

**INDIAN BRIGHT
STEEL COMPANY LIMITED**

**52nd
Annual Report
2012 – 2013**

Indian Bright Steel Company Limited

BOARD OF DIRECTORS

Manubhai Kalidas Parekh (Chairman)
Avinash Jajodia
Ashish Deora

REGISTERED OFFICE :

AB01A, Neelam Centre
Hind Cycle Road,
Worli, Mumbai - 400 030

AUDITORS :

M/s Desai Associates
(Chartered Accountants)
103/104-A, Anand Estates,
189, Sane Guruji Marg
Mumbai - 400 011

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Abhilasha Dubey

REGISTRAR & SHARE TRANSFER AGENTS :

Bigshare Services Pvt. Ltd.
E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072.
Tel.: 022 4043 0200

BANKER :

Indian Overseas Bank
Mahim Branch
Mumbai

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NOTICE

Notice is hereby given that the 52nd Annual General Meeting of the Members of Indian Bright Steel Company Limited shall be held at Aurum House, 25 Dady Seth Road, Mumbai - 400007 at 10.00 a.m. on Saturday, 28th September, 2013 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date along with the Auditors and Directors Report .
2. To appoint a Director in place of Mr. Ashish Deora who retires by rotation and being eligible offers himself for reappointment.

“**RESOLVED THAT** Mr. Ashish Deora, who retires by rotation and being eligible for reappointment, be and is hereby reappointed as the Director of the Company.”

3. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution pursuant to section 224 of the Companies Act, 1956:

“**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Desai Associates, Chartered Accountants be and are hereby reappointed as the Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company.”

Place : Mumbai

Date : 10th August, 2013

Registered Office :

AB01A, Neelam Centre,
Hind Cycle road, Worli,
Mumbai- 400 030:

BY ORDER OF THE BOARD,

sd/-

Manubhai Parekh
Chairman

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 of the Company. Proxies, in order to be effective, must be received by the Company/Registrar not less than 48 hours before commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Company/Registrar & share Transfer Agent, a duly certified copy of the Board Resolution/Power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share transfer Books of the Company will remain closed from Friday, 20th September, 2013 to Friday, 27th September, 2013. (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, at least one week before the date of the meeting.
6. Members desiring any information as regard Accounts are requested to write to the Company so as to reach at least one week before the date of the meeting and thus enable the Management to keep the information ready.
7. Members are requested to bring their copy of the Annual report to the meeting.

DIRECTORS' REPORT

To, the Members,

Your Directors have pleasure in presenting the 52nd Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2013.

1. FINANCIAL RESULTS

Your Company's performance for the financial year ending 31st March 2013 is stated below:

	For the Current year ended on 31st March 2013 [₹]	For the previous year ended on 31st March 2012 [₹]
Profit / (Loss) before Depreciation/adjustment	5,92,801.00	1,69,247.00
Less: Depreciation/prior period adjustment	12,62,375.00	0.00
Less: Short prov. For IT for earlier years w/off	0.00	0.00
Less: Net current tax expense	50000.00	0.00
Net Profit/(Loss) for the year	(7,19,574.00)	1,69,247.00
Add: Losses brought down from earlier year	(58,28,334.00)	(59,97,581.00)
Balance Losses carried to Balance Sheet	(65,47,908.00)	(58,28,334.00)

2. WORKING

All efforts are being made by the management to revive the company's business activities.

3. DIVIDEND

Your directors do not recommend any dividend in view of the accumulated loss.

4. DIRECTORS

During the period under review there was no change in the directorship.

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 EMPLOYEES

During the year under review the Company had no employee 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 Desai Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, will retire at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment.

The Board recommends their re-appointment as Statutory Auditors of the Company subject to the approval of the members to hold the office from the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company.

The Company has received a certificate from the proposed auditor to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956.

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 have 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, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

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

CONSERVATION OF ENERGY

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

RESEARCH AND DEVELOPMENT

The Company has no specific Research and Development Programme.

FOREIGN EXCHANGE EARNINGS/OUTGOINGS.

