

ANNUAL REPORT
2010-11

ARDENT STEEL
LIMITED

DIRECTORS' REPORT

Dear Shareholders,

ARDENT STEEL LIMITED

Registered Office: Unit No.606, Town Centre, 6th Floor, Andheri Kurla Road, Saki Naka, Andheri (East), Mumbai (MH)

Your Directors have pleasure in presenting the Fourth Annual Report of the Company with the Audited Statement of Accounts and the Auditors' Report of your Company for the Financial Year ended 31st March, 2011. The summarized financial result for the year ended 31st March 2011 as under:

	Year ended 31.03.2011 (Rs. in lacs)
Net Turnover	3810.88
Other Income	3.14
Total Income from Operations	3814.02
Profit/(Loss) before Interest, Depreciation & Tax	635.00
Less: Financial Expenses	407.45
Less: Depreciation for the Year	212.84
Profit/(Loss) before Taxation	14.71
Less: Provision for Current Income Tax and Deferred Tax Adjustment	6.43
Profit for the Year after Tax	8.28

REVIEW OF OPERATIONS:

Your Directors are glad to inform that the Company has started production of Iron Ore Pellet from 31st July, 2010 of the 60000 MTPA Iron Ore Pelletisation Plant at Keonjhar District, Orissa and has reached CUF of 50%. During the year under review, your Company produced 54929 MTPA of Iron ore pellet and registered Net Turnover of Rs. 3810.88 lacs. Your Company registered EBIDTA of Rs.635.00 lacs and Profit after Tax of Rs.8.28 lacs during the year under review.

DIVIDEND:

Your directors feel it prudent to plough back the profits with an intention to utilize the same for the growth of the Company. Keeping in view the requirement of funds in future, your Directors have not recommended any dividend for the year ended 31st March 2011.

ALLOTMENT OF SHARES:

Your company has made an allotment on 20.12.2010 of 33,92,400 equity shares of Rs.10/- each at a premium of Rs.50/- per share on December 20, 2011 and the revised issued and paid up capital, after taking into effect the aforementioned allotment, is Rs.10 crore.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no foreign exchange earnings during the year. However your company paid Rs.18.54 lacs towards import of capital goods and Rs.6.11 lacs towards purchase of spare parts.

PARTICULARS OF EMPLOYEES:

None of the employee of the Company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence, particulars as required under the Companies (Particulars of Employees) Rules, 1975 are not given.

DIRECTORS:

Pursuant to Listing Agreement, one of the Independent Directors of the Holding Company, M/s Godawari Power and Ispat Limited (GPIL), should be on the board of a material Subsidiary Company. Hence, the Board of Directors has appointed Shri B.N. Ojha as the Independent Director on the Board with effect from February 04, 2011 who also serves on the Board of GPIL as an Independent Director.

During the year under review, Shri Hari Om Haritash has been appointed as Additional Director on the Board of the Company with effect from August 02, 2010 and his appointment has been confirmed by the shareholders in the previous Annual General Meeting.

Shri Dinesh Kumar Gandhi has been appointed as Additional Director on the board of the company with effect from June 23, 2011.

Shri Dinesh Agrawal has resigned from the directorship of the company with effect from June 23, 2011 due to his other pre-occupations. Your company places on record its deep sense of appreciation for the services rendered and guidance given by the outgoing director from time to time during the tenure of his office.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Sanjay Gupta and Shri Hari Om Haritash, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

ALTERATION IN ARTICLES OF ASSOCIATION:

The shareholders of the Company have altered the Articles of Association of the Company by inserting Clause 138A to 138J after the existing of Clause 137 in the Articles of Association for dematerialization of shares at an Extra Ordinary General Meeting held on June 17, 2011 for altering the Articles of Association for dematerialization of shares by inserting Clause 138A to 138J after the existing of Clause 137.

Your company has made an application to NSDL and CDSL for dematerializing of its equity shares and the agreement is expected to be executed by the end of August / September 2011 respectively.

APPOINTMENT OF WHOLE TIME COMPANY SECRETARY:

Pursuant to the provisions of the Companies Act, 1956, the Board of Directors of your Company have appointed Ms. Niharika Verma as Secretary of the Company with effect from October 01, 2010.

