

**INERTIA STEEL LIMITED**  
(FORMERLY TARUNKUMAR TRADE AND EXPORT LIMITED)

**24<sup>th</sup> ANNUAL REPORT**

**FOR THE FINANCIAL YEAR**  
**2007-2008**

**REGISTERED OFFICE:**  
**422, TULSIANI CHAMBERS,**  
**NARIMAN POINT,**  
**MUMBAI – 400 021.**

**INERTIA STEEL LIMITED**  
(Formerly Tarun Kumar Trade And Export Limited)

**DIRECTORS**

- 1) Shri Hari Gopal Joshi
- 2) Shri Suresh J. Ajmera
- 3) Shri Dhanesh S Ajmera

**AUDITORS**

M/s. Kaloti & Lathiya  
Chartered Accountants  
4, Konark Villa Appartments,  
Behind Gopal Cultural Hall,  
Osmanpura,  
Aurangabad – 431 0050.

**BANKER**

ICICI Bank Ltd.  
Fort Branch,  
Mumbai – 400 001.

**REGISTERED OFFICE**

422, Tulsiani Chambers,  
Nariman Point,  
Mumbai – 400 021.

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## NOTICE

NOTICE is hereby given that Twenty Fourth Annual General Meeting of the Members of Inertia Steel Ltd. will be held on Saturday, the 29<sup>th</sup> September 2008 at 3.00 PM at the Registered Office of the Company situated at 422, Tulsiani Chambers, Nariman Point, Mumbai – 400 021 to transact the following business:-

- 1) To receive, consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March, 2008, the Profit & Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon.
- 2) To appoint Director in place of Shri Dhanesh B. Ajmera, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

**“RESOLVED** that M/s. Kaloti & Lathiya, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

For and on behalf of Board of Directors,

  
(H.G. JOSHI)  
Chairman.

**Registered Office:**  
422, Tulsiani Chambers,  
Nariman Point,  
Mumbai – 400 021.

Dated: 1<sup>st</sup> September 2008.

**Note:-**

- 1) A member entitled to attend and vote at the above said meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member. The proxy in order to be effective must be lodged with the company atleast 48 hours before the commencement of the meeting.
- 2) The Register of members and share transfer books of the company shall remain closed from 24<sup>th</sup> September, 2008 to 29<sup>th</sup> September, 2008 (both days inclusive).

## DIRECTORS REPORT

To,

The Shareholders

The Directors are pleased to present their Twenty Fourth Annual Report alongwith the audited statement of accounts of the Company comprising of Balance Sheet as at 31<sup>st</sup> March, 2008 and the profit and loss account for the year ended on the said date. The summarized financial results for the year vis-à-vis previous year are as follows:

**Financial Results:**

(Amount in Rupees)

Particulars	31.03.2008	31.03.2007
Total Income	52000	153000
Total Expenditure	40132	150581
Profit/(Loss) before tax	11868	2419
Provision for tax	3700	950
Profit/(Loss) after tax Carried to Balance Sheet	8168	1469

**Operations:**

During the year under review, the total income from operations was Rs.52,000/- as compared to Rs.1,53,000/- during the corresponding period of previous year. The net profit after making necessary provision for tax stood at Rs.8,168/- as against Rs.1,469/- in the previous year.

**Fixed Deposits :**

The company has not accepted any deposits during the year.

**Auditors :**

M/s. Kaloti and Lathiya Chartered Accountants, being eligible, offer themselves, for re-appointment and are proposed to be appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

**Auditors Report:**

The observations made by the auditors in their report are self explanatory and have also been further amplified in the Notes to the accounts

**Directors:**

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

Contd..2..

**Particulars of Employees:**

During the year under review, there are no employees drawing remuneration in excess of the prescribed limits and whose particulars are required to be given in compliance with the provisions contained in section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**Additional Information:**

As the company does not own an undertaking where manufacturing operations are carried out, the information to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

During the year under review there were no foreign exchange earnings nor foreign exchange outgo.

**Directors Responsibility Statement:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :-

- i) in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2008, the applicable accounting standards have been followed and that there are no material departures in the preparation of annual accounts;
- ii) the Directors 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 as at 31<sup>st</sup> March 2008 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the accounts on a going concern basis.

**Acknowledgements:**

The Directors place on record, their appreciation and gratitude for all the cooperation extended by Bankers, Business Associates and Shareholders. The Directors also record their appreciation for the dedicated services rendered by all the executive staff and workers of the company for their valuable contribution in the working of the company.

