

ANNUAL REPORT

OF

BHAGWATI POWER & STEEL LTD.

FOR THE YEAR

2008 – 2009

BHAGWATI

POWER & STEEL LTD

Regd. office : D-22, Sector-5, Devendra Nagar, Raipur - 492001 (C.G.)
Phone : 0771-4041346 • Fax : 4041679 • e-mail : bhagwatipspl@rediffmail.com
[Works : Vill. Siltara, Phase II, Raipur (C.G.) Phone : 07721-264412, 13, Fax : 264411]

Director's Report & Management Discussion and Analysis

The Directors have pleasure in submitting their Report together with the Audited Accounts of your company for the year ended March 31, 2009.

Year in Retrospect

Financial Results

(Rs. in Lacs)

Year Ended March 31,	2009	2008
Sales	6,171.54	4,105.69
Other Income	10.20	(0.04)
Total Income	6,181.74	4,105.73
Profit Before Tax	734.96	496.20
Provision for Taxation	243.52	193.91
Profit After Tax	491.44	302.29
Profit brought forward from Previous Year	265.47	{36.82}
Profit Available for Appropriation	756.91	265.47
Appropriations		
Transfer to General Reserve	-	-
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Profit carried to Balance Sheet	756.91	265.47

Financial Performance

The overall performance for the year was satisfactory with strong growth. During the year under review, your company recorded total income of Rs. 61.82 Crores against Rs. 41.06 Crores in the previous year recorded an increase of 50% on an annualized basis. Net Profit for the financial year ended March 31, 2009 increased to Rs. 4.91 Crores from Rs. 3.02 Crores in the previous year, showing a growth of over 62% on an annualized basis mainly due to better operating efficiencies and strong revenue growth. Shareholders equity (Net Worth) increased to Rs. 25.14 Crore from Rs. 19.16 Crores in the previous year.

INDUSTRY DEVELOPMENTS

The iron & steel business is capital intensive and requires large investments in manufacturing units to service bulk volumes at competitive prices. Towards the beginning of the last quarter of 2008, the country started witnessing the impact of the global economic downturn and liquidity crunch coupled with falling commodity prices. The steel industry in India witnessed a sharp correction in steel prices and a slowdown in domestic and international demand. These conditions apart from impacting the existing scale of operations also compelled industries to

defer their expansion plans. While the Government of India and the Reserve Bank of India have taken steps to revive the flagging demand through stimulus packages, your company continues to see reduced off-take and pressure on prices with varying intensities from its key customer segment.

As a part of its process of integration, the company has proposed to set-up 10MW Captive Power Plant to cater to its increasing need for Power.

BUSINESS SEGMENTS

As mentioned in last year's report, your company classified its business into two broad segments, viz. Direct Reduced Iron and Captive Power Plant in line with its operating model.

FINANCE

Cash generation from operations was to the tune of Rs. 12.87 Crores as compared to Rs. 10.14 Crores in the preceding year. The capital expenditure of Rs. 1.34 Crores was mainly towards the setting up of Offline Crusher to cater to its need for crushing the iron ore of large size. Interest cost of the company has decreased from 2.42 Crores to 1.73 Crores mainly owing to better realization and temporary cash surplus.

The Company has successfully raised Rupee term Loan and Cash Credit facilities of Rs. 30.00 Crores from Banks and Financial Institution. The proceeds of term loan and Cash Credit has been utilised for meeting capital expenditure requirements, working capital requirements and general corporate purposes.

HUMAN RESOURCES

People are considered to be one of the most valuable resources by BPSPL. Industry relations were cordial and an atmosphere of understanding prevailed throughout the year. We continue to train and motivate our workforce, to increase their contribution to the growth of the Company.

ENVIRONMENT, SAFETY, ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Safety and environment protection remain a key concern to the company. Investments are continuously made in projects that reduce/treat waste and increase energy efficiencies.

Our endeavour has been to maximise the efficient use of energy and ensure the safe and responsible discharge of residual wastes, while minimising any adverse environmental impact and waste generation.

Information under Section 217(e) read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 are given in the Annexure, forming part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required by the provisions of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent 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 or loss of the Company for that period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Rajkumar Kejriwal, Mr. Pradeep Kumar Murarka and Mrs. Saroj Kejriwal retire by rotation and being eligible offers themselves for re-appointment.

PARTICULAR OF EMPLOYEES

The statement of particular of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Rules made thereunder as amended up to date are given by way of Annexure to this Report. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Director's Report.

PUBLIC DEPOSITS

The company has not accepted any deposits from the public during the year within the meaning of Section 58A of the Companies Act, 1956.

AUDITORS

M/s Amitabh Agarwal & Co., Raipur, the existing auditors of the company would retire at the conclusion of forthcoming annual general meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the unstinting efforts made by all employees in ensuring excellent all-round operational performance. We also wish to thank our Customers, Vendors, Shareholders and Bankers for their continued support.

For and on behalf of the Board



Rajkumar Kejriwal
Managing Director

Place: Raipur

Date: The 28th day of August 2009.

Information as Per Section 217 (2A) read with Companies (Particular of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31 March 2009.

Name	Designation	Qualification	Total working Experience (years)	Date of commencement of employment	Remuneration	Age (years)	Previous Employment Position held
1	2	3	4	5	6	7	8
Employees who were employed throughout the year							
Rajkumar Kejriwal	Managing Director	B.Com.(Hons.)	23	01.09.2004	28,76,392	48	-
Saroj Kejriwal	Director	B.Com.(Hons.)	15	01.09.2004	28,13,490	44	-

Notes: 1) Remuneration includes, inter alia, perquisites at actual cost or as evaluated as per Income Tax Rules, 1962.