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

9. LISTING AGREEMENT COMPLIANCE

The Company's securities are listed at The Bombay Stock Exchange, Mumbai. The outstanding listing fee payable to the stock exchange for the year ended 31st March, 2013 is Nil.

10. DEMATERIALISATION

The Company's shares are dematerialized both with NSDL and CDSL (ISIN: INE566M01017). Those members who hold the shares in physical form are requested to dematerialize their shares.

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, other business associates and the Company officials.

For & On behalf of the Board

Manubhai Parekh
Director

Ashish Deora
Director

Place: Mumbai
Date: 28th May, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
Indian Bright Steel Company Limited,

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Indian Bright Steel Company Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (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.

7. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
8. As required by section 227(3) of the Act, 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 books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply 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 March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For DESAI ASSOCIATES
Chartered Accountants
Firm Registration No. 102286W**

**Place : Mumbai
Date : 28th May, 2013**

**(SUDHIR K. JAIN)
Partner
Membership No. : 120610**

Annexure to the Auditors' Report

(Referred to in paragraph 7 of our Report of even date)

- 1) (a) The company has maintained proper records showing full particulars including quantitative and situation of the Fixed Assets.
(b) The management has physically verified the fixed assets and since the assets lying in capital work in progress has no value in use and the same is scrapped during the year.
(c) During the year, Company has scrapped all of the fixed assets.
- 2) The Company does not have any inventory and hence the requirement of para 2 are not applicable.
- 3) (a) The Company has taken interest free unsecured loans from two (2 nos.) parties listed in the register maintained U/s 301 of the Companies Act aggregating to Rs.14,80,300/- during the year.
(b) In the absence of any specific stipulation as to the rate of interest and other terms and conditions as to repayments on which loans has been taken, we are unable to comment upon the same.
(c) The company has not given any loans and advances to its Associate & Other related parties listed in the register maintained U/s 301 of the Companies Act.
- 4) There are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to sale of goods.
- 5) In respect of transactions entered in the register maintained in pursuance of section 301, of the Companies Act 1956,
(a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions exceeding Rupees Five Lakhs each have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by Reserve Bank of India and the provision of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- 8) According to the information and explanations provided to us, the Company is not required to have cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act.
- 9) (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess, and other statutory dues with appropriate authorities

- (b) According to the records of the Company, there are no cases of the dues of Sales Tax, Income Tax, Customs, Wealth Tax, Excise duty, Cess, Service tax which have not been deposited on account of disputes.
- 10) The Company have accumulated losses of Rs.7,19,574/- as at the end of the year and the company has not incurred cash losses during the current year, however there were cash losses in the immediately preceding financial year.
- 11) Based on our audit procedures and as per 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 or debenture holders.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, prima facie, been used for which the same are obtained.
- 17) According to the information and explanations given to us and on overall examination of the balance sheet of the company, We report that no funds raised on short-term basis have prima facie, has been used during the year for long term investment.
- 18) 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 in contravention of the aforesaid section, during the year.
- 19) No debentures have been issued by the company and hence, the question of creating securities in respect thereof does not arise.
- 20) We have verified the end use of the fund raised by the Company through the preferential allotment and are disclosed in the notes to the financial statements.
- 21) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For DESAI ASSOCIATES
Chartered Accountants
Firm Registration No. 102286W**

**Place : Mumbai
Date : 28th May, 2013**

**(SUDHIR K. JAIN)
Partner
Membership No. : 120610**

Indian Bright Steel Company Limited

BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	10,000,000	10,000,000
(b) Reserves and surplus	4	<u>1,362,574</u>	<u>2,082,148</u>
		11,362,574	12,082,148
Current liabilities			
(a) Short-term borrowings	5	1,480,300	930,300
(b) Trade payables and Other current liabilities	6	16,674	15,563
(c) Short Term Provisions	7	<u>50,000</u>	<u>-</u>
		1,546,974	945,863
TOTAL		<u>12,909,548</u>	<u>13,028,011</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Capital work-in-progress		<u>-</u>	<u>1,262,375</u>
		-	1,262,375
Current assets			
(a) Cash and cash equivalents	8	12,677,142	11,739,290
(b) Short term Loans and Advances	9	30,000	-
(c) Other current assets	10	<u>202,406</u>	<u>26,346</u>
		12,909,548	11,765,636
TOTAL		<u>12,909,548</u>	<u>13,028,011</u>

