



20th Annual Report
2009-10

SHRI BAJRANG
ALLOYS LTD.

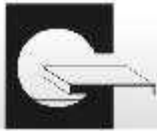
The Mission

To be the preferred brand for the entire range of steel, based on our superlative quality and customer focused strategies designed to delight the customer time after time.

To be recognised as the leader in steel manufacturing benchmarked globally.



Director of the Company receiving award from the former President of India Shri APJ Abdul Kalam

**▶ BOARD OF DIRECTORS AS AT 31ST MARCH 2010**

Mr. Suresh Goel	-	Chairman
Mr. Anand Goel	-	Managing Director
Mr. Narendra Goel	-	Director
Mr. Vikash Kumar Khedia	-	Independent Director
Mr. Dinesh Agrawal	-	Independent Director
Dr. Ramesh Chandra Gupta	-	Independent Director

▶ AUDITORS

R. K. Singhania & Associates

▶ BANKERS

Bank of Baroda, Raipur

▶ LEGAL ADVISOR

V.K. Munshi & Associates

▶ REGISTERED OFFICE

521/C, Urla Industrial Complex,
RAIPUR - 493 221 (C.G.)

▶ WORK

521/C, Urla Industrial Complex,
RAIPUR - 493 221 (C.G.)

▶ REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-33, Pannalal Silk Mills Compound,
L. B. S. Marg,
Bhandup (W), Mumbai - 400078
Phone No. 022-2596 3838, Fax 022-2594 6969

C | O | N | T | E | N | T | S

Notice to the Shareholders	2
Directors' Report	4
Management Discussion & Analysis	8
Report on Corporate Governance	11
Auditor's Certificate on Corporate Governance	18
Auditors' Report	19
Balance Sheet	23
Profit & Loss Account	24
Cash Flow Statement	25
Schedule to Accounts	26
Notes on Accounts	32
Proxy Form and Attendance Slip	

NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Provisions of section 171 & 172 of the Companies Act, 1956)

TO ALL THE MEMBERS OF SHRI BAJRANG ALLOYS LIMITED

Notice is hereby given that the 20th Annual General Meeting of the Company will be held on Tuesday, the 28th day of September 2010 at 10.00 A.M. at the Registered Office of the company, 521/C, Urla Industrial Complex, Raipur (CG) 493221 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the company for the year ended 31st March 2010 and the Balance Sheet as at that date along with the reports of the Directors and Auditors thereon.
2. To re-appoint a retiring Director Mr. Suresh Goel who is retiring by rotation at the ensuing Annual General Meeting and is being eligible offers himself for reappointment.
3. To appoint Mr. R.K. Yadava an Independent Director of the Company in place of Dr. Ramesh Chandra Gupta Independent Director, who is retiring by rotation at this ensuing Annual General Meeting and has expressed his unwillingness in writing to continue his directorship in the Company.
4. To re-appoint M/s. R.K. Singhania & Associates, Chartered Accountants, Raipur, the retiring Auditors as Statutory Auditors to hold the office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(ANAND GOEL)
MANAGING DIRECTOR
PLACE: RAIPUR
DATE: 02.08.2010

Notes :

1. Pursuant to provision of section 176 of the Companies Act, 1956, a member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself on a poll only and the proxy need not be a member of the company. Proxy forms as enclosed herewith the notice should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The notice in writing along with the deposit of Rs. 500/- pursuant to section 257(1) of the Companies Act, 1956 has been received by the Company from Mr. R.K. Yadava, proposing his candidature for the office of Director of the Company.
3. Pursuant to provisions of section 154 of the Companies Act, 1956, the Register of Members and share transfer books of the Company shall remain closed from 21st September 2010 to 28th September 2010 (both days inclusive).
4. The members are requested to immediately notify any change of address for further communication to their depository participants (DPs) in respect of their shares held in dematerialized form in respective electronic share accounts.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm. up to the date of Annual General Meeting.
6. The Members who are holding shares in the identical order of names in more than one folio are insisted to send to the Company the details of such folios together with the share certificates for consolidating their holdings in single folio. The share certificates will be returned to the members after making requisite changes thereon.
7. The members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their queries to the Company at least seven days before the date of meeting so that



the information required may be made available at the meeting.

8. Members are requested to bring their copy of Annual Report to the Meeting and no additional copies will be provided during the meeting.
9. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under section 109A of the Companies Act, 1956 are requested to send the prescribed form 2B to the Registered Office of the Company. The form for the purpose would be made available on demand.
10. Information as required under clause 49 IV (G) of the Listing Agreement with respect to the Directors who are retiring by rotation and being eligible seeking re-appointment and regarding appointment of new Director are as under:
 - a) Information regarding Mr. Suresh Goel proposed for re-appointment as Director:

Mr. Suresh Goel, is a Commerce Graduate having sound commercial and technical maturity. Mr. Suresh Goel joined the Company in the year 1994 and the Company had operated under his leadership since its initial stage. He has vast experience of managing business relating to import, export, rice mill, civil construction, mining contract, projects and steel industry. He has made several significant contributions to the Company's growth and implementation of investment plans and business strategies. He posted the group to the new heights of success and the group never looked back under his Chairmanship. Apart from his engagement in the business he is playing a most active role in the society. Mr. Suresh Goel has been allotted Director Identification No. 00115834.

As on 31st March 2010, Mr. Suresh Goel is holding 67,800 equity shares of Rs. 10/- each of the Company. Mr. Suresh Goel is also holding Directorship in M/s Shri Bajrang Power & Ispat Limited, M/s S.B. Multimedia Private Limited, M/s Shri Bajrang Hydro Energy Private Limited and M/s Shri Bajrang Steel and Power Limited. He is also Chairman of Audit Committee and Remuneration Committee of M/s Shri Bajrang Power & Ispat Limited. He is

not a member of any of the Committee of the Company. Mr. Suresh Goel retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. Because of his vast experience, his re-appointment would be beneficial to the Company.

- b) Information regarding Mr. R.K. Yadava proposed for appointment as Independent Director:

Mr. R.K. Yadava is M.Tech and Ph.d in Metallurgical Engineering from Institute of Technology, Banaras Hindu University. He has around 35 years of industrial and research experience and wide knowledge in the field of metals and engineering materials. Mr. R.K. Yadava had been members of various committees like technical committee formed by IIT Madras, Technical Advisory Committee formed by Small Scale Industries Rajasthan, Expert Committee of Central Electro-Chemical Research Institution Tamilnadu etc. He had also been recipient of visiting fellowship from various renowned Indian and International Institutions. Mr. R.K. Yadava had also served many organizations like M/s Varun Flair Filtration Limited, M/s Balls & Cylpebs Limited, United India Insurance Co. Limited, Department of Sales Tax, Rajasthan and Hindustan Zinc Limited in various dignified capacities. He would bring to the Board for his rich experience and understanding of the business and the Company would be surely be benefitted significantly from his expertise. Because of his vast experience, his appointment would be beneficial to the Company. Mr. R.K. Yadava do not hold any of the shares of the Company nor he hold directorship in any other Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ANAND GOEL)
MANAGING DIRECTOR

PLACE : RAIPUR
DATE : 02.08.2010

DIRECTOR'S REPORT

For the Year ended 31st March 2010
(Pursuant to the provisions of section 217 of the Companies Act, 1956)

To,
The Members

Your Directors have immense pleasure in presenting the 20th Annual Report of the Company with the Audited Statement of Accounts and the Auditors' Report thereon on the business and operations of the Company for the financial year ended 31st March, 2010.

The summarized financial result for the year ended 31st March 2010 is as under:

FINANCIAL RESULTS :

(Rs. in lacs)

PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
Total Turnover & other receipts	17547.50	22028.05
Profit before Interest, Depreciation and Tax	636.22	657.14
Interest	240.14	240.56
Depreciation	93.88	123.09
Profit before Tax	302.20	293.49
Less: Provision for Income Tax & Fringe Benefit Tax	105.90	106.53
Add: Previous year adjustments	5.81	0.43
Add: Net Deferred Tax Asset	4.91	5.73
Net Profit after Tax	207.02	193.12
Add: Balance brought forward from previous year	511.13	418.01
Net Profit after tax and adjustments	718.15	611.13
Transferred to General Reserve	100.00	100.00
Balance transferred to Balance Sheet	618.15	511.13
Earning Per Share (Basic & Diluted)	2.30	2.15

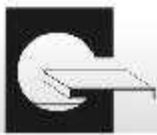
DIVIDEND:

The Directors of your Company do not recommend any dividend for the financial year 2009-10 as the Directors of your Company decided to plough back the profit for utilizing it for the enhancement of the business.

REVIEW OF OPERATIONS:

Your Company is engaged in the business of manufacturing of steels. The Company's financial performance has been adversely affected due to global financial crisis and extraordinary economic environment resulting in slow down of demand and sharp correction in iron and steel products. Revenue for current financial year stood at Rs. 17535.52 Lacs and profit after tax is Rs. 207.02 Lacs as compared to revenue of Rs. 22021.16 Lacs and profit after tax Rs. 193.12 Lacs in the previous financial year. The total sale (manufactured & traded goods) was of 50288.870 MT of value Rs. 17535.52 Lacs as compared to 49105.220 MT of value Rs. 22021.16 Lacs in the previous financial year 2008-09.

Your company has manufactured 47709.36 MT of Structural Steels as compared to 49033.80 MT in the previous financial year 2008-09. The capacity utilization was 79.52% in the current financial year as compared to 81.72% in the previous financial year. The reduction in the capacity utilization was made due to the economic withdrawal. The reduction in the global demand of steel resulted in the declined amount of cross border turnover which was overall reflected in the aggregate turnover of the Company. Although your Company continued to sustain its profitable position as it is better equipped to deal with market turbulence due to relatively stronger domestic demand, it's competitive position in cost of production and growing competence of human resources.

**MARKETING AND EXPORT:**

Export has been extensively less because the price was low as well as the demand was less in the world market. The amount of export of the Company has been tremendously declined during the year due to less demand, the total amount of export in the current financial year is of Rs. 24.27 Lacs as against the Rs. 557.35 lacs in the previous financial year through cross border transactions. Your Directors are positive and hopeful towards the future growth.