Additional Information as required under Section 217(1)(c) of The Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988:

Conservation of Energy:

A. Power & Fuel Consumption:		2008-09	2007-08
1. a. Electricity Purchased	Units	41,58,910	34,96,230
Total Amount	Rs.	1,28,36,044	1,04,86,115
Rate per unit	Rs.	3.09	2.99
b. Own Generation			
(i) Through Diesel Generator	Units	1,67,952	2,02,313
Units/Ltr. Of Diesel Oil	Units	3.26	3.84
Cost/Unit	Rs.	11.30	8.91
(ii) Through Steam Turbine/ Generator		Nil	Nil
2. Coal		Nil	Nil
3. Furnace Oil			
Quantity	Kl	Nil	Nil
Total Amount	Rs.	Nil	Nil
Average Rate per Kl	Rs.	Nil	Nil
4. Other/Internal Generation			
a. Liquefied Petroleum Gas			
Quantity	Kg.	Nil	Nil
Total Amount	Rs.	Nil	Nil
Average Rate per Kg.	Rs.	Nil	Nil
B. Consumption:			
Product – Direct Reduced Iron (Per MT)			
Electricity	Units/MT	120.26	122.80
Furnace Oil		Nil	Nil
Coal/Others		Nil	Nil

C. 1. Energy Conservation Measures taken:

- Regular preventive maintenance of electric motors.
 - Installation of additional power capacitors and eco friendly DG Sets.
 - Lighting energy savers installed.
 - Installation of high efficiency and low power consuming light fittings.
 - Installation of capacitors at load centers.
 - Installation of Variable Frequency Drives.
2. Impact of the measures taken for reduction of energy consumption and consequent impact on the cost of production:
- Improvement in productivity.
 - Improvement in the life of electrical equipments.
 - Improved efficiency and product quality.
 - Reduction in electrical energy consumption and better illumination.
 - Better power factor, better utilisation of power plant and lower demand in KVA.

Research and Development (R & D)

- a. Specific areas in which the Company carried out R & D:
 - I Improvement in the quality of current products.
 - II Development and appraisal of alternative raw materials.
 - III Indigenous substitutes for imported inputs.
- b. Benefits derived as a result of the above R & D:
Improvement in the product quality
- c. Future plan of action:
Progression of R & D efforts towards quality enhancement and reduction in operational costs.

AMITABH AGRAWAL & CO.

CHARTERED ACCOUNTANTS

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**Amitabh Agrawal, M.Com, FCA
Parvez Khimani, B.Com. FCA
Jagdish Kumar, B.Com, FCA
Yateen Kumar Jain, B.Com, ACA**

AUDITOR'S REPORT

TO THE MEMBERS OF
M/S BHAGWATI POWER & STEEL LIMITED
RAIPUR (C.G.)

We have audited the attached Balance Sheet of **BHAGWATI POWER & STEEL LIMITED** as at 31st March 2009 and also the Profit & Loss A/c and 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 have 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 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.

We report as follows: -

As required by the Companies (Audit Report) order, 2003 issued by the Central Government of India and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 & 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 & 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 & Loss Account and Cash Flow Statement dealt with by this report, read together with significant accounting policies and notes of accounts given in Schedule, comply with the

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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 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 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 read together with the Significant Accounting Policies in Schedule "V" 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 principles generally accepted in India.
- a. In the case of Balance Sheet, of the state of affairs of the company as at 31st March' 2009; and
- b. In the case of the Profit & Loss A/c, of the Profit for the year ended on that date.
- c. In case of Cash Flow Statement, of the Cash flow for the year ended on that date.

For Amitabh Agrawal & Co.
Chartered Accountants



[Signature]
Amitabh Agrwal
Partner
Membership. No. 075315

Place: Raipur
Date: 28-08-2009

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ANNEXURE TO THE AUDITORS'S REPORT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE TO THE MEMEBRS OF M/S BHAGWATI POWER & STEEL LIMITED

- I. a. The company has maintained proper records to show its full particulars including quantitative details and situation of fixed assets.
b. According to the information and explanations given to us the Company has formulated a programme of verification by which all the assets of the Company are being verified in phase manner over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As per the records of the Company, no discrepancies were noticed on verification conducted during the year as compared with the books of accounts.
c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
- II. a. As explained to us, the inventory of the company has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of Inventory followed by the management is 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 and no material discrepancies were noticed on physical verification of inventory as compared to books records.
- III. a. The company has granted loans secured or unsecured loan to companies, firm, other parties covered in the registers maintained U/s 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.45.40 Lacs (No. of Parties 2) and year end balance was Rs.45.40 Lacs.
b. In our opinion & according to the information given to us the terms & condition of the loan given by the company are not prejudicial to the interest of the company.



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VIII. We have broadly reviewed the books of accounts and records maintained by the Company Pursuant to the Rules made by the Central Government for the maintenance of cost records Under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that the prima facie the prescribed accounts and records have been made and maintained.

IX. According to information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Excise duty, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

According to information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales tax, Excise duty, Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2009, for a period of more than six months from the date they became payable.

According to information and explanation given to us, there are no dues of Income Tax, Customs Duty, Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

According to information and explanation given to us, dues of Sales tax and Excise Duty which have not been deposited on account of any dispute are listed below:

Name of the Statute	Nature of Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act and State Sales Tax Act	Central Sales Tax	80,517	2005-06	Appellate Dy. Commissioner of Commercial Tax
	Local Sales Tax	11,751	2005-06	
Central Excise Act	Excise Duty	3,12,338	2007-08 & 2008-09	Commissioner (Appeals)
	Excise Duty	2,66,202	2006-07 & 2007-08	Appellate Tribunal
	Excise Duty	27,51,989	2006-07 & 2007-08	Commissioner (Appeals)

X. According to the information & explanations given to us, the Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses during the current financial year covered under our audit and in the immediately preceding financial year.