See accompanying notes forming part of the financial statements

In terms of our report attached
For **DESAI ASSOCIATES**
Chartered Accountants
Firm Registration No. 102286W

SUDHIR K. JAIN
Partner
Membership No. : 120610

Place : Mumbai
Dated : 28th May, 2013

For and on behalf of the Board of Directors of
Indian Bright Steel Company Limited

Manubhai Parekh
Chairman / Director

Ashish Deora
Director

Place : Mumbai
Dated : 28th May, 2013

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No.	For the Year ended March 31, 2013 ₹	For the Year ended March 31, 2012 ₹
Continuing Operations			
Other income	11	1,108,293	652,303
Total revenue		<u>1,108,293</u>	<u>652,303</u>
Expenses			
(a) Employee benefits expense	12	314,990	177,000
(b) Other expenses	13	200,502	306,056
Total expenses		<u>515,492</u>	<u>483,056</u>
Profit / (Loss) before exceptional and extraordinary items and tax		592,801	169,247
Exceptional items & extraordinary items		-	-
Amortisation / Adjustments during the year		1,262,375	
Profit / (Loss) before extraordinary items and tax(5 + 6)		(669,574)	169,247
Extraordinary items		-	-
Profit / (Loss) before tax		(669,574)	169,247
Tax expenses:			
(a) MAT credit (where applicable)		-	-
(b) Net current tax expense		<u>50,000</u>	<u>-</u>
(c) Deferred tax		-	-
		<u>50,000</u>	<u>-</u>
Profit / (Loss) from continuing operations		<u>(719,574)</u>	<u>169,247</u>
Discontinuing Operations		-	-
Profit / (Loss) for the year		(719,574)	169,247
Earnings per share (of Rs. 10/- each):			
(a) Basic		(0.72)	0.19
(b) Diluted		(0.72)	0.19

See accompanying notes forming part of the financial statements

In terms of our report attached
For DESAI ASSOCIATES
Chartered Accountants
Firm Registration No. 102286W

For and on behalf of the Board of Directors of
Indian Bright Steel Company Limited

SUDHIR K. JAIN
Partner
Membership No. : 120610

Manubhai Parekh
Chairman / Director

Ashish Deora
Director

Place : Mumbai
Dated : 28th May, 2013

Place : Mumbai
Dated : 28th May, 2013

Indian Bright Steel Company Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	For the year ended		For the year ended	
	31 March, 2013		31 March, 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(669,574)		169,247
<i>Adjustments for:</i>				
Finance costs				
Amortisation / Adjustments during the year	1,262,375		110,300	
Interest income	(1,108,293)		(652,303)	
Liabilities / provisions no longer required written back				
		<u>154,082</u>		<u>(542,003)</u>
Operating profit / (loss) before working capital changes		(515,492)		(372,756)
<i>Changes in working capital:</i>				
Adjustments for (increase) / decrease in operating assets:				
Inventories		0		
Trade receivables		0		
Short-term loans and advances	(30,000)			
Long-term loans and advances		0		
Other current assets		0		
Other non-current assets		0		
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	1,111		(36,072)	
Other current liabilities		0		
Other long-term liabilities				
Short-term provisions				
Long-term provisions		<u>(28,889)</u>		<u>(36,072)</u>
		(544,381)		(408,828)
Cash flow from extraordinary items		0		0
Cash generated from operations		(544,381)		(408,828)
Net income tax (paid) / refunds		(176,060)		0
Net cash flow from / (used in) operating activities (A)		<u>(720,441)</u>		<u>(408,828)</u>
B. Cash flow from investing activities				
Loans realised				
- Others				
Interest received				
- Others		<u>1,108,293</u>	<u>652,303</u>	
		1,108,293		652,303
		<u>1,108,293</u>		<u>652,303</u>
Net income tax (paid) / refunds				0
Net cash flow from / (used in) investing activities (B)		<u>1,108,293</u>		<u>652,303</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Proceeds from issue of equity shares	0		11,360,000	
Proceeds from other short-term borrowings	550,000		220,300	
Finance Cost	0		0	
Preferential issue Expenses	0		(110,300)	
		550,000		11,470,000
Cash flow from extraordinary items		0		0
Net cash flow from / (used in) financing activities (C)		550,000		11,470,000
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		937,852		11,713,475
Cash and cash equivalents at the beginning of the year		11,739,290		25,815
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0		0
Cash and cash equivalents at the end of the year		12,677,142		11,739,290
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	12,677,142		11,739,290	
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	12,584,536		11,652,303	
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	92,606		86,987	
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)	0		0	
Cash and cash equivalents at the end of the year*		92,606		86,987
* Comprises:				
(a) Cash on hand	42,298		42,298	
(b) Balances with banks				
(i) In current accounts	50,308		44,689	
(ii) In deposit accounts with original maturity of less than 3 months	0		0	
		92,606		86,987
		0		0