DIRECTORS:

The Board consists of executive and non executive directors including the independent directors who have wide and varied experience in different disciplines of corporate functioning. The Directors of the Company are:

1. Mr. Suresh Goel
2. Mr. Anand Goel
3. Mr. Narendra Goel
4. Mr. Vikash Kumar Khedia
5. Mr. Dinesh Agrawal
6. Dr. Ramesh Chandra Gupta

In accordance with the provisions of section 255 and 256 of the Companies Act, 1956 and the Company's Articles of Association Shri Suresh Goel and Shri Ramesh Chandra Gupta, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible Mr. Suresh Goel offer himself for reappointment. Mr. R.K. Yadava has proposed his candidature in writing for appointment as Independent Director of the Company in place of retiring director Dr. Ramesh Chandra Gupta, who has expressed his unwillingness to continue his directorship in the Company.

The proposed Mr. R. K. Yadava is M. Tech and Ph.D in Metallurgical Engineering from Banaras Hindu University, Banaras (UP) and has 35 years experience of research in the field of metallurgical and material engineering. He has been member of many technical committees of renowned institutions like IIT, Madras, Govt. of Rajasthan, Indian Engineering Congress, Central

Electro-Chemical Research Institution, Tamilnadu etc. He had also served many organizations like M/s Varun Flair Filtration Limited, M/s Balls & Cylpebs Limited, United India Insurance Co. Limited, Hindustan Zinc Limited etc. The vast experience of the proposed director is definitely going to benefit the Company. The Board recommends his appointment for your consideration.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, the Directors confirm:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations.
- ii. That they have selected such accounting policies and applied them consistently and made judgments 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 of the Company for that period;
- iii. That they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for preventing and detecting fraud and other irregularities;
- iv. That they have prepared the annual accounts on a going concern basis.

CEO & CFO CERTIFICATION:

The certificate from the Managing Director pursuant to clause 49 (V) of the Listing Agreement has been tabled at the Board Meeting dated 29th June 2010 and is also annexed with this report.

HUMAN RESOURCES:

The Company places emphasis on recruitment, training and development of human resources, which assumes utmost significance in achievement of corporate objectives. Your Company integrates employee growth with organizational growth in a seamless manner through empowerment and by offering a challenging workplace, aimed towards realization of organizational goals.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A):

During the period under report no employee employed throughout the period or part of the period was in receipt of remuneration in excess of the limits prescribed under sub section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 as amended from time to time.

DEPOSITS FROM PUBLIC:

The company has not accepted or renewed any deposits from public as envisaged under Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE:

Your Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under clause 49 of the Listing Agreement with the Stock Exchanges. A Report on Corporate Governance & Shareholder Information together with the Auditors Certificate thereon is annexed as part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

A Management discussion and Analysis as required under Clause 49 of the Listing Agreement is annexed and forming part of the Director's Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the

Report of the Board of Directors) Rules, 1988 are as under:

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.
- (b) Information in respect of Foreign Exchange Earning and Outgo are :

Particulars	F.Y. 2009-10	F.Y. 2008-09
Earning	24.27 lacs	557.35 lacs
Outgoing	2.37 lacs	137.21 lacs
Net Amount	21.90 lacs	420.14 lacs

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

Information on Conservation of Energy, required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, is given herein under:

A. CONSERVATION OF ENERGY

Your Company recognizes the vital need to conserve energy and give due importance to the reduction of power consumption in its manufacturing processes. During the year under review the following energy conservation measures have been implemented:-

- Use of energy efficient lights.
- Monitoring of insulation resistance of motors to reduce dielectric losses.
- Use of good quality lubricants to reduce frictions.

DETAILS OF POWER AND FUEL CONSUMPTION

S.N.	PARTICULARS	F.Y. 2009-10	F.Y. 2008-09
1.	ELECTRICITY		
a	Units Consumed (in KWH)	2924700	2815766
b	Total Cost (in Rs.)	1,34,19,794	1,34,02,339
c	Rate per Unit (in Rs.)	4.59	4.76
d	Own Generation	NIL	NIL



S.N.	PARTICULARS	F.Y. 2009-10	F.Y. 2008-09
2.	FURNACE OIL		
a	Quantity Consumed (in Ltrs)	2759370	2786631
b	Total Cost (in Rs)	6,63,30,858	7,27,06,382
c	Rate Per Ltrs. (in Rs)	24.04	26.09
3.	OXYGEN GAS		
a	Quantity Consumed (in Cu. Mtr.)	148753.50	110722.50
b	Total Cost (in Rs)	14,87,888	10,80,282
c	Rate Per Cu. Mtrs. (in Rs)	10.00	9.76
4.	CONSUMPTION PER UNIT OF PRODUCTION		
a	Production of M.S. Structural (in MT)	47709.360	49033.800
b	Electricity (in KWH)	61.30	57.43
c	Furnace Oil (in Ltrs.)	57.84	56.83
d	Gas (in Cu. Mtrs)	3.12	2.26

B. TECHNOLOGY ABSORPTION

Efforts in brief made towards technology absorption, adaptation and innovation:

- The Company has its own testing laboratory well equipped with modern machines and equipments for ensuring the quality.
- All the ranges of products offered by the Company to its valuable clients are all ISI marked known for its best quality products.
- Constant monitoring of process and technology up gradation taking place in advance countries and to offer similar products through in-house R & D as well as through progressive manufacturing activities. The Company is in the process of further improving its quality control methods and testing facilities.
- Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.
- Benefits derived as a result of above efforts – Improved product quality.

AUDITORS:

M/s. R.K. Singhania & Associates, Chartered Accountants, Raipur, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting of the company. They being eligible for reappointment have expressed their consent to be reappointed for the financial year 2010-2011. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Your Directors recommend for their reappointment.

AUDITOR'S REPORT:

The copy of the Annual Report for the year ending 31st March 2010 along with the Auditor's Report thereon and is annexed with the Director's Report. There are no qualification remark made by the Auditors in their report hence no reply is required in this regard.

ACKNOWLEDGEMENTS:

Your Directors record their sincere appreciation for the assistance, support and guidance provided by Banks, Customers, Suppliers, Regulatory & Government Authorities, Business Associates and Stakeholders. Your Directors also thank the Employees of the Company for their contribution and commitment towards your Company performance and growth during the period under review. Your Directors look forward for your continuing support.

FOR AND ON BEHALF OF THE BOARD

Sd/-
(SURESH GOEL)
CHAIRMAN

PLACE: RAIPUR
DATE: 29.06.2010

MANAGEMENT DISCUSSION AND ANALYSIS

The business operation of the Company deals with the steel products and has been reclassified on global nomenclature. Both the domestic and global markets present exciting opportunities for the Company while the domestic market is expected to grow in double digit in near future, the global generic market is also expanding rapidly. Market capabilities and distribution network being strengthened to meet out the requirement in domestic as well as cross border market. The management of your Company is pleased to present the discussions and analysis on the industry structure, developments, future outlook and operating and financial performance.

OVERVIEW :

The business operations of the Company has completed another years of its operation. Your Company shall continue to grow rapidly in the coming years to emerge as a leading player in the Steel Industry in order to deliver sustainable growth and create value for shareholders. During the F.Y. 2009-10 your company registered decline of 20.37% in revenue to Rs. 17535.52 Lacs inspite of decrease in revenue although witnessed a 2.97% increase in PBT to Rs. 302.20 Lacs and 7.20% increase in PAT to Rs. 207.02 Lacs due to indifferent market condition and economic recession. The Company witnessed decrease in the expenditure by 15.22% in the current financial year due to cost cutting policy.

DESCRIPTION:

Today, Steel is one of the most common materials in the world, with more than 1300 million tons produced annually. It is a major component in buildings, infrastructure, tools, ships, automobiles, machines, appliances, and weapons. The steel industry grew out of the need for stronger and more easily produced metals. The demand for steel is always on the upside because of constant increased want for steel in the various sectors. Steel and the recycled material are among the top products in the manufacturing sector of the world, especially in Asian countries that literally dominate the

steel industry. India has recently started to become one of the fastest growing steel industries, and thus came to be considered as possible global steel hub, at an international level. Every passing day, the steel industry is becoming more and more of a competitive sector.

GLOBAL STEEL INDUSTRY – PERSPECTIVE:

The world steel industry now seems firmly set on a path to recovery from the downstream of previous year's recession. The steel industry is a booming one, experiencing increased demand, especially as a result of development projects existing worldwide ongoing attempt to improve infrastructure as well as real estate projects, which, for the past years have become a billion-dollar industry not only in highly developed countries, but also in developing countries. The global steel production decreased 7.7 percent in 2009-10 but its apparent use is expected to grow by 10.7 percent in 2010-11, on strong demand from the emerging economies, this represents an improved figure over the year 2009-10 forecast for 2010-11.

As per the statistics the world has produced 1,226 million metric tonnes (mmt) of steel in 2009, down from 1,329 mmt in 2008, as the worst global financial downturn lead way for weaker demand for the steel. According to the latest figures from the World Steel Association, China's voracious appetite for steel that persisted even in the global financial crisis has boosted its crude steel output by 13 percent to 568 million tonnes in 2009-10, making it as the world's largest producer. With these projections, global steel demand in 2010-11 will exceed pre-crisis levels of 2007. However, the organization forecasts world steel demand to grow by 5.3 percent to reach a historical high of 1,306 mmt in 2010-11. The emerging economies, especially China, will play a major role in enabling the earlier than expected recovery of world steel demand.

**DOMESTIC STEEL INDUSTRY – PERSPECTIVE:**

Indian Steel Industry is going gaga in the world steel market because of the demand for steel generated around the world especially by the developing countries. India has emerged as the world's third-biggest steel producer, producing 63 mmt, up 14 percent from last year mainly due to modernization and expansion programmes of public sector firms like Steel Authority of India (SAIL) and Rashtriya Ispat Nigam Limited (RINL), surpassing U.S. and Russia. India's steel demand maintained stable growth during the crisis and is expected to grow by 13.9 percent and 13.7 percent in 2010-11 and 2011-12 respectively, after 7.7 percent in 2009-10. India being one among the fastest growing economies of the world has been considered as one of the potential global steel hub internationally. Based on the forecast, the country is expected to become the second largest steel producing nation by 2012 with a targeted production capacity of 120 mmt.