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- XI. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank. However company has not issued any debenture.
- XII. According to the records of the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a Chit Fund or Nidhi/Mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- XIII. The Company is not dealing in or trading in Shares, Securities, Debentures & other investments. Accordingly the provision of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- XV. According to the records of the company and according to the information and explanations given to us, the Company has given corporate guarantee for loans taken by M/s Harsha Rice Mills P Ltd from Oriental Bank of Commerce, Overseas Branch, Kolkata.
- XVI. The Company has taken Term Loan, Working Capital Loan, Letter of Credit and Bank Guarantee facilities from Oriental Bank of Commerce, Overseas Branch, Kolkata. The Company has also taken Vehicle Loan from HDFC Bank, ICICI Bank, etc. The Company has used the above loans for the purpose for which these are obtained.
- XVII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the Company or vice-versa.
- XVIII. As per the records of the company and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the Act.
- XIX. The Company has not issued debentures; hence question of creation of securities does not arise.
- XX. During the period covered by our audit report, the company has not raised any money by public issue.



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XXI. According to the information and explanations given to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the Company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

Place: Raipur
Date: 28-08-2009



For Amitabh Agrawal & Co.
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Amitabh'.

Amitabh Agrwal
Partner
Membership. No. 075315

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BALANCE SHEET

	Schedule No.	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SOURCES OF FUNDS			
SHARE HOLDERS' FUND			
Share Capital	A	72,741,250	96,901,250
Reserves and Surplus	B	155,388,300	82,083,817
		228,129,550	178,985,067
LOANS FUND			
Secured Loan	C	95,038,837	188,779,375
Unsecured Loan	D	-	-
DEFERRED TAX LIABILITY / (ASSET)	E	27,672,142	17,309,045
		350,840,529	385,073,488
APPLICATION OF FUNDS			
FIXED ASSETS	F		
Gross Block		296,256,818	283,220,489
Less: Depreciation		43,746,400	28,781,355
Net Block		252,510,418	254,439,134
Capital work in progress		1,957,075	3,227,663
		254,467,493	257,666,797
INVESTMENT	G	5,436,100	2,081,100
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	H	40,458,148	32,903,964
Sundry Debtors	I	11,410,875	90,681,322
Cash and Bank Balances	J	7,547,328	4,314,858
Loans and Advances	K	67,914,147	45,389,497
		127,330,498	173,289,642
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	L	20,357,491	46,168,309
Provisions	M	20,480,000	6,500,000
		40,837,491	52,668,309
NET CURRENT ASSETS		86,493,007	120,621,333
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	N	4,443,929	4,704,258
Profit & Loss Debit Balance		-	-
		350,840,529	385,073,488

Significant Accounting Policies and Notes to accounts
Schedules referred to above form an integral part of balance sheet

V

As per our report of even date
For Amitabh Agarwal & Co.
Chartered Accountants

Amitabh Agarwal
Amitabh Agarwal
Partner



For and on behalf of the Board of Directors

Rajkumar Kejriwal

Rajkumar Kejriwal
Managing Director

Saroj Kejriwal

Saroj Kejriwal
Director

Raipur, the 28th day of August, 2009.

PROFIT AND LOSS ACCOUNT

	Schedule No.	Year ended March 31, 2009 Rupees	Year ended March 31, 2008 Rupees
INCOME			
Sales	O	617,153,651	410,569,434
Other Income	P	1,020,000	3,754
		618,173,651	410,573,188
EXPENDITURE			
Materials Consumed & Change in Stock	Q	446,527,943	267,589,621
Manufacturing Expenses	R	38,954,017	32,280,383
Personnel Expenses	S	17,314,297	10,437,310
Administration, Selling & Other Expenses	T	9,515,330	12,925,752
		512,311,586	323,233,065
PROFIT BEFORE INTEREST, DEPRECIATION, PRIOR PERIOD		105,862,065	87,340,123
ITEMS AND TAX			
- Interest & Finance Charges	U	17,337,735	24,195,089
- Depreciation		15,027,887	13,525,199
PROFIT BEFORE TAX		73,496,443	49,619,834
Provision for Taxation - Current Year			
- Income Tax for Earlier Year		3,627	-
- Current Tax		14,000,000	6,100,000
- MAT Tax Credit Entitlement		(194,764)	(5,621,927)
- Deferred Tax		10,363,096	18,712,704
- Fringe Benefit Tax		180,000	200,000
Profit after Tax		49,144,483	30,229,058
Balance brought forward		26,546,817	(3,682,241)
Profit available for Appropriation		75,691,300	26,546,817
Transfer to General Reserve		-	-
Proposed Dividend		-	-
Dividend Tax		-	-
BALANCE CARRIED TO BALANCE SHEET		75,691,300	26,546,817
Earning per share (basic and diluted) - (Rs.)		7.43	4.76
Face Value per share - Rs. 10/-			
Profit after tax available to equity shareholders		49,144,483	30,229,058
Number of shares used in computing earning per share (Basic and diluted)		6,613,516	6,344,225

Significant Accounting Policies and Notes to accounts

V

Schedules referred to above form an integral part of Profit and Loss Account

As per our report of even date attached

For Amitabh Agarwal & Co.

Chartered Accountants

Amitabh Agarwal
Partner

For and on behalf of the board of Directors

Rajkumar Kejriwal
Managing DirectorSaroj Kejriwal
Director

Raipur, the 28th day of August, 2009.