AUDIT COMMITTEE:

The Board of Directors re-constituted the Audit Committee consisting of One Executive Director and Two Non-Executive Directors with effect from June 23, 2011. The composition of the Audit Committee is as follows:

Name of Chairman / Member	Category
1. Dinesh Agrawal*	Chairman
2. Sanjay Gupta	Member
3.B.L. Agrawal	Member
4. Dinesh Kumar Gandhi**	Member (Chairman)

*Resigned from Directorship w.e.f. 23.06.2011.

** Appointed as director and as Chairman of Audit Committee w.e.f. June 23, 2011.

The committee met two times during the year 2010-11 and due procedure in regard to the Audit Committee has been followed and necessary compliances have been made as per section 292A of the Companies Act, 1956 during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- (ii) That your Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent

so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities; and
- (iv) That your Directors have prepared the annual accounts on a going concern basis.

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, are provided as an annexure to this report.

AUDITORS:

M/s O.P. Singhania and Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. 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.

AUDITORS' REPORT:

There is no qualifying remark in the Auditors' Report except as mentioned at point no. (xi) of the Annexure to the Auditors Report relating to non-payment of interest to the bank to the tune of Rs. 47.49 lacs.

The accrued interest of Rs. 47.49 Lacs has been subsequently paid by the Company to the respective Bank and presently there is no accrued interest payable to the Bank.

ACKNOWLEDGEMENT:

The Board expresses its sincere gratitude to the shareholders, bankers especially Canara Bank, Oriental Bank of Commerce and Corporation Bank, State and Central Government Officials and clients for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

For and on behalf of the Board of Directors

Date : August 06, 2011
Place : Raipur

Sd/-
Sanjay Gupta
Director

Sd/-
B.L. Agrawal
Director

ANNEXURE-“A” TO THE DIRECTOR’S REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR’S REPORT.

A.CONSERVATION OF ENERGY:

(A) Energy Conservation Measures Taken:

(B) Additional Investments and proposals, if any being implemented for the reduction of energy consumption:

i) A centrifuge is desired to be incorporated in LDO fuel circuit for continuous & smooth flow of fuel for plant usages which will lead to uninterrupted plant operation for achieving higher production with lesser fuel expense.

ii) An online fuel filtration unit on 2.1 MVA DG set main fuel pipeline will effect the continuous working of DG set favorably without having undesired tripping due to filter jams & simultaneously increases the life of fuel filter thus conserves the cost .

iii) An online mobile oil/lubricating oil filtration unit has been planned to install in order to increase the working life of mobile oil leading to huge savings

(C) The impact of measures at (A) and (B) above, for reduction of energy consumption and consequent impact on the cost of production of goods: It will impact a decrease of fuel expense of 1- 0.5% on per ton of production.

(D) The required data in form A of the Annexure to the aforesaid Rules as applicable are furnished below:

I. POWER AND FUEL CONSUMPTION

Particulars	Units/Mts in crores		Total Amount (Rs. in crores)		Average Amount per Unit /MT	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Electricity						
a. Purchased	NIL	NIL	NIL	NIL	NIL	NIL
b. Own Generation	0.2510	NIL	2.91	NIL	11.58	NIL
Coke and Coal (MTS)	583.00	NIL	0.40	NIL	6861.06	NIL

II. CONSUMPTION PER UNIT OF PRODUCTION (PER MT)

Particulars	Production		Consumption of Electricity in units		Average Consumption of electricity units per MT or Unit	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<u>Power Pellet Production (MTs)</u>	54112.36	NIL	2510281	NIL	46.39	NIL

B. TECHNOLOGY ABSORPTION: Efforts made in Technology Absorption is given below:-

RESEARCH AND DEVELOPMENT (R & D)

(a) Research and Development :

1. Specific Area in R& D : The Company has not taken up any R & D activities carried out by the Company
2. Benefits derived as a result of the Above R & D Not Applicable
3. Future plan of action: Not yet decided
4. Expenditure on R & D. Nil