See accompanying notes forming part of the financial statements

In terms of our report attached
For DESAI ASSOCIATES
Chartered Accountants
Firm Registration No. 102286W

SUDHIR K. JAIN
Partner
Membership No. : 120610

Place : Mumbai
Dated : 28th May, 2013

For and on behalf of the Board of Directors of
Indian Bright Steel Company Limited

Manubhai Parekh
Chairman / Director

Ashish Deora
Director

Place : Mumbai
Dated : 28th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note Particulars

1 Corporate information

The company is engaged in the business of manufacturing of steel bars & had no operations during the year. The place of business is at Mumbai only.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the items on which 100% depreciation rates are applicable.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.7 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Company revalues at the year end. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed / utilised.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Fixed Assets which assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.8 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

"The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. ""Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. ""Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.9 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.10 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961." Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company."

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.11 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Note 3 Share Capital

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	₹	No of Shares	₹
(a) Authorised Shares				
Equity shares of ₹ 10 each with voting rights	1,250,000	12,500,000	1,250,000	12,500,000
		<u>12,500,000</u>		<u>12,500,000</u>
(b) Issued Subscribed and fully paid-up Shares				
Equity shares of ₹ 10 each with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
Total		<u>10,000,000</u>		<u>10,000,000</u>

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	₹	No of Shares	₹
Equity shares of ₹ 10 each with voting rights				
At the beginning of the period	1,000,000	10,000,000	645,000	6,450,000
Issued during the period - New issue	-	-	355,000	3,550,000
Outstanding at the end of the period	<u>1,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>

(ii) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, Nil (P.Y. Nil) dividend was recognized as distributable to equity shareholders.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	₹	No of Shares	₹
Holding company	-	-	-	-
Ultimate holding company	-	-	-	-
Subsidiaries of the holding company	-	-	-	-
Associates of the holding company	-	-	-	-
Subsidiaries of the ultimate holding company	-	-	-	-
Associates of the ultimate holding company	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(iv) There are no share issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date:

Indian Bright Steel Company Limited

(v) Details of shares held by each shareholder holding more than 5% shares in the company:

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	%	No of Shares	%
Equity shares of ₹ 10 each with voting rights				
Vitesse Telecom Pvt. Ltd.	353,462	35.35	353,462	35.34
M/S Shagun Tie up Pvt. Ltd.	90,000	9.00	90,000	9.00

Note 4 Reserves and Suplus

	31.03.2013	31.03.2012
	₹	₹
Capital Reserve	100,482	100,482
Securities Premium Account		
Balance as per Last Financial Statements	7,810,000	-
Addition during the year		7,810,000
Deduction during the year	-	-
Closing Balance	7,810,000	7,810,000
Surplus / (deficit) in the statement of profit and loss		
Balance as per Last Financial Statements	(5,828,334)	(5,997,581)
Profit / (loss) for the year	(719,574)	169,247
Less : Appropriations		
Proposed Dividend on Equity Shares	0	0
Tax on Proposed Dividend on Equity Shares	0	0
Net Surplus / (deficit) in the statement of profit and loss	(6,547,908)	(5,828,334)
Total Reserves and Surplus	1,362,574	2,082,148