PRICES VIEW:

Steel prices gradually started to recover since the third quarter of 2009-10 due to increases in demand, higher levels of economic activity and falling inventories. Steel prices had collapsed in late 2008 and continued to decline during the first half of 2009-10. Globally, unprecedented demand growth of steel from China in the past few years has played a major role in the movement of international steel prices. During the year 2010-11 steel prices have softened to the range of US\$ 500-600 per MT. As a result, margins of steel players are under pressure during the year.

OPPORTUNITIES & THREATS:

Your Company builds on its strength of locational advantages, raw material linkages, technology edge and management expertise to seize opportunities in the iron & steel industry. The steel industry has enough potential to grow at a much accelerated pace in the coming future due to the continuity of the developmental projects around the world. Your Company is presently working near its productive capacity which needs

to be increased with increasing demand. New innovations are also taking place in steel industry for cost minimization and production maximization. Your Company is capital intensive, cyclical, highly competitive and has historically been characterized by overcapacity and the associated workforce are highly knowledgeable and experienced. The automobile industry in India, one of the main demander of steel, has a steep upward moving slope. The construction and infrastructure industry, big demander of steel are also on upward slope due to the govt. policy regarding emphasis on developmental works.

The threats for your Company would come from adverse fluctuations in input and output capital costs, foreign exchange variations, taxes and duties. The buoyancy in Iron & Steel sectors has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Key steel consuming industries such as auto, shipbuilding and construction have been experiencing weak demand in the last few quarters, forcing steel makers to slacken production levels. Financial crunch, coupled with high cost of input, severely will affect the profits of steel companies. The Indian steel industry has raw materials, but these needs to be turned better and in accordance with standardized international demand.

PERILS & CONCERNS:

The risk of increased volatility of raw material prices remains a major concern to the steel industry and its customers during 2010. More-than-sufficient stockpiles have been weighing steel prices, a situation further complicated by the domestic steel consumers, who are importing relatively cheaper steel from China. This pressurizes steel prices even further. The Industry continues to be impacted by the problem of parallel imports and increasing incidents of counterfeit, spurious and low quality steel products, which could be detrimental to the Indian society and also damaging India's image in the International market. The high cost of electricity in India may hamper the steel industry's production and profitability level.

FINANCIAL PERFORMANCE VIZ A VIZ OPERATIONAL PERFORMANCE:

The income from operations has decreased from Rs. 22021.16 Lacs in the previous financial year 2008-09 to Rs. 17535.52 Lacs in the current financial year 2009-10. Although the amount of profit after tax increased from Rs. 193.12 Lacs in F.Y. 2008-09 to 207.02 Lacs in F.Y. 2009-10.

RISK MANAGEMENT:

Your Company has identified the major thrust areas to concentrate on, which it believes to be critical to achievement of organizational goals. A well defined structure has been laid down to assess, monitor and mitigate risks associated with these areas, briefly enumerated below:

1. Foreign Exchange – Your Company deals in foreign exchange in exports of finished products as well as in the forward foreign exchange contracts. Necessary guidance is provided by the forex consultant on mitigating foreign exchange exposure.
2. Systems – Your Company has planned to implement Enterprise Resource Planning (ERP) Software to integrate its operations and to use best business and commercial practice. ERP is in its processing phase and your company has appointed a support partner for smoother implementation.
3. Statutory Compliances - Procedure is in place for monthly reporting of compliance of statutory obligations and reported to the Board of Directors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has clearly laid down proper internal control system which provide for automatic checks and also provide for the effectiveness and efficiency to ensure that all the assets are protected against and that the financial and operational information is complete and accurate and regular review of the Audit Committee of the Company's processes, systems and procedures ascertained during the course of their audit.

Audits are finalized and conducted based upon the internal risk assessment. Emphasis is placed on adequacy, reliability and accuracy of dissemination of the financial data and information. Compliance issues are given utmost importance and reported regularly to the Board.

HUMAN RELATIONS:

We lay special emphasis to the human resources functions in our organizations and believe that our work opportunities and competitive compensation policies help us in attracting and retaining our personnel.

We have an elaborate performance management system in place involving goal setting and periodic reviews involving confirmation and annual reviews. The review sessions impress upon several aspects of the professionals careers such as career and competency development, financial rewards and recognition. We endeavor to link careers to competencies, individual preferences and organizational needs.

SAFETY:

Safety management is integrated with the Company's overall environment, health and safety (EHS) management and zero accident is taken up as the Company's goal. The following measures have been taken by the Company:

- Identification of hazard and risk present in the work environment and its rectification.
- Continuous monitoring of unsafe conditions and unsafe acts through safety inspections.
- Specific job safety awareness on continuous basis.

OUTLOOK:

The outlook for the steel sector in India remains positive. The Government of India has laid special emphasis on development of infrastructure with huge investments in power, roads & highways, railways, housing, oil and gas etc which shall drive demand. Your Company with a well defined product portfolio is well poised to take advantage of the growth in iron and steel demand.

**ENVIRONMENT FRIENDLY OPERATIONS:**

Environmental protection is prime concern for us and we are aware of our core responsibility to the society. The Company's plant complies with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspection for the maintenance of environment, health and safety. The company has adequate effluent treatment plant to avoid pollution. The Company is continuously endeavoring to improve the quality of life in the community surrounding its industrial complex.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include, among other things, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the government regulations, tax laws and other statutes and incidental factors.

FOR AND ON BEHALF OF THE BOARD

Sd/-
(SURESH GOEL)
CHAIRMAN

PLACE: RAIPUR
DATE: 29.06.2010

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the listing agreement)

1. COMPANY'S PHILOSOPHY:

Corporate Governance is not something which can be governed by a statute, but it is environment of good self moral conduct. Good Corporate Governance is characterized by a firm commitment and adoption of ethical practices by an organization across its entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders in both good and bad times. The basic objective of Corporate Governance is to build up an environment of trust and confidence amongst those having compelling and conflicting interest to enhance shareholders value and protect the interest of other stakeholders by enhancing the corporate performance and accountability.

Your Company is a congregation of various stakeholders, namely customers, employees, investors, vendor partners, government and society. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with balanced mix of experts of eminence and integrity. It is about openness, integrity and accountability, these substances is inexorably linked to the mindset and ethical standards of management. The Company prominences the concept of Corporate Governance by embracing and demonstrating the ethical conduct. Your Company had some values to which it stuck through thick and thin, it is these values which had helped to develop a corporate culture and the requisite focus over the superordinate goals and to overcome the challenges which an enterprise has to constantly meet.

In line with this, we are pleased to inform you that, as on 31st March 2010, the Company is in compliance with all the requirements of Clause 49 of the Listing Agreement. The necessary disclosures as required under Clause 49 of the Listing Agreement have been covered in this Annual Report.

2. BOARD OF DIRECTORS:**Composition:**

Presently, the Board of Directors of the Company is

comprised of six Directors out of which three are Non-Executive Directors and Independent Directors who bring in a wide range of skills and experience to the Board. The Company has Executive Chairman and the number of Independent Directors is one-half of the total number of Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

11 (Eleven) meetings of the Board were held on the following dates during the year ended 31st March 2010:

1. 20th April 2009.
2. 23rd May 2009.
3. 30th June 2009.
4. 31st July 2009.
5. 31st Oct 2009.
6. 30th Jan 2010.
7. 1st Feb 2010.
8. 11th Feb 2010.
9. 2nd Mar 2010.
10. 30th Mar 2010.
11. 31st Mar 2010.

The attendance record, names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them in other Companies as on 31st March, 2010 are given as under:

Name of the Directors	Category of Directors	No. of other Directorship held*	No. of Board Meetings attended	Last AGM attended	No. of other Board committees member/ chairman**
Mr. Suresh Goel	Chairman - Executive	02	11	Present	01 (Chairman)
Mr. Arvind Goel	Managing Director, Executive	01	11	Present	None
Mr. Narendra Goel	Executive	02	11	Present	None
Mr. Vikash Kumar Khedia	Non Executive, Independent	01	4	Present	None
Mr. Dinesh Agrawal	Non Executive, Independent	01	4	Present	None
Dr. Ramesh Chandra Gupta	Non Executive, Independent	Nil	4	Absent	None
Total No. of Directors (6 / Six)					

*Excluding directorship in Private Limited Company, Foreign Companies and Companies less 25 of the Companies Act, 1956.

**Only two committees, namely, Audit Committee, Shareholders' Investor Grievance Committee have been considered.

Independent Directors is as defined as per Clause 49 of the Listing Agreement.

Dr. Ramesh Chandra Gupta is going to retire by rotation at the ensuing Annual General Meeting and also expressed his unwillingness to continue his directorship.

None of the Directors on the Board, as depicted from the above mentioned table, is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all the Companies in which he is a member.

3. AUDIT COMMITTEE:

Constitution and Composition

The Broad terms and reference of Audit Committee are to discuss the annual work programme and the depth and detailing of the audit plan to be undertaken by the auditor, examine and review the documentation and to recommend to the board either the appointment / reappointment / removal of the statutory auditor, along with the annual audit remuneration. It also review the financial statements before submission to Board, to review reports of the Internal Audit and review weaknesses in internal controls reported by management and review the functioning of the Whistle Blower mechanism, in case the same is existing. The Audit Committee also have regard to the entire profile of the audit firm, its responsible audit partner, experience of handling audit for similar sized companies. In addition, the powers and role of the Audit Committee are as laid down under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

Meetings & Attendance during the year

The Audit Committee is constituted of Three Independent Directors. The detailed composition, meetings of the members of the Audit Committee is given below:

Name of the Chairman/ Member	Status	No. of Meetings	
		Held	Attended
Shri Dinesh Agrawal	Chairman (Non Executive Independent Director)	4	4
Shri Vikash Kumar Khedia	Member (Non Executive, Independent Director)	4	4
Dr. Ramesh Chandra Gupta	Member (Non Executive Independent Director)	4	4



The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Statutory and Internal Auditors are also invited to the meetings. All the members of the Audit Committee are financial literates as required by the revised Clause 49 of the Listing Agreement.

The Audit Committee met four times during the year under review on the following dates:

1. 30th June 2009.
2. 31st July 2009.
3. 31st Oct 2009.
4. 30th Jan 2010.

The functioning and terms of reference of the Audit Committee, the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges as are in force/ applicable from time to time.

4. REMUNERATION COMMITTEE:

Constitution and Meetings

The terms of reference of the said committee are as follows:

- I. To determine on behalf of the Board and on behalf of the shareholders, the company's policy on specific remuneration packages for executive directors.
- II. To approve the payment of remuneration to managerial personnel as per the policy laid down by the committee.