For and on behalf of the Board of Directors

Date : August 06, 2011
Place : Raipur

Sd/-
Sanjay Gupta
Director

Sd/-
B.L. Agrawal
Director

Ardent Steel Limited
Balance Sheet as at 31st March,2011

	Schedules	2011 Rs.	2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	100,000,000	66,076,000
Share Application Money		4,914,000	64,087,800
Reserves and surplus	2	490,828,417	320,380,000
		595,742,417	450,543,800
Loan Funds			
Secured Loans	3	1,328,065,753	917,851,849
Unsecured Loans		-	-
		1,328,065,753	917,851,849
Deferred Tax Liabilities (Net)		370,400	-
TOTAL		1,924,178,570	1,368,395,649
APPLICATION OF FUNDS			
Fixed Assets			
	4		
Gross Block		1,755,336,337	16,229,048
Less : Accumulated Depreciation		21,283,806	-
Net Block		1,734,052,531	16,229,048
Capital work-in-progress including capital advances		52,779,574	1,256,706,602
		1,786,832,105	1,272,935,650
Investments	5	400,000	400,000
Current Assets, Loans and Advances			
Inventories	6	142,221,244	-
Sundry debtors	7	18,401,897	-
Cash and bank balances	8	36,165,326	36,000,348
Loans and advances	9	86,594,063	67,937,886
		283,382,529	103,938,234
Less : Current Liabilities and Provisions			
Current Liabilities	10	145,040,095	9,360,234
Provisions	11	1,781,569	-
		146,821,664	9,360,234
Net Current Assets		136,560,865	94,577,999
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary Expenses		385,600	482,000
TOTAL		1,924,178,570	1,368,395,649
Notes to Accounts	20		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For OPSinghania & CO.

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of

Ardent Steel Limited

Sd/-
per Sanjay Singhania
Partner
 Membership No.076961

Sd/-
Sanjay Gupta
 Director

Sd/-
B.L. Agrawal
 Director

Place : Delhi
 Date : 09th May'2011

Sd/-
Niharika Verma
 Company Secretary

Ardent Steel Limited**Profit & Loss Account for the year ended 31st March, 2011**

	Schedule:	2011 Rs.	2010 Rs.
INCOME			
Turnover (Gross)	12	431,038,839	-
Less: Excise duty		39,252,297	
Less: Sales Tax & VAT		10,698,600	-
Turnover (Net)		381,087,942	-
Other Income	13	314,353	-
Increase/(Decrease) in Stock in trade	14	8,673,727	-
TOTAL		390,076,022	-
EXPENDITURE			
Raw material consumed	15	175,747,331	-
Personnel expenses	16	15,685,016	-
Operating and other expenses	17	135,143,051	-
Depreciation		21,283,806	-
Financial expenses	18	40,745,202	-
TOTAL		388,604,405	-
Profit before tax		1,471,617	-
Provision for Current Tax		272,800	-
Deferred Tax Adjustment (Net)		370,400	-
Total Tax Expense/income		643,200	-
Profit after tax		828,417	-
Surplus carried to Balance Sheet		828,417	-
Earning Per Share	19		
Basic & Diluted EPS			
- Basic earning per share		0.11	-
- Diluted earning per share		0.11	-
Notes to Accounts	20		

The Schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account.

As per our report of even date

For OPSinghania & Co.

(Firm Reg. No.002172C)

Chartered Accountants

For and on behalf of the Board of Directors of

Ardent Steel Limited

Sd/-
per Sanjay Singhania

Partner

Membership No.076961

Sd/-
Sanjay Gupta
Director

Sd/-
B.L. Agrawal
Director

Sd/-
Niharika Verma
Company Secretary

Place : Delhi

Date : 09th May'2011

Ardent Steel Limited

Cash Flow Statement for the year ended 31st March, 2011

	2011	2,010
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1471617	-
<u>ADJUSTMENTS FOR:</u>		
Depreciation	21283806	-
Interest Received	(292203)	-
Interest Paid	40745202	-
Preliminary Expenses Written off	96400	-
Provision for Gratuity	1,508,769	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	64813591	-
<u>ADJUSTMENTS FOR:</u>		
(Increase)/Decrease in Receivables and Advances	(37030937)	(40,069,075)
(Increase)/Decrease in Inventories	(142221244)	-
Increase/(Decrease) in Trade payables	135679861	149,343
CASH GENERATED FROM OPERATIONS	21241271	(39,919,731)
Direct Taxes Paid	(27136)	(77,000)
NET CASH FROM OPERATING ACTIVITIES	A	21214135
		(39,996,731)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital Expenditure	(535180261)	(1,020,899,260)
Interest Received	292203	-
NET CASH USED IN INVESTING ACTIVITIES	B	(534888058)
		(1,020,899,260)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares including share application money and premium	144370200	262,776,000
Proceeds/(Payment) of Long Term Borrowings from Banks	189867207	831,355,952
Proceeds/(Payment) of Short Term Borrowings from Banks	222948271	-
Proceeds/(Payment) of Other Borrowings	(2601574)	(1,475,764)
Interest Paid	(40745202)	-
NET CASH USED IN FINANCING ACTIVITIES	C	513838902
		1,092,656,187
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	164978	31,760,196
Cash and Cash Equivalents at the beginning of the year	36000348	4,240,152
Cash and Cash Equivalents at the end of the year	36165326	36,000,348
Components of cash and cash equivalents as at	2011	2,010
	Rs.	Rs.
Cash in hand	98,171	370,524
With scheduled banks- on current account		
- on current account	29,472,497	33,364,769
- on deposit account	6,594,658	2,260,055
With Non schedule banks- on current account	-	5,000
	36,165,326	36,000,348