Note 5 Short-term borrowings

	Current maturities	
	31.03.2013	31.03.2012
	₹	₹
Interest free loan and advances from related parties repayable on demand - unsecured	1,480,300	930,300
	1,480,300	930,300

Note 6 Trade payables and Other current liabilities

	31.03.2013	31.03.2012
	₹	₹
Trade Payables (including acceptances)	16,674	10,962
Other Liabilities		
TDS Payable	-	4,601
	16,674	15,563

As per information available with the company, in response to the enquiries from all the existing suppliers with whom the company deals, none of the suppliers are registered under MSMED Act 2006.

Sales Tax Assessments of the Company has been finalised upto and including the accounting year 2007 - 2008 and the income tax assessments are completed upto accounting year 2009 - 2010. The management does not expect any Sales tax and Income tax liability for the pending assessments.

Note 7 Short Term Provisions

	Current maturities	
	31.03.2013	31.03.2012
	₹	₹
Other Provisions		
Provision for Income Tax	50,000	-
	50,000	-

Note 8 Cash and Cash Equivalents**Balances with banks :**

On Current Accounts	50,308	44,689
Deposits with original maturity less then three months	-	-
Cash on Hand	42,298	42,298
	92,606	86,987

Other bank balances

Deposits with original maturity more then 12 months	-	-
Deposits with original maturity more then 3 months but less then or equal to 12 months	12,584,536	11,652,303
	12,677,142	11,739,290

Note 9 Short term Loans & Advances

(Unsecured, considered good)

Advances Recoverable in Cash or Kind

Employee Loans	30,000	-
	30,000	-

Note 10 Other Current Assets

	31.03.2013	31.03.2012
	₹	₹
Balances recoverable from government authorities	202,406	26,346
	202,406	26,346

Note 11 Other Income

	31.03.2013	31.03.2012
	₹	₹
Interest income on		
Bank Deposits	1,108,293	652,303
	1,108,293	652,303

Note 12 Employee benefit expenses

	31.03.2013	31.03.2012
	₹	₹
Salaries, wages and bonus	314,990	177,000
	314,990	177,000

Indian Bright Steel Company Limited

Note 13 Other Expenses

	31.03.2013	31.03.2012
	₹	₹
Advertisement Expenses	65,772	33,720
Bank Charges	588	560
Demat Charges	-	12,685
Directors Fees	-	500
Interest on late payment of TDS	759	-
Legal & Professional Expenses	35,504	46,945
Listing Fees	10,724	-
Office Expenses	1,000	-
Payment to Auditors	-	-
For Audit fees	11,236	10,000
For Limited Review	6,000	4,500
For Certifications	-	27,000
For Service Tax	744	4,514
Preferential Issue Expenses	-	110,300
Printing & Stationery	36,065	28,302
Profession Tax	7,500	5,000
ROC Filing Fees	510	11,000
Stock Exchange Mumbai Listing Fees	22,869	11,030
Sundry Balances Written off	1,231	-
	200,502	306,056

Note 14 Earnings per share

	31.03.2013	31.03.2012
	₹	₹
Total Operations for the year		
Profit / (loss) after tax for calculation of basic and Diluted EPS	(719574)	169,247
Weighted Average Number of Equity Shares	1000000	869,671
Basic and Diluted EPS	(0.72)	0.19

Note 15 Segment information

During the year since the company has operated only in one segment, hence the disclosure for the same is not given.

Note 16 Related party disclosure

Name of Related parties and related party relationship with whom transactions have taken place during the year Associates

Vitesse Telecom Private Limited

Key management personnel & Relatives

Mr. Ashish Deora

Mr. Avinash Jajodia

Mr. Alok Jajodia

Note : Related party are as identified by the company and relied upon by the auditors

Related party transactions

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial year:

Loans taken and repayment thereof

	Year	Loans taken	Repaid	Amt payable to related party
Vitesse Telecom Pvt Ltd	2012 - 2013	-	-	120,300
Key management Personnel & Relatives	2012 - 2013	550,000	-	1,360,000

Note 17 Income Tax and Deferred Tax Asset / (Liability)

In the Opinion of the management, and in view of the minimal profits for the current year, losses in the earlier year and carried forward losses under the Income Tax Act, there will not be any liability towards Income tax for the current year.