The Remuneration Committee met Two times during the financial year 2009-10 on 30th June 2009 and 30th January 2010.

The constitution of the Committee as at 31.03.2010 and the attendance of each member are as given below :

Name of the Chairman/ Member	Status	No. of Meetings	
		Held	Attended
Dr. Ramesh Chandra Gupta	Chairman (Non Executive, Independent Director)	2	2
Mr. Vikash Kumar Khedia	Member (Non Executive, Independent Director)	2	2
Mr. Dinesh Agrawal	Member (Non Executive Independent Director)	2	2

Details of the remuneration paid to all the Directors:

NAME OF DIRECTOR	DIRECTORS CATEGORY	SALARY (Inclusive of all)
Mr. Suresh Goel	Chairman	Rs.900000/- Per Annum.
Mr. Anand Goel	Managing Director	Rs.900000/- Per Annum.
Dr. Ramesh Chandra Gupta	Independent Director	Rs. 18000/- Per Annum (Sitting Fees).
Mr. Vikash Kumar Khedia	Independent Director	Rs. 18000/- Per Annum (Sitting Fees).
Mr. Dinesh Agrawa	Independent Director	Rs. 18000/- Per Annum (Sitting Fees).

Remuneration Policy

The Remuneration Committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy the Committee takes into consideration the remuneration practices of Companies of similar size, stature and the industry standards. It also recommends and monitor the level and structure of pay for senior management.

The Directors compensation is based on their individual goals which are linked to the organizational goals. Executive Directors (ED) are paid subject to the approval of the Board and of the Company in General Meeting, on such terms and conditions as per the agreements entered into by them and Company. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committee's attended by them.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders / Investors Grievance Committee met four times during the Financial Year 2009-10 on 30th June 2009, 31st July 2009, 31st October 2009, 30th January 2010. The constitution of the Committee as at 31.03.2010 and the attendance of each member are given below:

Name of the Chairman/ Member	Status	Meetings attended
Mt. Anand Goel	Chairman (Executive Director)	04
Mt. Dinesh Agrawal	Member (Non Executive Independent Director)	04
Dr. Ramesh Chandra Gupta	Member (Non Executive Independent Director)	04

The terms of reference of the said committees are as follows:

1. Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.
2. Periodically interaction with the Registrar and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders / Investors Grievances redressal system and to review the report on the functioning of the said investor grievances redressal system.
3. Follow-up on the implementation of suggestions for improvement.
4. Periodical review to the Board of any major concern, if any.

Although, there were no outstanding complaints as on 31st March 2010.

6. CORPORATE ETHICS:

The Company adheres to the highest standards of business ethics, compliance with the statutory and legal requirements and commitment to transparency in business dealings. A code of conduct for Board Members and senior management and a code of conduct for

prevention of Insider Trading as detailed below have been adopted pursuant to clause 49 of the Listing agreement & the Securities Exchange Board of India (Insider Trading) Regulation. The code is applicable to all directors and specified senior management executives. The code impresses upon directors and senior management executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duty.

A Declaration by the Managing Director affirming compliance of Board members and senior management personnel to the code is also annexed herewith.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under clause 49 (1) (d) of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

For, Shri Bajrang Alloys Limited

Sd/-

(Anand Goel)
Managing Director

7. DISCLOSURES:

- a. A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of material individual transactions with related parties that are in the normal course of business are placed before the audit committee. There are no material transactions with related parties, which require separate disclosure or have potential conflict with interests of the Company. A comprehensive list of transactions entered into with the

related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India is given as a separate Schedule to notes on accounts as point no. 9 in the Annual Report.

- b. The Company has followed all relevant accounting standards while preparing the financial statements.
- c. The risk management issues are discussed in detail in the report of Management Discussion and Analysis. Since the risk control framework is new to Indian corporate culture, it is being strengthened on a continuous basis.
The Board, its audit committee and its executive management must collectively identify the risks impacting the company's business and document their process of risk identification, risk minimization, risk optimization as a part of risk management policy or strategy.
- d. There were no public issues, right issues, preferential issues etc. during the Financial Year 2009-10 under review.
- e. Management Discussion and Analysis report has been given as a separate chapter in the Annual Report.
- f. The amount of Rs. 18,00,000/- (inclusive of all) per annum was paid as managerial remuneration to the executive directors of the Company and Rs. 54000/- per annum was paid as sitting fees to the Independent Directors of the Company.
- g. Comprehensive insider trading disclosure guidelines in line with the SEBI Regulations have been adopted by the Board in which the procedure to be followed by all the key managerial persons, staff and other relevant business associates for disclosure of all security transactions of shares of the Company on the basis of any unpublished price sensitive information relating to the Company.
- h. The NIL no. of equity shares were held by Non Executive Directors in the company.

8. WHISTLE BLOWER POLICY:

The Whistle Blower Policy (WBP) adopted by the Company in line with clause 49 of the Listing Agreement, encourages all employees, officers and directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, providing for adequate safeguards against victimization of employees who avail of the mechanism and also allow direct access to the Audit Committee. The Whistle Blower policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the code or any other unethical or improper activity misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

9. ANNUAL GENERAL MEETING:

The details of date, time and location of Annual General Meeting (AGM) held in last three years are as under:-

Meeting of the year	Date & Time	Location	Whether any special Resolution Passed	Special Resolution through Postal Ballot
2006-07	28th Sept, 2007 11.00 A.M	521-C, Urla Industrial Complex, Raipur (CG)	-yes-	-no-
2007-08	30th Sept, 2008 11.00 A.M	521-C, Urla Industrial Complex, Raipur (CG)	-no-	-no-
2008-09	25th Sept, 2009 11.00 A.M	521-C, Urla Industrial Complex, Raipur (CG)	-no-	-no-

10. MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly financial results and reports are sent to the stock exchanges immediately after they are approved by the Board. These are also published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the Company is located.

The Company has designated the following e-mail ID exclusively for investor servicing that is investors.sbat@sily.com.

**11. GENERAL SHAREHOLDERS INFORMATION :
Annual General Meeting for the year ended 31st March 2010**

Date	28th Sept. 2010
Time	10:00 a.m.
Venue	521/C, Urla Industrial Complex, Rapur (CG) 493221
Dates of Book Closure	21st Sept 2010 to 28th Sept 2010 (Both day inclusive)
Dividend payment date	No. dividend has been recommended for the year 2009-10.

Financial Calendar (Tentative)

Unaudited Financial Results of the Financial year 2010-11

First quarterly results	On or before 15th Aug. 2010
Second quarterly results	On or before 15th Nov. 2010
Third quarterly results	On or before 15th Feb. 2011
Annual results for the year ending 31st March 2011.	May 2011
Annual General Meeting for the year ended 31st March 2011.	On or before 30th Sept. 2011

Listed on	Bombay Stock Exchange (BSE)
Stock Code	Scrip Code - 526981 ISIN No. - INE 402H01015
Registrar and Share Transfer Agent for Physical and Electronic connectivity	LINK INTIME INDIA PVT. LTD. C-33, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W) Mumbai - 78 Ph. No. (022) 25963838 Fax: 25946969

Share transfer system:

Share Certificates received in Physical mode for transfer purposes, processed and if certificate is valid and complete in all respect, have been registered and New Certificates have been sent within thirty days of receiving the same.

The Company has obtained from a Company Secretary in Practice Half yearly Certificate of Compliance regarding share transfer as per the requirement of Clause 47(c) of the Listing Agreement and filed a copy of this certificate to the Stock Exchange.

Market Price Date

Market Price Data: High, Low and Closing price of the Company's Equity shares in Bombay Stock Exchange Ltd., Mumbai during each month from April, 2009 to March, 2010 are as under (as available from the BSE website) :

Month	High	Low	Closing
Apr.-09	28.12	13.80	28.12
May-09	35.50	26.75	33.40
Jun.-09	34.15	26.55	29.00
July-09	30.35	20.20	24.80
Aug.-09	32.00	21.20	30.60
Sep.-09	34.75	23.05	31.80
Oct.-09	36.95	23.30	26.00
Nov.-09	33.60	21.00	25.00
Dec.-09	28.50	23.25	26.00
Jan.-10	37.05	22.80	26.25
Feb.-10	31.50	24.60	27.40
Mar.-10	33.95	22.65	22.80

Distribution of Share holding as on 31st March 2010.

S.No.	Category	No. of held Shares	Percentage
1	Promoters (including person acting in concert)	5361585	59.57
2	Corporate Bodies	1443592	16.04
3	General Public	2176004	24.18
4	Clearing Members	18819	0.21
	TOTAL	9000000	100.00

**Distribution of Share holding (Size Wise)
as on 31.03.2010**

Shareholding of No. of Shares.	No. of Share- holders	Percentage of Total Shareholders	No. of Shares held	Percentage of Total Shares
1-500	1244	67.79	295390	3.28
501-1000	289	15.75	209941	2.33
1001-2000	121	6.59	176585	1.96
2001-3000	48	2.62	127425	1.42
3001-4000	18	0.98	68436	0.76
4001-5000	20	1.09	95079	1.06
5001-10000	38	2.07	266850	2.96
10001-200000	57	3.11	7760292	86.23
Total	1835	100.00	9000000	100.00

**Dematerialization of Shares & Liquidity**

The Company's shares are available for Dematerialization with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2010 the status of Dematerialization is as under:

Held in Dematerialized Form in CDSL	1063444
Held in Dematerialized Form in NSDL	7621641
Held in Physical Form	314915

Outstanding ADRs / GDRs / Warrants or any convertible Instrument, Conversion dates and likely to impact equity.

There are no GDRs / ADRs pending for conversion into equity shares.

Plant Locations

521/C, Urla Industrial Complex, Urla, Raipur – 493 221

Address for Correspondence

Shri Bajrang Alloys Limited
521/C, Urla Industrial Complex, Raipur – 493 221
Ph. No. 0771-4288000, Fax: +91 771 4288001

Share Transfer Agent :

LINK INTIME INDIA PVT LTD.
C-33, Pannatal Silk Mills Compound,
L.B.S. Marg, Bhandup (W) Mumbai – 400 078
Phone No. (022) 25963838 Fax: (022) 25946969

Compliance Certificate of the Auditors

Certificate from the Auditors of the Company M/s. R.K. Singhania & Associates, containing compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report.