Notes :

- Figures for the previous year have been regrouped/rearranged wherever found necessary.
- Interest paid does not include Rs.947.95 lacs interest capitalised during the year.

As per our report of even date
For OPSinghania & Co.
(Firm Reg. No.002172C)
Chartered Accountants

Sd/-
per Sanjay Singhania
Partner
Membership No.076961

Place : Delhi
Date : 09th May'2011

For and on behalf of the Board of Directors of
Ardent Steel Limited

Sd/-
Sanjay Gupta
Director

Sd/-
B.L. Agrawal
Director

Sd/-
Niharika Verma
Company Secretary

Ardent Steel Limited
Schedules to the Accounts

	2011 Rs.	2010 Rs.
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Schedule 1 : Capital

Authorised		
10000000 (10000000) Equity Share of Rs.10/- each	100,000,000	100,000,000
Issued		
10000000 (6607600) Equity Shares of Rs.10/- each fully paidup	100,000,000	66,076,000
Subscribed & Paid up		
10000000 (6607600) Equity Shares of Rs.10/- each fully paidup	100,000,000	66,076,000
Out of the above:		
7500000 (4955700) equity shares held by holding company Godawari Power & Ispat Ltd.		

Schedule 2 : Reserves and Surplus

Securities Premium		
Balance as per last account	320,380,000	-
Addition during the year	169,620,000	320,380,000
	490,000,000	320,380,000
Profit and Loss Account	828,417	-
	490,828,417	320,380,000

Schedule 3 : Secured Loans

Loans and advances from banks		
- Rupee Term Loans	1,098,935,549	743,633,644
-Foreign Currency buyer credit facilities	-	170,184,271
-Working Capital facilities	222,948,271	-
Other Loans & Advances	1,432,360	4,033,935
Interest Accrued & Due	4,749,573	-
	1,328,065,753	917,851,849

Security and terms & conditions for above

1. Rupee Term loans is secured by first pari passu charge over entire movable & immobale properties including mortgage by deposit of title deeds inrespect of immovable properties of the Company, and hypothecation of plant & machinery, equipments, furniture & fixtures, structures, other movable assets, present and future subject to first pari passu charge infavour of Company's bankers on the stock of raw materials, finished goods, stock in process, stores & consumables, bookdebts and receivables of the Company for securing working capital facilities granted to the Company.

2. Working capital facility from bank is secured by hypothecation on the stock of raw mareials, finished goods, stock in process, stores & consumables, bookdebts and receivables of the Company and second pari passu charge on the entire movable plant & machinerics & immovable assets of the company.

3. The above loans have also secured by personal guarantee of promotor directors of the company.

4. Other loans are secured by hypothecation of vehicles.

Ardent Steel Limited**Schedules to the Accounts
As at 31st March, 2010****Schedule 4 :
Fixed Assets**

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
	As at 01.04.2010	Additions during the year	Deductions/ sale during the year	As at 31.03.2011	Upto 31.03.2010	During the year	Deductions/ Adjustment During the year	Upto 31.3.2010	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	16,229,048	-	-	16,229,048	-	-	-	-	16,229,048	16,229,048
Site & Land Development	-	9,317,887	-	9,317,887	-	-	-	-	9,317,887	-
Factory Shed & Building	-	204,619,507	-	204,619,507	-	1,636,145	-	1,636,145	202,983,362	-
Plant & Machinery	-	1,512,173,820	-	1,512,173,820	-	19,449,263	-	19,449,263	1,492,724,557	-
Furniture & Fixtures	-	3,202,930	-	3,202,930	-	43,340	-	43,340	3,159,590	-
Vehilces	-	9,793,145	-	9,793,145	-	155,058	-	155,058	9,638,087	-
TOTAL	16,229,048	1,739,107,289	-	1,755,336,337	-	21,283,806	-	21,283,806	1,734,052,531	16,229,048
PREVIOUS YEAR	16,229,048	-	-	16,229,048	-	-	-	-	16,229,048	16,229,048
Capital Work in Progress & Preoperative expenses including capital advances	1,256,706,602	535,180,261	1,739,107,289	52,779,574	-	-	-	-	52,779,574	1,256,706,602
PREVIOUS YEAR	235,807,342	1,020,899,260	-	1,256,706,602	-	-	-	-	1,256,706,602	235,807,342