In view of absence of sufficient profits and future taxable income and consideration of prudence, the Deferred Tax Asset is not recognised by the management.

Note 18 Utilization of money raised through preferential issue

During the year ended 31.03.2012, the company has raised ₹. 11,360,000 through preferential allotment of share, specifically to strengthen the financial position and to meet its funds requirements for execution of new projects either by itself or through joint ventures and for general corporate purposes. Given below are the details of utilisation of proceeds raised through preferential issue.

	31.03.2013	31.03.2012
	₹	₹
Amount raised through Preferential Issue of Shares	-	11,360,000
Unutilised amount at the end of the year	-	11,360,000

Details of Unutilised amounts

Deposits with original maturity more then 3 months but less then or equal to 12 months	12,584,536	11,652,303
--	------------	------------

Note 19 Value of imports calculatd on CIF basis

	31.03.2013	31.03.2012
	₹	₹
Value of imports on CIF basis	Nil	Nil

Note 20 Expenditure in foreign currency (accrual basis)

Expenditure incurred in foreign currency	Nil	Nil
--	-----	-----

Note 21 Imported and indigenous raw materials, components and spare parts consumed

	31.03.2013	31.03.2012
	₹	₹
Imported and indigenous raw materials, components and spare parts consumed	Nil	Nil

Indian Bright Steel Company Limited

Note 22 Earnings in foreign currency (accrual basis)

	31.03.2013	31.03.2012
	₹	₹
Earnings in foreign currency	Nil	Nil

Note 23 Previous year figures

Figures of the previous year have been regrouped/reclassified/rearranged, wherever necessary, to confirm 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 to be read in relation to the amounts and other disclosures to the current year.

For DESAI ASSOCIATES
Chartered Accountants
Firm Registration No. 102286W

SUDHIR K. JAIN
Partner
Membership No. : 120610

Place : Mumbai
Dated : 28th May, 2013

For and on behalf of the Board of Directors of
Indian Bright Steel Company Limited

Manubhai Parekh
Chairman / Director

Ashish Deora
Director

Place : Mumbai
Dated : 28th May, 2013

INDIAN BRIGHT STEEL COMPANY LIMITED

Regd. Office : AB01A, Neelam Centre, Hind Cycle Road, Worli, Mumbai-400030

PROXY FORM

ANNUAL GENERAL MEETING

Regd. Folio No.

Client ID No.

No. of Shares held

I/We ofbeing a
Member/Members of the above named Company hereby appoint Mr./Ms.
of or failing him
of..... as my / our proxy to attend and vote for me/ us on my/our behalf at the Annual
General Meeting of the Company to be held on Saturday, 28th September, 2013 at 10.00 a.m. at Aurum House, 25
Dadyseth Road, Mumbai-400 007.

One Rupee
Revenue Stamp

Place :

Signed:

Date:

Note: Proxy Form must reach the Company's Registered Office not less than 48 (Forty- Eight) hours before the
time of the Meeting.

INDIAN BRIGHT STEEL COMPANY LIMITED

Regd. Office : AB01A, Neelam Centre, Hind Cycle Road, Worli, Mumbai-400030

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Regd. Folio No.

Client ID No.

No of Shares held

To be handed over at the entrance of Meeting Venue.

Name of the attending Member (IN BLOCK LETTERS).....

Name of the Proxy (IN BLOCK LETTERS)

(To be filled in by Proxy attending instead of the Member)

I hereby record my presence at the Annual General Meeting of the Company being held on Saturday, 28th September,
2013 at 10.00 A M at Aurum House, 25 Dadyseth Road, Mumbai-400 007.

Members'/Proxy Signature

Book Post

If undelivered, please return to :

Bigshare Services Pvt Ltd

E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andhari (E) Mumbai 400072