For and on behalf of the Board of Directors

Sd/-
(SURESH GOEL)
Chairman

Date : 29.06.2010
Place: Raipur

CERTIFICATE OF CHIEF EXECUTIVE OFFICER/ CHIEF FINANCIAL OFFICER

To

**The Board of Directors
Shri Bajrang Alloys Limited
Raipur (CG)**

I have reviewed the financial statements and the cash flow statement for the financial year 2009-10 and hereby certify that to the best of my knowledge and belief :-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violate the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control system for the purpose of financial reporting of the Company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems for the purpose of financial reporting and that I have taken the required steps to rectify these deficiencies.
5. I further certify that:-
 - a) There have been no significant changes in internal control during this year.
 - b) There have been no significant changes in accounting policies during this year.
 - c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Sd/-
(ANAND GOEL)
Managing Director
Date : 29.06.2010

Auditor's Certificate on Corporate Governance

To The Members of
SHRI BAJRANG ALLOYS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shri Bajrang Alloys Limited, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

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

For, **R.K. Singhania & Associates**
Chartered Accountants

Sd/-
(Ramesh Kumar Singhania)
Partner
Membership No. - 41880

PLACE : RAIPUR (C.G.)
Date : 29.06.2010

R.K. Singhania & Associates

CHARTERED ACCOUNTANTS

205, 1st FLOOR, SAMTA COLONY, RAIPUR – 492 001 (C.G.) INDIA

Phones : 91-771-2255744-45, 4036066, Fax : 91-771-2254188

E-mail: info@rksca.com, rkscaryp@yahoo.co.in Website: rksca.com

AUDITORS REPORT

**To the members of
SHRI BAJRANG ALLOYS LIMITED**

1. We have audited the attached Balance Sheet of Shri Bajrang Alloys Limited as at 31st March 2010 and the Profit and Loss Account 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comment 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 such books.

- (iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- (v) Based on written representations received from all directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 annexed accounts read together with notes and the significant accounting policies give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view: -
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - b) In the case of the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date, and
 - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For, R.K. Singhania & Associates
Chartered Accountants

Sd/-
(Ramesh Kumar Singhania)
Partner
Membership No. - 41880
FRN. 004435C
Raipur, 29th June 2010

Annexure to the Auditors' Report

Re: Shri Bajrang Alloys Limited

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

- i) (a) The Company has generally maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in phased verification programme, which, in our opinion is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of substantial part of fixed assets during the year, which has any effect on going concern of the Company.
- ii) (a) As explained to us, physical verification of inventory have been conducted at reasonable intervals during the year by the management.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records of the company, we are of the opinion that, the company is maintaining proper records of inventory. No discrepancies have been noticed on verification between physical stocks and the book records.
- iii) (a) Company has not granted any loan secured or unsecured to company, firm or other person covered in the registered maintained u/s 301 of Companies Act and therefore sub clause (b), (c), (d) of clause (iii) are not applicable.
- (e) Company has taken unsecured loan from parties covered in the register maintained u/s 301 of the Companies Act, 1956 and maximum amount outstanding during the year Rs.6,77,11,529/- (Previous Year Rs.6,79,79,366/-.) The Year end balance Rs.5,63,87,655/- (Previous Year Rs.1,79,79,366/-.)
- (f) According to the information and explanations given to us, rate of interest and other terms and conditions on which loan was taken is not prima facie prejudicial to the interest of the company.
- (g) Payment of interest and principal are generally regular.
- iv) In our opinion and according to the information and explanations given to us the internal control procedures regarding purchase of inventory, fixed assets and for the sale of goods are adequate and the same are commensurate with the size of the company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) (a) In opinion and according to the information and explanations given to us, contracts and arrangements that need to be entered into the Registers in pursuance of section 301 of the Act, have been so entered.



- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs rupees in respect of any party during the year have been reasonable having regard to the prevailing market prices at the relevant time.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from public during the year; therefore, the provisions of clause 4(vi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- vii) The company is a listed company and in our opinion the Company has adequate internal audit system commensurate with its size and nature of its business.
- viii) As explained to us, no order has been made by the Central Government for the Audit of the cost records Under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the company.
- ix) (a) As explained to us there was no amount outstanding as on 31.03.2010 in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax,

Excise Duty and Cess outstanding as on 31.03.2010 which has not been deposited on account of any dispute except following :

Statute	Nature	Amount involved (Rs '000)	Period	Forum where dispute is pending
Central Sales Tax Act, 1956	CGST	563.11	2001-02	Commissioner (A)
and State Sales Tax Act	CST	306.83	2001-02	Commissioner (A)
	CGST	115.06	2002-03	D.C.C.T. (Appeal)
	CST	379.36	2002-03	D.C.C.T. (Appeal)
	CST	198.39	2003-04	D.C.C.T. (Appeal)
	CST	433.51	2005-06	D.C.C.T. (Appeal)
	CST	337.17	2006-07	D.C.C.T. (Appeal)
	CGST	474.66	2006-07	D.C.C.T. (Appeal)
Central Excise Act, 1944	CEN-VAT	292.37	2007-09	C.C.E. (Appeal)

- x) The Company does not have any accumulated losses and has not incurred cash losses during the end of the financial year covered by our audit. Therefore, the provisions of clause 4(x) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment due to financial institution or Banks. Therefore, the provisions of clause 4(xi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xii) In our opinion and according to information and explanations given to us, the company has not granted loan and advances on the basis of security by way of pledge of share, debenture and other security.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub clause (a), (b), (c), (d) of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.

- xiv) In our opinion and according to information and explanations given to us, the company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debenture and other investments have been held by the company in its own name.
- xv) The Company has given corporate guarantees for loans availed by the others. The terms and conditions whereof, in accordance with information and explanations furnished to us, are not, prima facie, prejudicial to the interest of the Company.
- xvi) The Company has not obtained any term loan during the year. Therefore, the provisions of clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the company, we are of the opinion that the Company has not utilized any amount from short term sources towards long term investments.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xix) The Company has not issued any debenture; therefore, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xx) The Company has not raised any fund by public issue during the year. Therefore, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xxi) To our best of knowledge and according to information and explanations given to us, the Company has not been noticed or reported any fraud during the year. Therefore, the provisions of clause 4(xxi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

For, R.K. Singhania & Associates
Chartered Accountants

Sd/-
(Ramesh Kumar Singhania)
Partner

Membership No. – 41880
FRN. 004435C
RAIPUR, 29th June, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010 (RUPEES)	AS AT 31.03.2009 (RUPEES)
I. SOURCE OF FUNDS:			
(1) <i>Shareholders' Funds :</i>			
(a) Share Capital	A	90000000	90000000
(b) Reserves & Surplus	B	105374524	84672086
(2) <i>Loan Funds :</i>			
(a) Secured Loans	C	231960055	181717652
(b) Unsecured Loans	D	318591839	29611313
(3) <i>Deferred Tax Liability :</i>		4065048	4556061
	TOTAL	749991466	390557112
II. APPLICATION OF FUNDS:			
(1) <i>Fixed Assets</i>			
(a) Gross Block	E	148047979	143545757
(b) Depreciation	E	113639059	104451999
(c) Net Block		34408920	39093758
(d) Capital Work in Progress		18682793	18682793
(2) <i>Investments</i>	F	11331133	11651500
(3) <i>Current Assets, Loans and Advances :</i>			
(a) Inventories	G	318064215	233687639
(b) Sundry Debtors	H	212655652	71154399
(c) Cash & Bank Balances	I	11290996	906084
(d) Loans, Advances & Deposits	J	196601052	81695029
		738611915	387443151
<i>Less : Current Liabilities and Provisions</i>	K		
(a) Liabilities		40832690	54172790
(b) Provisions		12210605	12141300
<i>Net Current Assets</i>		685568620	321129061
	TOTAL	749991466	390557112

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

As per our attached report of even date

For, **R.K.Singhania & Associates**
Chartered Accountants

Sd/-
(Ramesh Kumar Singhania)

Partner
Membership No. - 41880
Raipur, 29th June, 2010

T

For and on behalf of the Board

Sd/-
ANAND GOEL, Managing Director

Sd/-
NARENDRA GOEL, Director

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2010 (RUPEES)	FOR THE YEAR ENDED 31.03.2009 (RUPEES)
I. INCOME:			
Gross Turnover		1753552077	2202116088
Less: Excise Duty recovered on sales		122642153	244345142
Net Turnover		1630909924	1957770946
Other Income	L	1197785	689099
Increase/(Decrease) In stock	M	6047333	(32429001)
	TOTAL	<u>1638155042</u>	<u>1926031044</u>
II. EXPENDITURE:			
Raw Materials Consumed	N	1338614324	1659787208
Trading Material Purchases		65475149	20978485
Manufacturing Expenses	O	95335449	99388659
Payment to & Provision for Employees	P	5891994	5734265
Administrative Expenses	Q	7058946	5900422
Interest & Financial Charges	R	25280589	24621180
Selling, Distribution & Other Expenses	S	60890884	67962478
Depreciation	E	9387511	12309065
	TOTAL	<u>1607934846</u>	<u>1896681762</u>
Profit Before Tax & Dividend		30220196	29349282
Less : Provision for Tax		10590293	10515330
Less : Net Deferred Tax Liability/ (Assets)		(491013)	(573337)
Less : Provision for Fringe Benefit Tax		-	138062
Add: Excess Provision written back		611491	43974
Less: Tax of Earlier Years		29969	1255
Profit / (Loss) after Tax		20702438	19311946
Profit Brought Forward from Previous Year		51112586	31271090
Add : Last year Proposed Dividend including CDT Written Back		-	10529550
Profit Available for Appropriation		71815024	61112586
Appropriations			
Transferred to General Reserves		10000000	10000000
Balance Transferred to Balance Sheet		61815024	51112586
		<u>71815024</u>	<u>61112586</u>

ACCOUNTING POLICIES & NOTES ON ACCOUNTS
As per our attached report of even date
For: R.K.Singhania & Associates
 Chartered Accountants

Sd/-
(Ramesh Kumar Singhania)