Ardent Steel Limited**Schedules to the Accounts**

	2011 Rs.	2010 Rs.
Schedule 5 : Investments		
Long Term Investment (At cost)		
A. Trade		
Unquoted, fully Paid up		
19,900 equity shares of Rs.10/- each in Sag International Limited	199,000	199,000
Share Application Money (Pending for allotment)	201,000	201,000
	400,000	400,000
Schedule 6 : Inventories (at lower of cost and net realisable value)		
Raw materials and components	22,494,333	-
Stores and spares	48,844,555	-
Work-in-progress	54,634,834	-
Finished Goods	16,247,522	-
	142,221,244	-
Schedule 7 : Sundry Debtors		
(Unsecured, Considered good otherwise stated)		
Debts outstanding for a period exceeding six months	-	-
Others	18,401,897	-
	18,401,897	-
Schedule 8 : Cash and Bank Balances		
Cash in hand	98,171	370,524
Balances with Scheduled Banks		
On current accounts	29,472,497	33,364,769
On deposits accounts*	6,594,658	2,260,055
Balances with non-scheduled banks on current account	-	5,000
	36,165,326	36,000,348
* Fixed Deposit of Rs.65.95 lacs (Previous Year Rs.22.60 lacs) are pledged with various banks for availing LC and bank guarantees.		
Schedule 9 : Loans and Advances		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	43,408,368	32,016,725
Deposit with Govt. and others	1,481,438	498,028
Balances with Excise, Custom & Sales Tax	41,353,794	35,325,397
Others	350,462	97,737
	86,594,063	67,937,886
Schedule 10 : Current Liabilities		
Sundry Creditors for goods, services & expenses*	101,616,033	-
Advance from customers	1,779,371	-
Creditors for capital goods	19,105,496	4,416,143
Other Liabilities	18,804,502	3,145,317
Interest accrued but not due	3,734,693	1,798,774
	145,040,095	9,360,234
*Dues to Micro, Small & Enterprises included in sundry creditors	-	-
*Due to other than Micro, Small & Medium Enterprises included in sundry creditors	101,616,033	-
Schedule 11 : Provisions		
Provision for taxation (net of advance payments)	272,800	-
Provision for gratuity	1,508,769	-
	1,781,569	-

Ardent Steel Limited
Schedules to the Accounts

	2011 Rs.	2010 Rs.
Schedule 12 : Gross Turnover		
Sale of Manufacturing Goods	431,038,839	-
	431,038,839	-
Schedule 13 : Other Income		
Interest		
- Bank deposits (includes TDS of Rs.27136/-)	292,203	-
Miscellaneous Income	22,150	-
	314,353	-
Schedule 14 : Increase/(decrease) in Stock in trade		
Closing Stock		
- Work-in-progress	54,634,834	-
- Finished Goods	16,247,522	-
	70,882,356	-
Opening Stock (Refer Note No.7 of Schedule-20)		
- Work-in-progress	13,337,598	-
- Finished Goods	47,353,810	-
	60,691,408	-
Net Increase/(Decrease) in Stock in trade	10,190,948	-
Excise Duty on Stocks (Refer Note No.9 of Schedule-20)	(1,517,221)	-
	8,673,727	-
Schedule 15 : Raw Material Consumed		
Opening Stock	-	-
Add: Purchases	198,241,664	-
	198,241,664	-
Less: Closing Stock	22,494,333	-
	175,747,331	-
Schedule 16 : Personnel Expenses		
Salaries, wages and bonus	15,123,744	-
Contribution to provident fund	390,734	-
Workmen and staff welfare expenses	170,538	-
	15,685,016	-