STATEMENT OF CASH FLOWS

	For the year ended 31.3.2009 Rupees	For the year ended 31.3.2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	73,496,443	49,619,834
Depreciation and Amortisation	14,965,045	13,445,016
Amortisation of Miscellaneous Expenditure	549,446	549,446
Interest Income	(358,222)	(370,106)
Dividend Income	(1,020,000)	-
Interest Expense	17,695,937	24,565,195
Operating Profit Before Working Capital Changes	105,328,669	87,809,386
Decrease / (Increase) in Trade & Other Receivables	79,270,448	(70,750,082)
Decrease / (Increase) in Inventories	(7,554,184)	55,221,271
Decrease / (Increase) in Loans & Advances	(22,524,650)	10,249,802
Increase / (Decrease) in Trade Payables	(11,830,818)	19,571,169
Cash generated from operations	142,689,464	102,101,546
Income Tax Paid (including Fringe Benefit Tax and MAT Credit Entitlement)	(13,988,863)	(678,073)
Net Cash from Operations	128,700,601	101,423,473
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Investments	(3,355,000)	(281,100)
Purchase of Fixed Assets (Net)	(11,765,740)	(32,110,235)
Increase in Miscellaneous Expenditure	(289,117)	257,838
Dividend Income	1,020,000	-
Interest Received	358,222	370,108
Net Cash from Investing Activities	(14,031,636)	(31,763,391)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Paid	(17,695,957)	(24,565,195)
Increase / (Decrease) in Unsecured Loan	-	(12,500,000)
Proceeds from Issue of Equity Shares & Share Premium	-	17,700,000
Proceeds / (Repayment) of Long Term Borrowings	(38,946,927)	(5,669,605)
Proceeds / (Repayment) of Short Term Borrowings	(56,028,595)	(40,384,277)
Proceeds / (Repayment) of Loans from Financial Institutions	1,234,984	(3,258,690)
Net Cash from Financing Activities	(111,436,495)	(68,677,767)
Total Increase (Decrease) in Cash & Cash Equivalents	3,232,470	982,315
Cash & Cash Equivalents at the beginning of the period	4,314,858	3,332,543
Cash & Cash Equivalents at the end of the year	7,547,328	4,314,858

Significant Accounting Policies and Notes to accounts
Schedules referred to above form an integral part of balance sheet

V

As per our report of even date attached

For Amitabh Agarwal & Co.

Chartered Accountants

Amitabh Agarwal

Partner



For and on behalf of the Board of Directors

[Signature]

Rajkumar Kejriwal

Managing Director

[Signature]

Saroj Kejriwal

Director

Raipur, the 28th day of August, 2009.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED:		
100,00,000 Equity Shares of Rs.10/-each	100,000,000	100,000,000
Issued, Subscribed & Paid-up:		
72,74,125 Equity Shares of Rs 10/-each fully paid up	72,741,250	63,442,250
Share Application Money (Pending Allotment)	-	33,459,000
	72,741,250	96,901,250
SCHEDULE - B		
RESERVE & SURPLUS		
Share Premium Account	79,697,000	55,537,000
Profit and Loss Account Balance	75,691,300	26,546,817
	155,388,300	82,083,817
SCHEDULE - C		
SECURED LOANS		
Working Capital Loans from Bank	2,623,873	58,652,468
Term Loan (Including interest accrued)	88,410,446	127,357,373
Commercial Vehicle Loan	4,004,518	2,769,534
	95,038,837	188,779,375
Notes:		
The Company's Bankers have first charge by way of hypothecation of stocks and receivables as security for Cash Credit availed by the Company.		
Term Loan from bank is secured by first charge over the fixed assets of the company (present and future) including equitable mortgage of factory land and building, hypothecation of plant and machinery and all other fixed assets. Secured respectively by equitable mortgage of commercial cum residential building in Bhagalpur standing in the name of M/s Murli Textile P Ltd., corporate guarantee of Murli Textile P Ltd and personal guarantees of the Directors of the Company.		
Commercial Vehicle Loan from bank is secured by hypothecation of commercial vehicles.		
SCHEDULE - D		
UNSECURED LOAN		
Loan from -		
Shareholders	-	-
	-	-
SCHEDULE - E		
DEFERRED TAX LIABILITY / (ASSET)		
Deferred Tax Liabilities (Net) comprises:		
Fixed Assets	27,672,142	23,353,759
Diallowance u/s 40 (a)(ia)	-	-
Deferred Tax Asset (Net) comprises:		
Unabsorbed Depreciation & Business Loss	-	966,393
Provision for Bad & Doubtful Debts	-	1,144,916
Diallowance u/s 40 (a)(ia)	-	3,933,404
	27,672,142	17,309,045



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE - F
FIXED ASSETS

DESCRIPTION	RATE %	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 1.4.2008	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	AS AT 31.03.2009	UP TO 31.03.2008	FOR THE YEAR	AS AT 31.03.2009	AS AT 31.03.2008
TANGIBLE ASSETS									
- Land - Freehold		4,459,171	-	-	4,459,171	-	-	-	4,459,171
- Leasehold		50,000	-	-	50,000	18,056	16,667	34,723	31,944
- Site Development		5,603,020	3,466,988	-	9,070,007	-	-	-	5,603,020
- Plant & Machinery	5.28%	221,910,728	5,369,722	367,915	226,912,545	23,740,223	12,401,635	36,094,810	208,170,515
- Building									
- Factory	3.34%	28,949,685	-	-	28,949,685	2,146,684	966,919	3,113,603	26,803,001
- Office	1.63%	523,198	-	-	523,198	14,596	86,466	101,064	508,600
- Computer	16.21%	247,988	32,196	-	280,184	94,180	43,179	137,359	153,808
- Furniture and Fixtures	6.33%	287,796	205,967	-	493,763	137,141	40,113	177,254	150,655
- Office Equipment	4.75%	539,252	175,637	-	714,889	64,332	32,595	96,927	474,920
- Heavy Commercial Vehicle	11.31%	5,576,891	2,759,943	-	8,336,834	1,726,514	782,117	2,510,631	3,848,377
- Motor Vehicle	9.50%	5,035,350	779,144	42,376	5,772,118	810,365	520,682	1,315,253	4,224,865
INTANGIBLE ASSETS									
- Computer Software	20.00%	37,400	657,022	-	694,422	27,262	137,514	164,776	10,138
Total		283,220,489	13,446,619	410,291	296,256,818	26,791,355	15,027,807	43,746,100	254,439,134
Previous Year		241,620,990	41,937,437	337,938	283,220,489	15,336,339	13,525,199	28,781,555	226,284,651
Capital Work in Progress								1,957,075	3,227,463