 Partner
 Membership No. - 41880
 Raipur, 29th June, 2010

T
For and on behalf of the Board
Sd/-
ANAND GOEL, Managing Director
Sd/-
NARENDRA GOEL, Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS		YEAR ENDED 31.03.2010 (Rupees)	YEAR ENDED 31.03.2009 (Rupees)
(A)	CASH FLOW FROM OPERATING ACTIVITIES:-		
(1)	Net Profit before Taxation	30220196	29349282
	Add: Adjustment for :		
(i)	Depreciation	9387511	12309065
(ii)	Interest	25280589	24621180
(iii)	Profit on Sale of Investment	(1142183)	(183253)
(iv)	Loss on sale of fixed assets	43908	19500
(v)	Dividend Received	(10039)	(15568)
(vi)	Fringe Benefit Tax	-	(138062)
(vii)	Provision for Taxation	(10590293)	(10515330)
(2)	Operating Profit before working Capital Change	53189689	55446814
	Add/(Less) : Decrease / Increase in Current Assets		
(i)	Inventory	(84376576)	13397569
(ii)	Sundry Debtors	(141501253)	52220417
(iii)	Other Current Assets	(114906023)	32450341
		(340783852)	98068327
	Add/(Less) : Increase/Decrease in Current Liabilities	(13270795)	(111197254)
(3)	Net Cash Flow from Operating Activities	(300864959)	42317887
	Less Income Tax paid	(581522)	(42719)
	Add: Proposed Dividend with Tax written back	-	10529550
	Subtotal (A)	(300283437)	52890156
(B)	CASH FLOW FROM INVESTING ACTIVITIES:-		
(i)	Purchase of Fixed Assets	(4891580)	(32255184)
(ii)	Purchase of Investments	-	(320366)
(iii)	Dividend Received	10039	15568
(iv)	Sale of Fixed Assets	145000	75000
(v)	Sale of Investment	1462550	559999
	Subtotal (B)	(3273991)	(31924983)
(C)	CASH FLOW FROM FINANCING ACTIVITIES:-		
(i)	Increase of Unsecured Loan	288980526	(13048871)
(ii)	Increase of Working capital loan	50242403	15776681
(iii)	Interest paid	(25280589)	(24621180)
(iv)	Issue of Shares	-	-
	Subtotal (C)	313942340	(21893370)
	Net Increase In Cash & Cash Equivalent Total [A+B+C]:-	10384912	(928197)
	Cash & Cash Equivalent At The Beginning Of The Period:-	906084	1834281
	Cash & Cash Equivalent At The End Of The Year:-	11290996	906084

Notes

- (1) Cash & Cash equivalent includes Cash & Bank Balances.
- (2) Figures of the previous year have been regrouped/rearranged found necessary.
- (3) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For, **R.K.Singhania & Associates**

Chartered Accountants

Sd/-

(Ramesh Kumar Singhania)

Partner

Membership No. - 41880

Raipur, 29th June, 2010

For and on behalf of the Board

Sd/-

ANAND GOEL, Managing Director

Sd/-

NARENDRA GOEL, Director

SCHEDULE ANNEXED TO & FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS	YEAR ENDED 31.03.2010 (RUPEES)	YEAR ENDED 31.03.2009 (RUPEES)
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED		
20000000 Equity Shares of Rs. 10/- Each (Previous year 20000000 Equity Shares of Rs. 10/- each)	200000000	200000000
1000000 Preference Shares of Rs. 10/- Each (Previous year 1000000 Preference Shares of Rs. 10/- each)	10000000	10000000
ISSUED, SUBSCRIBED & PAID-UP		
9000000 Equity Shares of Rs. 10/- Each Fully Paid up (Previous year 9000000 Equity Shares of Rs. 10/- each fully paid up)	90000000	90000000
(Of the above shares, 6000000 Shares are allotted as fully paid-up by way of bonus shares by capitalisation of Security Premium and General Reserve)	90000000	90000000
SCHEDULE - B : RESERVES & SURPLUS		
Capital Reserve	13500	13500
General Reserve	43546000	33546000
Balance in Profit & Loss Account	61815024	51112586
	105374524	84672086
SCHEDULE - C : SECURED LOANS		
Cash Credit from Bank of Baroda, Raipur	231960055	181717652
	231960055	181717652
NOTE:		
Cash Credit facility is secured by hypothecation of stocks of Raw Materials, Stock-in-Transit, Finished goods, Book debts and additionally secured by :-		
(1) Equitable mortgage of Land, Building and other superstructures at Plot No. 519,520,521 & 522 located at Sector- C, Urla Industrial Complex, Raipur (C.G.)		
(2) Extension of Hypothecation of Plant & Machinery and other fixed assets.		
(3) Personal guarantee of Shri Rajendra Goel, Shri Dinesh Goel, Shri Sandeep Goel, Smt. Sarla Goel and Directors of the company, Shri Suresh Goel, Shri Narendra Goel and Shri Anand Goel.		
(4) Corporate guarantee of M/s Swastik Mercantile Ltd. of Kanpur and Equitable mortgage of a Flat & Plot at Visakhapatnam & Raipur respectively belonging to M/s Swastik Mercantile Ltd.		
SCHEDULE - D : UNSECURED LOANS		
From		
Directors / Promoters	48867853	17979366
Body Corporates	17259963	9229568
UCO Bank	250061644	-
Others	2402379	2402379
	318591839	29611313

NOTE:

Unsecured Short term loan by UCO bank is under personal guarantee by Directors.

SCHEDULE ANNEXED TO & FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010
SCHEDULE - E : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost As At 31.03.2009 (Rupees)	Addition During The Year (Rupees)	Deletion During The Year (Rupees)	Cost As At 31.03.2010 (Rupees)	Upto 31.03.2009 (Rupees)	For the Year (Rupees)	Deletion During The Year (Rupees)	Total upto 31.03.2010 (Rupees)	As At 31.03.2010 (Rupees)	As At 31.03.2009 (Rupees)
Freehold Land	1244104	-	-	1244104	-	-	-	-	1244104	1244104
Factory Building	2418645	-	-	2418645	1183613	80783	-	1264396	1154249	1235032
Other Building	7989518	-	-	7989518	828898	130229	-	959127	7030391	7160620
Leasehold Land	845958	-	-	845958	132622	5456	-	138078	707880	713336
Plant & Machinery	41732284	84100	-	41816384	22464872	1982617	-	24447689	17368695	19267412
Rolls	8120117	5716733	-	84917852	76084196	8293288	-	82387784	2530088	5106821
Furniture & Fixtures	1198633	26640	-	1224675	474769	7741	-	551910	672765	724066
Computer	1307414	75751	-	1083165	681263	169330	-	830593	252572	346151
Vehicles	5907682	889154	369358	6507678	2611466	648466	200450	3059482	3448196	3296416
TOTAL	143545757	4891580	389358	148047979	104451999	9887511	200450	1136339059	34408920	39093758
Capital work in Progress	18682793	-	-	18682793	-	-	-	-	18682793	18682793
Previous Year	130453366	13572331	163000	143545757	92228434	12306365	85503	104451999	39093758	37924332
Capital work in Progress	-	16682793	-	16682793	-	-	-	-	16682793	-

SCHEDULE ANNEXED TO & FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS	YEAR ENDED 31.03.2010 (RUPEES)	YEAR ENDED 31.03.2009 (RUPEES)
SCHEDULE - F : INVESTMENTS		
<u>Long Term Investment</u>		
<u>Unquoted Equity Shares of :</u>		
<u>Fully Paid up</u>		
250100 Shares in Shri Bajrang Ispat & Plywood Ltd. of Rs. 10/- each (Previous year 250100 Shares of Rs. 10/- each)	2501000	2501000
577000 Shares in Shri Bajrang Power & Ispat Ltd. of Rs. 10/- each (Previous year 577000 Shares of Rs. 10/- each)	5770000	5770000
4900 Shares in Shri Bajrang Hydro Energy Pvt. Ltd. of Rs. 10/- each (Previous year 4900 Shares of Rs. 10/- each)	49000	49000
<u>Quoted Equity Shares of :</u>		
<u>Fully Paid up</u>		
500 Shares in Jyoti Structures Ltd. of Rs. 2/- each (Previous year 500 Shares of Rs. 2/- each)	3500	3500
871 Shares in Bank of Baroda of Rs. 10/- each (Previous year 871 Shares of Rs. 10/- each)	200330	200330
700 Shares in Godawari Power & Ispat Ltd of Rs. 10/- each (Previous year 700 Shares of Rs. 10/- each)	74284	74285
8000 Shares in Reliance Power Limited of Rs. 10/- each (Previous year 8000 Shares of Rs. 10/- each)	1733019	1733019
Nil Shares in OCL Iron & Steel Ltd. of Rs. 1/- each (Previous year 71300 Shares of Rs. 1/- each) (Aggregate Market Value Rs.2018007/- (Prev. Year Rs. 1511212/-)	-	320366
<u>Other Investments</u>		
50000 units of SBI Comma Fund - Growth (Previous year 50000 units)	500000	500000
50000 units of SBI Blue Chip Fund - Dividend (Previous year 50000 units) (Aggregate Market Value Rs.1826500/- (Prev. Year Rs. 971500/-)	500000	500000
	11331133	11651500
SCHEDULE - G : INVENTORIES		
(As taken, valued and certified by the Management)		
Finished Goods	179460413	170231845
Furnace Oil	1199118	437988
Raw Materials	127662588	54741809
Rolls (Scrap)	2936500	2397700
Stores & Spares	3377399	2529120
Trading Material	3428197	3349177
	318064215	233687639

**SCHEDULE ANNEXED TO & FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010**

PARTICULARS	YEAR ENDED 31.03.2010 (RUPEES)	YEAR ENDED 31.03.2009 (RUPEES)
SCHEDULE - H : SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Outstanding for more than Six Months	11025934	16551950
Other Debts	201629718	54602849
	212655652	71154399
SCHEDULE - I : CASH & BANK BALANCES		
Cash in Hand		
(As verified and certified by the management)	406816	375644
Bank Balance with Scheduled Banks		
In Current Account	10274449	402931
In Dividend Account	1304	1304
In Margin Deposit Account	608427	122063
Bank Balance with Other Bank	-	4142
	11290996	906084
SCHEDULE - J : LOANS, ADVANCES & DEPOSITS		
(Unsecured, Considered Good)		
Advances (recoverable in cash or in kind or for value to be received)	171719432	48573885
Advance Tax & Deduction at Source	10305249	10940696
Balance with Excise Department and others	11585934	17644274
Deposit with Government Authorities and others	2733541	2609499
Other Receivables	256896	1926775
	196601052	81695029
SCHEDULE - K : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Advance from Customers	11756026	20937037
Other Liabilities and Provisions	18953696	14788511
Sundry Creditors	8574193	17663941
T. D. S. Payable	1548775	783301
	40832690	54172790
Provision		
For Taxation	10590293	10515330
For Fringe Benefit Tax	-	138062
For Gratuity	1620312	1487908
	12210605	12141300
	53043295	66314090