Ardent Steel Limited
Schedules to the Accounts

	2011 Rs.	2010 Rs.
Schedule 17 : Operating and Other Expenses		
Power & Fuel	96,041,037	-
Other manufacturing expenses	3,710,691	-
Rent	198,942	-
Rates and taxes		
- Others	697,476	-
Insurance	349,971	-
Repairs and maintenance		
- Plant and machinery	8,640,501	-
- Buildings	1,544,924	-
- Others	359,200	-
Commission		
- Other than Sole selling agents	280,679	-
Travelling and conveyance	3,523,108	-
Communication expenses	296,736	-
Printing and stationery	182,689	-
Legal and professional fees	1,246,755	-
Frieght and forwarding charges	14,142,639	-
Security service charges	1,166,610	-
Miscellaneous expenses	2,761,091	-
	135,143,051	-
Schedule 18 : Financial Expenses		
Interest		
- on term loans	126,778,452	-
- on working capital	6,350,544	-
- on others	1,565,382	-
Bank charges	846,378	-
	135,540,756	-
Less: Interest capitalised	94,795,554	-
	40,745,202	-
Schedule 19 : Earning per share (EPS)		
Net profit as per profit and loss account	828,417	-
Net profit for calculation of basic EPS & Diluted EPS	828,417	-
Weighted average number of equity shares in calculating Basic EPS	7,555,613	-
Weighted average number of equity shares in calculating Diluted EPS	7,555,613	-
Basic & Diluted EPS		
- Basic earning per share	0.11	-
- Diluted earning per share	0.11	-

SCHEDULE '20'

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations

The company is mainly engaged in manufacturing of Iron Ore Pellets.

2. SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting

- i) The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the accounting standards as notified by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii) The accounting policies have been consistently applied by the Company and except for the changes in accounting policies discussed below, are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) Fixed Assets

- i) Fixed Assets are stated at acquisition cost less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses upto the date of commencement of commercial production and are net of CENVAT credit.
- ii) The various expenditure incurred during the construction stage and upto the date of commencement of commercial production for setting-up the relevant project-assets are grouped under the head "Pre-operative Expenditure" and allocated to related fixed assets on pro-rata basis.

d) Depreciation/Amortisation

- i) Depreciation is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule XIV of the Companies Act, 1956.
- ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.
- iii) Free-hold land and site & land development cost are not depreciated/amortized.

e) Investments :

- i) Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such is other than temporary, in the opinion of the management.
- ii) Current Investments are stated at lower of cost/quoted fair value, computed categorywise.

f) Inventories :

- i) Inventories are valued at lower of cost and net realizable value, after providing for obsolescences, if any.
- ii) Cost of Raw Materials and stores & spares, Finished Goods & Goods in Process are computed on FIFO basis.
- iii) Cost of Finished Goods and Goods in Process includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.
- iv) Proceeds in respect of sales/disposal of raw materials is credited to the raw material purchases.

g) Excise Duty

- i) The Excise Duty in respect of closing inventory of finished goods is provided in books of account and included as part of inventory.
- ii) CENVAT Credit relating to raw materials/components are debited under current assets for availing credit against CENVAT and credited to respective materials/component account.

h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- i) Sale of Products
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty 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.

ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

i) 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. All other borrowing costs are charged to revenue.

j) 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.

k) Taxes on Income

Current Taxes are accounted based on provisions of Income Tax Act, 1961. Deferred Taxes are not recognised for those timing differences which reverse in tax holiday period.

l) Foreign Currency Transactions

- i) Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate prevailing as on the date of transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominating in a foreign currency are reported using the exchange rate at the date of transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values are determined.
- iii) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at the rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.
- iv) All loans and deferred credits repayable in foreign currency and outstanding at the close of the year are expressed in Indian currency at the appropriate rates of exchange prevailing as on the date of the balance sheet, except in cases where these borrowings are covered by forward exchange contracts. Any increase or reduction in these liabilities are booked to revenue.
- v) 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.

m) Retirement and other Employee Benefits

- i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
- ii) Gratuity Liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Value of encashable leave are encashed during the year and charged to the Profit & Loss Account.
- iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

n) Provisions

Provisions are recognised, 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.

o) 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.

p) Cash and Cash equivalents

Cash and Cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

q) Earnings 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. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3. Contingent Liabilities and Capital Commitments are not provided for in respect of :-

Counter Guarantees given to banks against Bank guarantees issued by the Company Banker aggregate to Rs.104.57 lacs (Previous Year Rs.103.41 lacs.)