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
SCHEDULE - G		
INVESTMENTS		
Long Term, Non-Trade, Unquoted		
- Chhattisgarh Ispat Bhumi Limited	5,100,000	1,800,000
- Chhattisgarh Sponge Iron Manufacturers Consortium Coalfields P Ltd	281,100	281,100
- Vimla Infrastructure (I) P Ltd	55,000	-
	5,436,100	2,081,100
SCHEDULE - H		
INVENTORIES		
- Raw Material including stock in transit	34,700,899	26,151,088
- Stores & Spares	3,282,800	3,543,525
- Finished Goods	2,474,449	3,209,351
	40,458,148	32,903,964
SCHEDULE - I		
SUNDRY DEBTORS (Unsecured)		
Outstanding for a period exceeding six months		
- Considered good	581,802	39,500
- Considered doubtful	3,736,878	3,368,390
Other Debts		
- Considered good	10,460,585	90,641,822
	14,779,265	94,049,712
Less: Provision for Bad & Doubtful Debts	3,368,390	3,368,390
	11,410,875	90,681,322
SCHEDULE - J		
CASH AND BANK BALANCES		
Cash in hand	1,263,289	182,440
Cheques in hand	1,513,176	-
Balance with Scheduled Banks in		
- Current Accounts	476,587	82,418
- Deposit Accounts	4,294,275	4,050,000
	7,547,328	4,314,858
SCHEDULE - K		
LOANS AND ADVANCES (unsecured, considered Good)		
Advance (recoverable in cash or in kind or for value to be received)		
- against Capital Goods	12,744,539	13,596,835
- against Supply of Raw Material	15,304,376	9,216,249
- against Expenses	1,382,203	1,117,021
- to Director (Maximum Amount Outstanding Rs. 55,30,500/- at any time during the year)	1,897,039	4,492,000
Deposits	7,176,131	6,770,360
Advance Income Tax (net of Income Tax Refund)	14,403,146	540,894
Cenvat Receivable	2,328,209	2,778,157
MAT Tax Credit Receivable	5,816,691	5,621,927
VAT Receivable	15,600	606,358
Other Current Assets	6,846,214	649,696
	67,914,147	45,389,497



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As At March 31, 2009 Rupees	As At March 31, 2008 Rupees
<u>SCHEDULE - I</u>		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Sundry Creditors:		
- For Expenses	2,333,038	1,971,784
- For Raw Materials	13,455,678	27,785,028
- For Capital Goods	2,651,728	2,994,588
Advances from Customers	-	9,541,513
Liabilities for expenses	1,812,575	1,547,694
Liabilities for Other Finance	104,473	1,057,956
Other Current Liabilities	-	1,269,747
	20,357,491	46,168,309
<u>SCHEDULE - M</u>		
<u>PROVISIONS</u>		
For Leave Encashment	-	-
For Gratuity	-	-
For Taxation	20,100,000	6,300,000
For Fringe Benefit Tax	380,000	200,000
	20,480,000	6,500,000
<u>SCHEDULE - N</u>		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Preoperative Expenses (Pending Capitalisation)	321,168	286,982
Preliminary Expenses	2,293,055	2,570,801
Deferred Hire Purchase Interest	438,006	183,075
Capital Enhancement Fees	163,700	303,400
Upfront and Processing Fees	1,228,000	1,360,000
	4,443,929	4,704,258



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year Ended March 31, 2009 Rupees	Year Ended March 31, 2008 Rupees
SCHEDULE - O		
SALES		
Sales -		
- Sponge Iron	697,405,120	475,922,755
- Dolochar	728,964	619,040
- Scrap Sales	109,164	537,217
Total Sales (Indigenous)	698,243,248	477,079,012
Less: Excise Duty	81,089,597	66,509,578
	617,153,651	410,569,434
SCHEDULE - P		
OTHER INCOME		
Dividend Received - Chhattisgarh Ispat Bhumi Limited	1,020,000	-
Profit on Decapitalisation of Plant & Machinery	-	3,754
	1,020,000	3,754
SCHEDULE - Q		
MATERIAL CONSUMED & CHANGE IN STOCK		
<i>Raw Materials</i>		
Opening Stock	26,151,088	79,718,292
Add: Purchases	454,342,852	212,049,777
Total	480,493,940	291,768,069
Less: Closing Stock	34,700,899	26,151,088
Raw Materials Consumed (i)	445,793,041	265,616,981
<i>Change in Finished Goods:</i>		
Opening Stock of Finished Goods	3,209,351	5,181,991
Closing Stock of Finished Goods	2,474,449	3,209,351
Change in Stock (ii)	734,902	1,972,640
Material Consumed & Change in Stock (i) + (ii)	446,527,943	267,589,621
SCHEDULE - R		
MANUFACTURING EXPENSES		
Power & Fuel Consumed	18,299,329	15,348,425
Stores & Spares Consumed	10,216,078	6,172,385
Repairs & Maintenance	5,632,906	9,909,916
Other Manufacturing Expenses	4,805,704	849,657
	38,954,017	32,280,383
SCHEDULE - S		
PERSONNEL EXPENSES		
Wages, Salaries & Other Allowances	14,378,756	8,370,387
Contribution to Provident & Other Funds	735,652	531,601
Workmen & Staff Welfare Expenses	2,199,889	1,535,322
	17,314,297	10,437,310