SCHEDULE ANNEXED TO & FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

PARTICULARS	FOR THE YEAR ENDED 31.03.2010 (RUPEES)	FOR THE YEAR ENDED 31.03.2009 (RUPEES)
SCHEDULE - L : OTHER INCOME		
Income from Sale of Investments	1142183	183253
Foreign Exchange Difference (Net)	45563	380278
Miscellaneous Income	10039	125568
	1197785	689099
SCHEDULE - M : INCREASE / (DECREASE) IN STOCK		
Closing Stock		
Finished Goods	179460413	170231845
Trading Goods	3428197	3349177
Rolls (Scrap)	2936500	2397700
	185825110	175978722
Less: Opening Stock		
Finished Goods	170231845	217094102
Trading Goods	3349177	3534361
Rolls (Scrap)	2397700	2179700
	175978722	222808163
Net Increase/ (Decrease) In Stock	9846388	(46829441)
Excise Duty on (Increase) / Decrease of Stock	(3799055)	14400440
	6047333	(32429001)
SCHEDULE - N : RAW MATERIAL CONSUMED		
Opening Stock	54741809	22505118
Purchases	1422001244	1734506129
	1476743053	1757011247
Less : Raw Material Sales	10466141	42482230
Less: Closing Stock	127662588	54741809
	1338614324	1659787208
SCHEDULE - O : MANUFACTURING EXPENSES		
Entry Tax	891523	1022144
Furnace Oil Consumed	66330858	72706382
Gas Consumed	2292610	1987822
Power Charges	13419794	13402339
Repairs to Building	141480	283464
Repairs to Plant & Machinery	5740838	4611880
Stores & Spares Consumed	6518346	5374628
	95335449	99388659



SCHEDULE ANNEXED TO & FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

PARTICULARS	FOR THE YEAR ENDED 31.03.2010 (RUPEES)	FOR THE YEAR ENDED 31.03.2009 (RUPEES)
SCHEDULE - P : PAYMENTS TO & PROVISION FOR EMPLOYEES		
Salaries, Wages & Benefits	5664790	5265173
Medical & Welfare Expenses	227204	469092
	<u>5891994</u>	<u>5734265</u>
SCHEDULE - Q : ADMINISTRATIVE EXPENSES		
Audit Fees	130000	100000
Charity & Donations	16101	484001
Director's Remuneration	1800000	1800000
Electricity Charges	49985	38793
Insurance Charges	192041	198828
Legal & Professional Charges	1195575	696778
Listing & Filing Fee	47696	53284
Loss on Sale of Assets	43908	19500
Registration & Renewal Charges	152644	149448
Miscellaneous Expenses	586835	256246
Postage & Telephone	652396	730517
Printing & Stationery	417903	144179
Rent, Rates & Taxes	527730	383127
Runing & Maintenance - Others	578114	315607
Travelling & Conveyance	668018	530114
	<u>7058946</u>	<u>5900422</u>
SCHEDULE - R : INTEREST & FINANCIAL CHARGES		
Bank Charges	1266382	565228
Interest		
On Cash Credit	16992451	19513216
Other Interest	7021756	4542736
	<u>25280589</u>	<u>24621180</u>
SCHEDULE - S : SELLING, DISTRIBUTION & OTHER EXPENSES		
Advertisement & Sales Promotion	7171296	115866
Bad Debts written off	-	1413535
Carriage Outward	4373439	7026557
Finished Goods Handling Charges	3530944	3618910
Export Duty	-	944630
Sales Commission	632700	1131070
Sales Tax	45148245	53663851
Tender Fees	2000	7000
Testing & Inspection Charges	32260	41059
	<u>60890884</u>	<u>67962478</u>

SCHEDULE "T"

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

(A) COMPANY OVERVIEW :

Shri Bajrang Alloys Limited is one of the leading manufacturing company of Raipur. Company is engaged in manufacturing of Structural Steels like Angle, Channel, Joist/Beam, Round etc.

(B) SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

- (i) The financial statements have been prepared on Historical Cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 and the applicable Accounting Standards in India.
- (ii) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis, except those with significant uncertainties.
- (iii) The accounting policies have been consistently applied by the company.

2. USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues & expenses during the reported period. Although these statements are based up on management's best knowledge of current events and actions, actual results could differ from these statements. Difference between the actual results and the estimates are recognised in the period in which the results are known / materialised.

3. FIXED ASSETS:

Fixed Assets are stated at acquisition cost less depreciation. Cost includes related taxes, duties, freight, insurance etc attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable subsequently from the taxing authorities.

4. DEPRECIATION:

- (i) Depreciation on Fixed Assets has been provided on "Straight Line Basis" at the rates and in the manner prescribed in Schedule – XIV of the Companies Act, 1956.
- (ii) Leasehold land is amortised over the period of lease.
- (iii) Depreciation on Fixed Assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.
- (iv) Expenditure of amount below Rs. 5000 /- had been written off in full.

5. INVESTMENTS

- (i) Long Term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.
- (ii) Current Investments are stated at lower of cost and fair value.

6. INVENTORIES: Inventories are valued in following manner:

Raw Materials, Furnace Oil	:	At Cost
Finished Goods	:	At Lower of Cost or Market Price
Traded Goods	:	At Cost
Materials in transit	:	At Invoice Value.
Stores & Consumables	:	At Cost
Waste and Scrap	:	At Net-Realisable Value

Cost of finished goods includes direct materials, labour and conversion and other manufacturing expenses incurred to bring the inventories in the present condition and location

The cost formulae used for determination of cost are on FIFO basis.

**7. CONTINGENT LIABILITIES:**

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

8. REVENUE RECOGNITION

- (i) Mercantile method of accounting has been employed unless otherwise specifically stated elsewhere in this schedule. However where the amount is immaterial / negligible and / or establishment of accrual / determination of amount is not possible, no entry is made for accruals.
- (ii) Sale of Products - Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty and Value Added Tax deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.
- (iii) Bonus and Leave Encashment are recognised as per Cash Basis.

9. FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Any income or expense on account of exchange difference on settlement of Monetary items is recognised in the Profit & Loss Account.
- (iii) In respect of transactions covered by Forward Foreign Exchange Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognized as income or expenses over the life of the contract except for contracts relating to liabilities incurred for purchase of Fixed Assets, the difference thereof is adjusted in the carrying amount of respective Fixed Assets.

10. BORROWING COST

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of fixed assets are capitalized only with respect to qualifying fixed assets i.e. those which take substantial period of time to get ready for its intended use.

11. EMPLOYEES RETIREMENT BENEFITS:

- (i) **Defined Contribution plan**
Company's contribution to Provident Fund and Employee state Insurance are charged to Profit and Loss Account. Value of encashable leave are encashed during the year and charged to Profit & Loss Account. there is no other obligation other than the contribution Payable to respective authorities.
- (ii) **Defined Benefit plan**
Company's Liabilities towards gratuity are determined on the basis of simple calculation as per Gratuity Act and Labour Act only.

12. PROVISIONS

Provisions are recognized, where the company has any legal or constructive obligation or where reliable estimate can be made for the amount of the obligation and as a result of past events, for which it is probable that an outflow of economic benefits will be 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.

13. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to profit & loss account. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

14. TURNOVER

Turnover includes sales inclusive of excise duty, sales tax, services and are adjusted for discounts.

15. EXCISE DUTY

Excise duty expenses are accounted for at the time of removal of goods from the factory. Total excise expenses includes the amount of reversal of cenvat amount and penalty, if any, on order passed during the year.

CENVAT Credit relating to raw materials/components are debited under current assets for availing credit against CENVAT and credited to respective materials/component account.

16. UNSECURED LOAN FROM OTHERS

Unsecured Loan from others consists of amount payable to State Sales Tax Department on account of deferred sales tax liability.

17. SEGMENT REPORTING

The company has only one primary segment, i.e. Structural Rolling Mill. As such there is no other reportable segment as defined by Accounting Standard - 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. There is no reportable Geographical Segment either.

18. PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet Date. The Deferred Tax Asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future.

19. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

(C) NOTES ON ACCOUNTS :-

1. Contingent Liabilities not provided for in the accounts in respect of:

- a) Bank Guarantees outstanding at Rs. 30.02 Lacs (previous year Rs. 3.32 Lacs) against which margin money of Rs. 4.36 Lacs (previous year Rs. 1.22 Lacs) has been deposited with bank.
- b) Claims against the company / disputed tax liabilities not acknowledged as debt amounting to Rs. 31.00 Lacs (Previous year Rs. 41.83 Lacs).
- c) Guarantees given on behalf of the other companies Rs. 33711 Lacs (previous year Rs.33711 Lacs).
- d) Customers' bills discounted Rs. 3627.31 Lacs (previous year 1837.15 Lacs).

2. Auditor's remuneration include the following: - *

PARTICULARS	F.Y. 2009-10	F.Y. 2008-09
	AMOUNT (Rs.)	AMOUNT (Rs.)
a. Audit Fees.	100000	70000
b. Tax Audit.	30000	30000
c. Certification Works	30000	30000
TOTAL	160000	130000

* Excluding applicable Service Tax.

3. TAXES ON INCOME

- a) Provision for Income Tax has been made in terms of the normal provisions of the Income Tax Act' 1961.



b) Deferred Taxation

	Accumulated as at 31.03.2009 Amount in Rs.	Charge / Credit during the year Amount in Rs.	As at 31.03.2010 Amount in Rs.
Deferred Tax Liability on account of Depreciation / Loss on sale of fixed asset	5061801	(446009)	4615792
Less: Deferred Tax Asset on provision for Gratuity	(505740)	(45004)	(550744)
	4556061	(491013)	4065048

c) In accordance with "Accounting Standard – 22" issued by the "Institute of Chartered Accountants of India", the Company has recognised net of deferred tax assets and deferred tax liability amounting to Rs. 4065048/- as on 31/03/2010 under a separate head "Deferred Tax Liability". Net of deferred tax liability and asset for the year amounting to Rs. 491013/- has been recognised in the Profit & Loss Account.