4. In the opinion of the Board, the value of realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
5. As required by Accounting Standard-22 "Accounting for Taxes on Income", issued by ICAI, the Company has recognise the deferred tax liability/assets for the year for timing differences except the timing difference in case of its power generating unit in which the benefits available u/s 80IA of the Income Tax Act. The details of major components are as under :-

Particulars	Balance As at 1st April,2010	Arising during the year	Balance As at 31st March,2011
Deferred Tax Liabilities			
- Timing difference between book and tax depreciation	0	(82505045)	(82505045)
	0	(82505045)	(82505045)
Deferred Tax Assets			
- Provision for gratuity	0	331695	331695
- On Account of MAT Credit to be Carried forward	0	264891	264891
- On account of carry-forward losses as per income-tax	0	81538059	81538059
	0	82134645	82134645
Net Deferred Tax Assets/(Liabilities)	0	(370400)	(370400)

6. Miscellaneous expenses includes, payment to Auditors (excluding service tax, as applicable). (Rs.in lacs)

	2010-11	2009-10
Towards Audit Fees	1.00	0.50
Towards Tax Audit fees	0.25	0.00
Towards other Services	0.25	0.00

7. During the year the company has started production of Iron Ore Pellet w.e.f. 30th July 2010 in the iron ore Pelletisation plant, however due to certain teething problems the plant could not run smoothly. The company has resolved all such issues by installing/modifying certain equipments and the commercial production has been recognized w.e.f. 1st January, 2011 for the purpose of financial accounting and accordingly the pre-operative expenditure (including trial run expenses) incurred during the construction period up-to 31st December, 2010, has been considered as pre-operative expenses, which has been capitalized and allocated to respective assets. The value of stocks in process & finished goods as on 31st December, 2010 amounting to Rs. 606.91 lacs has been considered as opening stock, which has been carried forward to Profit & Loss Account, as opening stock.

8. Information on Related Party as required by Accounting Standard-18, "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, are given below :

i) **Related Parties**

a) **Holding Company**

Godawari Power & Ispat Limited

b) **Associate**

Sag International Limited

e) **Key Management Personnel**

- Shri B.L.Agrawal
- Shri Dinesh Agrawal
- Shri Sanjay Gupta

c) **Other Related Enterprises where control exist**

- Hira Cement Ltd.
- Hira Power & Steels Ltd.

ii) **Transaction with Related Parties in the ordinary course of business (Rs.in lacs)**

		2010-11	2009-10
a) Holding Company	Purchase of Raw Materials	2.79	0.00
	Purchase of Capital Goods	522.93	174.55
	Outstandings		
	Receivables	300.00	0.00
	Payables	3.42	280.08
b) Other Related Enterprises where control exist	Purchase of Raw Materials	37.45	0
	Purchase of Capital Goods	95.66	115.50
	Outstandings		
	Receivables	0.00	13.66
	Payables	79.02	0.59

iii) **Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year**

(Rs.in lacs)		
a)	Purchase of Raw Materials:	2010-11 2009-10
	Hira Cement Limited	37.45 0.00
b)	Purchase of Capital Goods:	
	Godawari Power & Ispat Ltd.	522.93 174.55
	Hira Cement Limited	78.03 975.66

9. In accordance with the *explanation* to the para 10 of AS-9 (as notified), differential excise duty on opening and closing stock of finished goods amounting to (Rs.15.17 lakhs) (Previous Year Rs.Nil) has been adjusted from increase/(decrease) in stock in trade in Schedule -14.

10. The Company has identified the amount due to Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2011

(Rs. in lacs)		
	2010-11	2009-10
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March, 2011		
Principal Amount	0.00	3.80
Interest	0.00	0.00
ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March, 2011	0.00	0.00
iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	0.00	0.00
iv) The amount of interest accrued and remaining unpaid for the year ending 31st March, 2011	0.00	0.00
v) The amount of further interest remaining due and payable for the earlier years.	0.00	0.00

Note : The information has been given in respect of such suppliers to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

11. Gratuity and other post-employment benefit plans :

The Company has a defined gratuity benefit plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per the Projected unit credit method.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

Rs. in Lacs		
	(Gratuity)	(Gratuity)
	March 31, 2011	March 31, 2010
Current Service cost	8.54	4.01
Interest cost on benefit obligation	0.80	0.19
Expected return on plan assets	0.00	0.00
Net actuarial loss recognised in the year	0.88	0.66
Past service cost	0.00	0.00
Actual return on plan assets	10.22	4.86

Balance Sheet

Details of provision for Gratuity

Rs. in Lacs		
	March 31, 2011	March 31, 2010
Defined benefit obligation	15.08	4.86
Fair value of plan assets	0.00	0.00
	15.08	4.86
Less : Unrecognised past service cost	0.00	0.00
Plan liability	15.08	4.86

