,400
Asst. Year 2005-2006		700		700
Asst. Year 2006-2007		1,750		1,750
Asst. Year 2007-2008		950		950
Asst. Year 2008-2009		3,700		3,700
Asst. Year 2009-2010		3,100		3,100
Asst. Year 2010-2011		3,500		
TOTAL :		18,324		14,824
Provision for Expenses		2,000		2,000



SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :

1. Basis for Preparation of Financial Statements :

The financial statements are prepared under historical cost convention, income and expenses are recognised on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and are consistent with generally accepted accounting principles.

2. The Company has no Deferred Tax Liability.

3. In the opinion of the Board, Current Assets, Loan and advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all known liabilities is adequate and neither in excess nor in short of the amount reasonably necessary.

4. As the company has not carried out any manufacturing or trading activities, there is no information which is required to be given pursuant to para (3) and para (4) of schedule VI of the companies act, 1956.

5. Disclosure of related parties / related party transactions :

a) A List of related parties with whom transactions have taken place during the year :

Key Management Personnel :

Shri H.G. Joshi

Shri Suresh J.Ajmera

Shi Dhanesh B Ajmera

b) Disclosure of related party transaction :

Unsecured Loans

Balance as on 01-04-2009 Rs.19,000/-

Taken during the year NIL

Balance as on 31-03-2010 Rs.19,000/-

6. There is no separate reportable segment within the meaning of Accounting Standard 17 issued by Institute of Chartered Accountants of India.

7. Previous years figures have been re-grouped and/or rearranged wherever necessary to make them comparable with those of the current year.

8. Basic and diluted earning per share :

	For the year ended 31-03-2010	For the year ended 31-03-2009
a) Amount used as the numerators		
Net profit/(loss) available for equity share holders	6072	6887
b) Number of equity shares	248800	248800
c) Basic and diluted earning per share (Rs.)	0.02	0.03



INERTIA STEEL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED

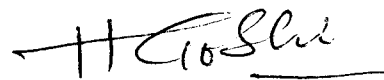
	31.03.2010 (Rs.)	31.03.2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after tax as per Profit and Loss Account	9572	9987
ADJUSTED FOR		
Depreciation	-	-
Foreign Exchange Differences	-	-
Interest / Dividend	-	-
Extraordinary Items	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	9572	9987
ADJUSTMENTS FOR		
Trade and Other Receivables	(23920)	3568
Inventories	-	-
Trade Payables	13483	(13583)
CASH GENERATED FROM OPERATIONS	(865)	(28)
Interest Paid	-	-
Direct taxes paid (including TDS) / Refund	-	-
Extraordinary Items (Prior Period Items)	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(865)	(28)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
Interest Received	-	-
Dividend Income	-	-
CASH FLOW FROM INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Borrowings	-	-
Repayment of Finance Lease Liability	-	-
Dividend Paid	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(865)	(28)
Cash and Cash Equivalents (Opening Balance)	76093	76121
Cash and Cash Equivalents (Closing Balance)	75228	76093
Net Increase	(865)	(28)

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of

Figures in brackets indicate Outflows.

For and on behalf of the Board Of Directors.


S.J. AJMERA
DIRECTOR


H.G. JOSHI
DIRECTOR