4. **EARNING PER SHARE**

	Current Year 2009-10	Previous Year 2008-09
Profit / (Loss) after Taxation as per Profit & Loss Account	20702438	19311946
Weighted Avg. No. of Equity Share Outstanding	9000000	9000000
Basic / Diluted Earning / (Loss) per Share	2.30	2.15

5. **GRATUITY**

- (i) Provision for gratuity has been determined on the basis of simple calculation as per Gratuity Act and Labour Act only. This is not as per compliance of the accounting standard 15 issued by ICAI as the company has not determined the liability as required as per revised AS-15, which was mandatory w.e.f. 01.04.2007. However, additional liabilities if any will be provided later on. The quantum of additional liability is at present unascertainable.
 - (ii) Provision for gratuity has been made on the basis of half month of last drawn salary as this method is generally followed by all the incidental industries. Actuarial valuation was not done as the strength of employees are not too high. Had the actuarial valuation been made the difference would not be material, looking towards the low strength of Employees.
 - (iii) As the company has not separately invested any of its liability of Gratuity in any specific Govt. Bonds / Securities, hence the changes in assets is not there.
6. Amounts have been rounded off to the nearest rupees and previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.
 7. Balances of the sundry debtors, sundry creditors, loans and advances etc. are subject to confirmation and reconciliation.
 8. The company has not received any information from any of the suppliers of their being a Small Scale Industrial Unit. Hence the amounts due to Small Scale Industrial Unit as on 31st March 2010 are not ascertainable.
 9. Related Party disclosures, as required by Accounting Standard-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

i) **Related Party**a) **Associate Companies**

Shri Bajrang Metallics & Power Limited
 Shri Bajrang Power & Ispat Limited
 Shri Bajrang Ispat & Plywood Limited
 Shri Bajrang Hydro Energy Pvt. Ltd.
 S.B. Multimedia Private Limited
 Shimmer Investment Pvt. Ltd.

b) **Key Management Personnel**

Shri Suresh Goel
 Shri Anand Goel
 Shri Narendra Goel

ii) Transaction with Related Parties in the ordinary course of business (In Lacs)

	Associates		Key management	
	2009-10	2008-09	2009-10	2008-09
Purchase of materials	7363.06	16592.64	-	-
Sale of materials	72.85	1416.30	-	-
Service Received	70.33	0.00	-	-
Interest Paid	1.72	18.14	24.92	13.72
Remuneration paid	-	-	18.00	18.00
Repair & Maintenance	0.81	-	-	-
Rent	0.60	0.60	-	-
Investment	-	-	-	-
Outstanding as on 31.03.2010				
Receivables	1228.80	6.08	-	-
Payables	75.20	150.87	488.68	180.99
Investment	83.20	83.20	-	-

Note: Related party relationship is as identified by the Company on the basis of available information and relied upon by the auditors.

10. The Company has acquired certain fixed assets on hire purchase basis which have been treated as assets acquired on finance lease as per Accounting Standard on Leases (AS-19). Minimum lease rentals outstanding as at the year end, are as under:

Due	Amount in Rs. As at 31st March, 2010			Amount in Rs. As at 31st March, 2009		
	Total minimum Lease Payments outstanding	Interest not due	Present value of the minimum lease payments	Total minimum Lease Payments outstanding	Interest not due	Present value of the minimum lease payments
Not later than one year	-	-	-	80750.00	1734.00	79016.00
Later than one year and not later than five years	-	-	-	-	-	-

11. In accordance with the Accounting Standard (AS-28) on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. The company has not identified any Fixed Assets to be materially impaired mainly on account of economic performance and alternative viability of such assets and accordingly no amount has been charged as impairment loss to the Profit & Loss Account at the year end.
12. **FOREIGN CURRENCY TRANSACTION**
Foreign Exchange Income shown in Profit and loss Account Rs. 45583/- of Sales Transaction.
13. In accordance with ASI-14 'Discloser from sales Transaction' issued by Institute of Chartered accountants of India, Differential Excise duty on Opening and Closing Stock of Finished goods amounting to Rs. (3799055) (PY Rs. 14400440) has been adjusted from (increase) / decrease in Stock in schedule - M.



14. Additional information pursuant to provisions of Part-II of Schedule VI to the Companies Act, 1956.

A) Turnover	Unit	(Rs. in Lacs)			
		Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
Manufactured Goods	M.T	47925.855	16834.16	48361.575	21802.37
Traded Goods	M.T	2363.015	701.36	743.645	218.79

B) Opening Stock					
Manufactured Goods	M.T	5623.696	1702.32	4951.471	2170.94
Traded Goods	M.T	129.170	33.49	125.910	35.34

C) Closing Stock					
Manufactured Goods	M.T	5407.201	1794.60	5623.696	1702.32
Traded Goods	M.T	127.830	34.28	129.170	33.49

D) Raw Material Consumed					
Blooms, Billets, Slabs etc.	M.T	52204.750	13386.14	53609.790	16597.87

E) Breakup of Raw Material Consumed					
		%	Amount	%	Amount
Imported		0.00%	0.00	0.00%	0.00
Indigenous		100.00%	13386.14	100.00%	16597.87

F) Stores Consumed					
		%	Amount	%	Amount
Imported		0.00%	0.00	0.00%	0.00
Indigenous		100.00%	65.18	100.00%	53.75

G) Value of Imports on C.I.F. Basis					
			NIL	NIL	
H) Earnings in Foreign Exchange					
(i) FOB Value of Goods Exported	Rs. (in Lacs)		24.27		557.35
USD		\$	54549.00	\$	1305611.77
I) Expenditure in Foreign Currency					
(i) Interest and Financial Charges	Rs. (in Lacs)		-		130.19
USD		\$	-	\$	277506.45
(ii) Commission on Exports	Rs. (in Lacs)		2.37		7.02
USD		\$	5098.00	\$	13537.46

J) Installed Capacity and Production (Per Annum) (Qty. in M.T.)					
	Unit	Installed Capacity		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year
Structural Steels	M.T.	60000.000	60000.000	47709.360	49033.800

(As certified by the management and accepted by the auditors being a technical matter)

15. Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.	
I. REGISTRATION DETAILS	
Registration No.	5964
State Code	10
Balance Sheet Date	31/03/2010
II. CAPITAL RAISED DURING THE YEAR	(Amount in Rs. Thousands)
Public Issue	Nil
Preferential Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
Rights Issue	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	(Amount in Rs. Thousands)
Total Liabilities	803034.76
Total Assets	803034.76
Sources of Funds	
Paid up Share Capital	90000.00
Reserves & Surplus	105374.52
Secured Loans	231960.06
Unsecured Loans	318591.84
Deferred Tax Liability	4065.05
Application of Funds	
Net Fixed Assets	34408.92
Capital Work in Progress	18682.79
Investments	11331.13
Net Current Assets	685568.62
Miscellaneous Expenses	-
Accumulated Losses	-
IV. PERFORMANCE OF COMPANY	(Amount in Rs. Thousands)
Turnover (including other income)	1632107.71
Total Expenditures	1601887.51
Profit / (Loss) before tax	30220.20
Profit / (Loss) after tax	20702.44
Earning / (Loss) Per Share (In Rs.)	2.30
Dividend rate %	-
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY	
(As per Monetary terms)	
ITEM CODE NO. (ITC CODE)	Product Description
7211/7214/7216	Structural Steel
16. Schedules "A" to "T" form part of Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date.	
Signature to Schedule "A" to "T"	

As per our attached report of even date
 For, **R.K.Singhania & Associates**
 Chartered Accountants
Sd/-
(Ramesh Kumar Singhania)
 Partner
 Membership No. - 41880
 Raipur, 29th June, 2010

For and on behalf of the Board
Sd/-
ANAND GOEL, Managing Director
Sd/-
NARENDRA GOEL, Director



SHRI BAJRANG ALLOYS LIMITED

Regd. Office : 521/C, Urla Industrial Complex, Raipur (C.G.) 493 221

Proxy Form

Folio No. / DPID No.* Client ID No.*

I/We of

..... in the district of being a member /members

of the above named Company, hereby appoint Shri/Smt. of

..... or failing him / her, Shri/Smt. of

of in the district of as

my/our proxy to vote for me/us on my/our behalf at the 20th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 28th, September 2010 at 10.00 A.M. at the registered office of the Company at Raipur and at any adjournment thereof.

Signed this day of 2010.

No. of Shares held

Signature

Affix
Revenue
Stamp

*Applicable for investors holding shares in electronic form.

Note : This Instrument of proxy shall be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. The proxy need not be a member of the Company.

TEAR HERE

SHRI BAJRANG ALLOYS LIMITED

Regd. Office : 521/C, Urla Industrial Complex, Raipur (C.G.) 493 221

Attendance Slip

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

Folio No. / DPID No.* Client ID No.*

NAME AND ADDRESS OF THE SHARE HOLDER / PROXY /

No. of Shares(S) held :

I here by record my presence at the 20th ANNUAL GENERAL MEETING of the Company being held on Tuesday, 28th September, 2010, at 10.00 A.M. at the registered office of the Company at Raipur.

Dated:

Note :

Signature of the Member/Proxy

- (1) Shareholders/Proxy holder are requested to bring the attendance slip with them.
- (2) Persons attending the Meeting are requested to bring their copies of Annual Report with them as further copies will not be provided at the Meeting Hall.

TEAR HERE

This page is Intentionally left Blank

The **Bajrang** Group Credo

A driving passion to make a difference

A strong desire to excel

A deep conviction in team capabilities

A fanatic obsession to constantly strive for excellence

A zealous aspiration to stretch beyond the easy grasp

A wholesome yearning to be a compassionate corporate

Ever Alive. Ever Evolving. Ever Innovating.

Printed Matter
Book Post
Under Certificate of Posting

To,

If undelivered please return to :

Shri Bajrang Alloys Ltd.

521/C, URLA INDUSTRIAL COMPLEX, RAIPUR 493 221 (C.G.) INDIA.

Ph. : 4288000 • Fax : (91-771) 4288001

E-mail : sbali123@sify.com

Website : www.shribajrangalloys.com