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year Ended March 31, 2009 Rupees	Year Ended March 31, 2008 Rupees
SCHEDULE - T		
<u>ADMINISTRATION, SELLING & OTHER EXPENSES</u>		
Rent	96,000	90,000
Travelling & Conveyance	492,802	72,145
Repairs and Maintenance	466,203	458,844
Communication Expenses	337,068	433,990
Security Charges	586,282	516,358
Printing & Stationary	105,386	72,304
Insurance	568,617	691,063
Rates & Taxes	395,539	166,235
Professional & Other Service Charges	387,087	76,721
Bank Charges & Commission	691,386	924,937
Loss By Fire	-	3,335,317
Loss on Sale of Fixed Assets	93,449	68,571
Liability Claim	2,193,144	438,817
Freight Outward	196,640	486,000
Provision for Bad and Doubtful Debts	-	3,368,390
Testing & Laboratory Expenses	146,196	73,429
Commission on Sales	1,617,230	717,564
Miscellaneous Expenditure Written Off	549,446	549,446
Liability No Longer Required Written Back	212,409	1,853
Other Expenses	380,445	383,769
	9,515,330	12,925,752
SCHEDULE - U		
<u>INTEREST AND FINANCE CHARGES</u>		
Interest on:		
- Working Capital Loan	3,481,445	9,001,246
- Term Loan	13,795,134	13,607,749
- Others	419,378	1,956,200
	17,695,957	24,565,195
Less: Interest Received (Tax Deducted At Source Rs. 39,916)	358,222	370,106
	17,337,735	24,195,089



SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

Schedule - V: Significant Accounting Policies:

1. Basis of Preparation

The financial statement of the company has been prepared and presented in accordance with the historical cost Convention and is based on assumption of going concern consistency and accruals.

2. Revenue Recognition

Sales are recognized, net of returns and trade discounts, rebates and sales tax, where applicable and are accounted for on accrual basis.

3. Accounting of Expenditure

Expenses are accounted on accrual basis. Provisions have been made for all known losses and Liabilities as on the date of the financial statements.

4. Inventory Valuation

Inventories of Raw Materials and Finished Goods are valued at lower of cost and estimated net realizable value.

Inventories of stores and spares are valued at cost.

5. Fixed Assets

Fixed Assets are stated at cost. Cost includes all costs relating to acquisition and installation of fixed assets including incidental expenses incurred, interest on borrowings up to the date of capitalization/commissioning of the projects/fixed asset.

Expenditure during construction period in respect of new projects is included under Capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects.

6. Depreciation and Amortization

Depreciation on fixed assets other than Computer Software is provided on straight line method on pro-rata basis from the date it was put to use in accordance with Schedule XIV of the Companies Act, 1956.

Costs relating to acquisition of computer software are capitalized as "Intangible Assets" and amortized over a period of five years, which is management estimate of the useful lives of these intangible assets.

Individual assets costing Rs. 5,000/- or less are depreciated in full in the year of purchase.

Preliminary expenses are amortized over a period of five years.

7. Impairment of Fixed Assets

The carrying amount of fixed assets and capital work in progress are reviewed at each Balance Sheet date in accordance with Accounting Standard 28 on 'Impairment of Assets' prescribed by Companies (Accounting Standards) Rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of the asset or cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognized in the Profit & Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the



assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

8. Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable. Short term investments are stated at lower of cost and fair value.

9. Transactions in Foreign Currency

Transactions in Foreign Currencies are recorded at the exchange rates prevailing on the date of the transaction. Receivables and Payable, if any, in Foreign Currencies as at the year end are restated at the year end rates. Gain / Loss, if any, arising out of fluctuation in exchange rate are accounted for on realization.

Foreign currency liabilities incurred for the acquisition of fixed assets are translated at exchange rates prevailing on the last working day of the accounting year or forward cover rates as applicable. The net variation arising out of the said translation is adjusted to the cost of fixed assets. All Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year, except those, which are negotiated with the bank. The net loss/gain arising on restatement / settlement is adjusted to the cost of fixed assets.

In respect of transactions covered by forward exchange contracts, the difference between contract rate and spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

10. Excise Duty

Excise Duty is accounted on the basis of, both, payments made in respect of goods cleared.

Cenvat Credit in respect of capital goods is deducted from the respective assets.

11. Benefits to employees

Contribution to defined contribution schemes like Provident Fund is charged to the Profit & Loss Account as incurred. Liabilities in respect of Gratuity and Leave Encashment are accounted for in the year of payment.

No provision for gratuity has been made as no employee has become eligible for the same as per provisions of the Gratuity Act.

12. Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

13. Treatment of Prior Period and Extraordinary Items

Any material items (other than those arising out of over/under estimation in earlier years arising as a result of error or omission in preparation of earlier year's financial statements) are separately disclosed.

Any material gains / losses which arise from the events or transactions which are distinct from ordinary activities of the company are separately disclosed.

14. Miscellaneous Expenditure

Capital Enhancement Fees are written off over a period of 5 years and Upfront and processing fee charged on raising of funds through bank are amortized over the period of loan.



15. Accounting for Taxes on Income

Income Tax expense comprises current tax and deferred tax charge. Deferred tax is recognized on timing differences, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

16. Provisions and Contingent Liabilities

A provision is recognized in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimated, and it is probable that an outflow of resources will be necessary to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and / or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be necessary to settle the obligation, or the amount of the obligation cannot be reliably estimated.

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for in the accounts and disclosed by way of notes to the accounts.