Changes in the present value of the defined benefit obligation are as follows :

Rs. in Lacs

	March 31, 2011	March 31, 2010
Defined benefit obligation as at April 1, 2010	4.86	0.00
Interest cost	0.80	0.19
Current Service Cost	8.54	4.01
Benefits paid	0.00	0.00
Actuarial losses on obligation	0.88	0.66
Defined benefit obligation as at March 31, 2011	15.08	4.86

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded therefore categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below :

	March 31, 2011	March 31, 2010
Discount Rate	8.00%	8.00%
Increase in Compensation cost	5.00%	5.00%
Rate of return on plan assets	0.00	0.00
Expected average remaining working lives of employee (years)	29.08	27.94

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Contribution to Defined Contribution Plans :

Rs. in Lacs

Provident Fund 11.53 1.48

12. Additional information pursuant to provision of paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956 (As certified by the management)

A) TURNOVER				Rs. in Lacs	
	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Amount	Quantity	Amount
Pellet*	M.T.	51937	4310.39	0	0.00
Total			4310.39		0.00

* Does not include 816.55 MT sold during trial run period.

B) OPENING STOCK				Rs. in Lacs	
	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Amount	Quantity	Amount
Pellet	M.T.	0	0.00	0	0.00
Work in Process		----	0.00	----	0.00
Total			0.00		0.00

C) CLOSING STOCK					
	UNIT	Quantity	Amount		
Pellet	M.T.	2176	162.48	0	0.00
Work in Process		----	546.35	----	0.00
Total			708.82		0.00

D) RAW MATERIAL CONSUMED				Rs. in Lacs	
	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Amount	Quantity	Amount
Iron Ore Fines	M.T.	54530	1665.50	0	0.00
Others		----	91.97	----	0.00
			1757.47		0.00

E) BREAKUP OF RAW MATERIAL CONSUMED					
		%	Amount	%	Amount
Imported		0.00%	0.00	0.00%	0.00
Indigenous		100.00%	1757.47	0.00%	0.00
		100.00%	1757.47	0.00%	0.00

F) Value of import on CIF basis					
- Capital Goods			18.54		2866.42
G) Expenditure in Foreign Currency					
			6.11		0.00
H) Earning in Foreign Exchange					
			0.00		0.00

I)					
	Unit	Installed Capacity		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year
Pellet	M.T.	600000	0	54,929	-

13. The previous year figures have been regrouped and/or rearranged wherever necessary.

For OPSinghania & CO.

(Firm Reg. No.002172C)

Chartered Accountants

Sd/-

per Sanjay Singhania
Partner

Membership No.076961

For and on behalf of the Board of Directors of
Ardent Steel Limited

Sd/-

Sanjay Gupta
Director

Sd/-

B.L. Agrawal
Director

Sd/-

Niharika Verma
Company Secretary

Place : Delhi

Date : 09th May/2011

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	U27310MH2007PLC194166
State Code	11
Balance Sheet Date	31.03.2011

2. Capital raised during the year

(Rs. in thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	33924

3. Position of mobilisation and deployment of funds

(Rs. in thousands)

Total Liabilities	2071000
Total Assets	2071000

..... Sources of Funds

(Rs. in thousands)

Paid-up Capital	100000
Share Application Money	4914
Reserves & Surplus	490828
Secured Loans	1328066
Unsecured Loans	NIL
Deferred Tax Liabilities	370

..... Application of Funds

(Rs. in thousands)

Net Fixed Assets	1786832
Investments	400
Net Current Assets	136561
Miscellaneous Expenditure	386
Accumulated Losses	NIL

4. Performance of the Company

(Rs. in thousands)

Turnover (Gross Receipts)	381402
Total Expenditure	379931
Profit/(Loss) before tax	1472
Profit/(Loss) after tax	828
Earning per Share	
- Basic (Rs.)	0.11
- Diluted (Rs.)	0.11
Dividend Rate Including Special Dividend, if any	
-- on Preference Shares	NIL
-- on Equity Shares	NIL

5. Generic Name of Principal Products, services of the Company :

Item Code No. (ITC Code)	26011210
Product Description	Pellet

For and on behalf of the Board of Directors of Ardent Steel Limited

Sd/-

Sd/-

Sanjay Gupta

B.L. Agrawal

Director

Director

Place : Delhi

Date : 09th May'2011

Sd/-

Niharika Verma

Company Secretary