17. Earnings per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

Notes to Accounts

18. Contingent Liabilities:

Claims against the Company in respect of taxes, duties, etc. not acknowledged as debts are estimated as below:

	As At 31 st March 2009 Rs. In Lacs	As At 31 st March 2008 Rs. In Lacs
In respect of Unredeemed Bank guarantee/ Letter of Credit (Secured against pledge of Fixed Deposit Receipt)	42.94	40.50
Excise Duty Matters	33.31	-
Guarantees given by the company	962.00	-
Other Guarantee	41.04	-
Sales Tax Matters	0.92	-

19. Remuneration to Auditors (including Service Tax where applicable) 08-09 07-08
- | | | |
|--------------------|--------|--------|
| Audit Fees | 55,150 | 56,180 |
| For Other Services | 22,472 | - |
20. There are no Micro and Small Enterprises, to whom the company owes dues that are outstanding for more than 45 days as at 31 March 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of confirmations received from vendors, suppliers, etc in response to intimation in this regard sent by the Company to such parties.
21. Advance against Capital Goods shown under the head "Loans and Advance" includes advances of Rs. 85.40 Lakhs, on which legal suit was filed.
22. The outstanding balance as at 31st March 2009 in respect of Sundry Creditors, Loans and Advances, Deposits and certain Bank Accounts are subject to confirmation / reconciliation from the respective



parties and the same have been reckoned in these accounts as per the balances appearing in the books. Any further adjustments arising out of reconciliation will be accounted for as and when such reconciliation is completed. The company however does not expect any material variance.

23. The deferred tax liabilities have been recognized in accordance with Accounting Standard 22 "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India and accordingly company have recognized deferred tax liability of Rs. 2,76,72,142/- for the current year on account of timing differences which is as under:

	As at 31.03.2009
Deferred Tax Liabilities (Net)	
Deferred Tax Liability	
Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per Income Tax	2,76,72,142
Deferred Tax Assets	
Unabsorbed Depreciation & Business Loss	-
Provision for Bad & Doubtful Debts	-
Difference on account of disallowance u/s 40 (a)(ia)	-

24. **Remuneration to Directors:**

Particulars	Year ended 31.3.2009	Year ended 31.3.2008
(a) Salaries	12,00,000	12,00,000
(b) Commission (See Note 25 below)	44,00,000	-
(c) Other Benefits	89,882	52,800
TOTAL	56,89,882	12,52,800

25. **Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.**

Particulars	2008-09	2007-08
Profit before Taxation	73,496,443	49,619,834
Add: Depreciation as per Accounts	15,027,887	13,525,199
Loss on Sale of / Discarding of Fixed Assets	93,449	68,571
Compensation / Damages made voluntarily	331,500	-
Director's Remuneration	1,289,882	1,252,800
	90,239,161	64,466,404
Less: Depreciation as per Section 350 of Companies Act, 1956	15,027,887	13,525,199
Profit on Sale of Fixed Assets	-	3,754
Net Profit	75,211,274	50,941,205
Remuneration to Whole Time Directors:		
Eligible under Section 309 @ 10% of the net profit	7,521,127	5,094,120
Rajkumar Kejriwal (Managing Director)	3,760,564	2,547,060
Saroj Kejriwal (Executive Director)	3,760,563	2,547,060
Less: Director's Remuneration Paid	1,289,882	1,252,800
Less: Commission Paid	4,400,000	-
Commission Payable restricted to u/s 309 of the Companies Act, 1956	1,831,245	3,841,320



26. During the year, the company has written off Rs. 29,97,341/- towards old stock of iron ore lying in transit to be received from one of the crusher unit at Jagdalpur.
27. Segment Information for the year ended 31st March 2009.

a)	Primary Business Segments		
		Year Ended	Year Ended
		31 March 2009	31 March 2008
	Segment Revenue		
	a. Direct Reduced Iron	61,81,73,651	41,05,73,188
	b. Captive Power Plant	-	-
	Total	61,81,73,651	41,05,73,188
	Less: Inter segment revenue	-	-
	Net Sales/Income from Operations	61,81,73,651	41,05,73,188
	Segment Results		
	Profit / (Loss) before Interest and Tax from each segment:		
	a. Direct Reduced Iron	9,13,83,624	7,38,14,923
	b. Captive Power Plant	-	-
	Total	9,13,83,624	7,38,14,923
	Less:		
	a. Interest	1,73,37,735	2,41,95,089
	b. Other unallocable expenditure net of unallocable income	-	-
	Total Profit before Extraordinary Item and Tax	7,40,45,889	5,01,69,280
	Less: Miscellaneous Expenditure Amortized	5,49,446	5,49,446
	Profit before Tax	7,34,96,443	4,96,19,834
	Segment Assets		
	a. Direct Reduced Iron	37,37,10,917	42,33,08,879
	b. Captive Power Plant	1,79,67,103	1,44,32,917
	Segment Liabilities		
	a. Direct Reduced Iron	1,95,09,799	4,53,20,617
	b. Captive Power Plant	8,47,692	8,47,692
	Capital Expenditure during the year (including capital work-in-progress)		
	a. Direct Reduced Iron	4,38,94,512	4,51,09,557
	b. Captive Power Plant	-	-
	Depreciation/Amortization		
	a. Direct Reduced Iron	1,55,77,333	1,40,74,645
	b. Captive Power Plant	-	-

* **Geographical Segment** - The Company sell its product within India. The condition prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

28. Information in accordance with the requirements for the Accounting Standard 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India:

- A) **List of Related Parties**
- i) **Key Management Personnel of the Company:**
 Mr. Rajkumar Kejriwal, Managing Director
 Mr. Pradeep Murarka, Director
 Mrs. Saroj Kejriwal, Director
- ii) **Relatives of Directors:**
 Krishna Kumar Kejriwal
 Kanchan Kejriwal



- iii) Enterprise over which Key Management Personnel have Control:
Harsha Rice Mills P Ltd.
Pradeep Minerals

B) Transactions with Related Parties during the year

Nature of Transaction	Directors	Relatives of Directors	Enterprises over which key management personnel have control
Remuneration	12,00,000	-	-
Commission Paid to Directors	44,00,000	-	-
Purchase of Goods	-	-	30,43,744
Loans repaid	40,58,000	12,69,747	-
Loans given	14,63,039	-	44,00,000
Outstanding Balance as on 31 st March 2009			
- Receivables	18,97,039	-	-
- Payables	-	-	44,00,000

29. Fixed Assets include vehicles acquired on finance lease, the details of which are as under:

	2009	2008
(a) Cost of Fixed Assets	1,47,59,493	1,19,65,979
(b) Fixed Assets acquired during the year	34,54,327	31,05,872
(c) Net Carrying amount	1,41,74,322	1,34,62,919

The above relates to finance leases relating to Commercial and Heavy Vehicles taken on lease.

Disclosures in respect of Company's operating lease arrangements entered on or after 1st April 2001, under Accounting Standard (AS-19) on leases, issued by the Institute of Chartered Accountants of India:

- a) General description of the company's operating lease arrangements:

The company has entered into operating lease arrangements primarily for office premises. Some of the significant terms and conditions of the arrangements are:

- Agreements may generally be terminated by either party by serving a notice;
- The lease arrangements are generally renewable on the expiry of the lease period subject to mutual agreement;
- The company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

- b) Rent in respect of the above is charged to the Profit and Loss Account.

30. Raw Materials Consumed:

Raw Materials	2008-09		2007-08	
	In MT	Rs. In Lacs	In MT	Rs. In Lacs
Iron Ore	66,747.00	3,540.33	57,960.00	1,880.26
Coal	44,249.00	896.75	31,256.40	754.09
Dolomite	1,816.70	20.86	1,949.71	21.82
Total	1,12,812.70	4,457.94	91,166.11	2,656.17



31. Value of imported and indigenous raw materials and spare parts and components and percentage to the total consumption:

Raw Materials	2008-2009		2007-08	
	Rs. In Lacs	%	Rs. In Lacs	%
Raw Materials (Indigenous)	4,457.94	100	2,656.17	100
Spare Parts and Components (Indigenous)	102.16	100	61.72	100

Particulars	2009	2008
Value of Imports on CIF basis	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL
Earnings in Foreign Currency	NIL	NIL
Remittance in Foreign Currency on account of Dividend	NIL	NIL

32. Detailed Quantitative Information

Product	Opening Stock As at April 1, 2008		Production	Sales		Closing Stock As at March 31, 2009	
	Qty. in MT	Rs. In Lacs		Qty. in MT	Rs. In Lacs	Qty. in MT	Rs. In Lacs
Direct Reduced Iron	296.34 (537.96)	32.09 (51.82)	34,584.00 (28,471.00)	34,709.90 (28,712.62)	6,165.30 (4,099.92)	170.45 (296.34)	24.74 (32.09)
Dolochar	16,413.72 (15,313.83)	- -	17,085.00 (14,577.20)	33,392.01 (13,477.31)	6.46 (5.32)	106.71 (16,413.72)	- -

33. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

Schedule referred to above form an integral part of Balance Sheet
As per our annexed report of even date

As per our report of even date
For Amitabh Agarwal & Co.
Chartered Accountants


Amitabh Agarwal
Partner



For and on behalf of the Board



Rajkumar Kejriwal
Managing Director



Saroj Kejriwal
Director

Place: Raipur
Date: The 28th day of August 2009.

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS	
(a) REGISTRATION NO.	0 1 6 8 9 6
(b) STATE CODE	6 2
(c) BALANCE SHEET DATE	3 1 0 3 2 0 0 9
II CAPITAL RAISED DURING THE YEAR	
(FIGURES IN '000)	
(a) PUBLIC ISSUE	N 1 L
(b) RIGHT ISSUE	N 1 L
(c) BONUS ISSUE	N 1 L
(d) PRIVATE PLACEMENT	9 2 9 9
III POSITION OF MOBILISATION AND DEVELOPMENT OF FUND	
(FIGURES IN '000)	
(a) TOTAL LIABILITIES	3 5 0 8 4 0
(b) TOTAL ASSETS	3 5 0 8 4 0
SOURCES OF FUND	
(FIGURES IN '000)	
(a) PAID UP CAPITAL	7 2 7 4 1
(b) RESERVE & SURPLUS	1 5 5 3 8 8
(c) SECURED LOAN	9 5 0 3 9
(d) UNSECURED LOAN	N 1 L
(e) DEFERRED TAX LIABILITY	2 7 6 7 2
APPLICATION OF FUND	
(a) NET FIXED ASSETS	2 5 4 4 6 7
(b) INVESTMENT	5 4 3 6
(c) NET CURRENT ASSETS	8 6 4 9 3
(d) ACCUMULATED LOSS	N 1 L
(e) MISCELLANEOUS EXPENDITURE	4 4 4 4
IV PERFORMANCE OF COMPANY	
(FIGURES IN '000)	
(a) TURN OVER	6 1 8 1 7 4
(b) TOTAL EXPENDITURE	5 4 4 6 7 7
(c) PROFIT BEFORE TAX	7 3 4 9 6
(d) PROFIT AFTER TAX	4 9 1 4 4
(e) EARNING PER SHARE IN RS.	7 - 4 3
(f) DIVIDEND RATE	N 1 L
V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY	
(AS PER MONETARY TERMS)	
PRODUCT DESCRIPTION	ITEM CODE NO. ITC (CODE)
SPONGE IRON	7 2 0 3 - 9 0 0 0

For and on behalf of the board of Directors

Rajkumar Kejriwal

Rajkumar Kejriwal
Director

Saroj Kejriwal

Saroj Kejriwal
Director

Raipur, the 28th day of August, 2009.