**For and on behalf of Board of Directors**

Place : Mumbai  
Dated: 1<sup>st</sup> September 2008



**(H.G. JOSHI)**  
**Chairman**

## AUDITOR'S REPORT

To The Members of  
**INERTIA STEEL LIMITED**

We have audited the Balance Sheet of M/S INERTIA STEEL LTD. as on 31st March, 2008 and the Profit & Loss Account of the said company for the year ended on that date, annexed thereto. This financial statements is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in paragraph 2 above, we report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss Account dealt with this report are in agreement with the books of accounts.
- d) In our opinion, the annexed Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to Note No. 3 of Schedule 20, Notes to Accounts.
- e) On the basis of written representations received from the Directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and annexed thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) in the case of the Balance Sheet, of the state of affairs of the company as on 31st March , 2008 and
  - (ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

**FOR M/S KALOTI AND LATHIYA  
CHARTERED ACCOUNTANTS**



  
**SANJEEV N. BAJAJ**  
**PARTNER**  
**Membership No. 107678**

**MUMBAI**  
**DATED : 01-09-2008**

**ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO MEMBERS OF INERTIA STEEL LIMITED ON THE ACCOUNTS AS ON AND FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2008.**

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

- i) a) The company does not possess any fixed assets hence not applicable.  
b) In view of the above, the question of revaluation of fixed assets does not arise.
- ii) a) The company does not possess any inventory, hence not applicable.  
b) In view of the above, the question of verification of inventory does not arise.
- iii) a) The company has not granted any unsecured loan during the year to the company covered in the register maintained under Section 301 of the Companies Act, 1956.  
b) In our opinion and according to the information and explanations given to us, As explained to us, the rates of interest and other terms and conditions of such loans given by the company, are prima facie not prejudicial to the interest of the company.  
c) As no tenure of repayment is fixed, it is not possible to express opinion whether the payment of principal is regular.  
d) The company has taken reasonable steps for recovery of principal and interest.  
e) The company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during this year. Accordingly sub-clauses (e), (f), (g) of clause (iii) of this order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of inventory and for the sale of goods and services. Further, on the basis of our examinations of the books of accounts and according to the information and explanations given to us, we have not come across major weaknesses in the aforesaid internal control system.

Contd.....2



- v) a) According to information and explanation given to us, we are of the opinion that the particulars of the contracts or arrangements referred to in section 301 of Act have been so entered in the register required to be maintained under that section.
- b) In our opinion, all these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits during the year from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there-under.
- (vii) The paid up capital of the company was less than Rs. 25 Lacs as at the commencement of the financial year and average annual turnover for the period was not in excess of Rs. 2 Crores, hence the internal audit system is not applicable to the company.
- (viii) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the company.
- (ix) According to information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except income-tax as applicable, with the appropriate authorities
- (x) a) According to information and explanations given to us and the records of the company examined by us, in our opinion, there are no undisputed statutory dues outstanding as on 31st March, 2008 for a period exceeding six months from the date they become payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess pending in dispute.
- (xi) The company has no accumulated losses as on March 31, 2008 and it has not incurred any cash losses during this financial year or in the financial year immediately preceding to this financial year.
- (xii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank as on balance sheet date.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Companies ( Auditor's Report) Order, 2003 is not applicable to the company.
- (xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.

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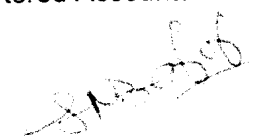


- (xv) During the year, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xvi) In our opinion, and according to the information and explanations given to us the company has not given corporate guarantee for loans taken by others from bank or financial institutions
- (xvii) According to the records of the company examined by us and the information and explanation given to us, the company has not obtained any term loan during the year, hence, the question of application of the same does not arise.
- (xviii) According to the information and explanations given to us and on overall examinations of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xix) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xx) During the year the company has not issued any debentures nor has created securities in respect of debentures.
- (xxi) During the year covered by our report the company has not raised any money by public issue.
- (xxii) During the course of our examination of the books and records of the company, carried out with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai  
Date : 01-09-2008



FOR KALOTI AND LATHIYA  
Chartered Accountants

  
( SANJEEV N BAJAJ )  
Partner  
Membership No. 107678

**INERTIA STEEL LIMITED**

**Balance Sheet as at 31<sup>st</sup> March 2008**

(Amount in Rs.)

31/03/2007	Liabilities	31/03/2008	31/03/2007	Assets	31/03/2008
	<b>Share Capital :</b>			<b>Current Assets, Loans and Advances :</b>	
2500000	Authorised: 250000 Equity shares of Rs.10/- each	2500000		Cash and Bank Balances:	
			31056	Cash-on-hand	31056
			48464	Balances with Schedule Banks In Current Account with Schedule Banks	45065
2488000	Issued, Subscribed and Paid-up: 248800 Equity shares of Rs.10/- each	2488000		<b>Sundry Debtors:</b> (unsecured, considered good and subject to confirmation)	
			153000	a) For a period less than six months.	52000
123838	<b>Reserve &amp; Surplus:</b> Profit & Loss Account	132006	553320	b) Others	706320
	<b>Unsecured Loans:</b>			<b>Loans &amp; Advances :</b> (unsecured and subject to confirmation)	
19000	From Directors	19000		Advances recoverable in cash or in kind or for value to be received.	
5887782	From Body Corporate	5887782	7778648		7755398
	<b>Current Liabilities:</b>				
35844	Sundry Creditors	49327			
8024	Provision for Income-tax	11724			
2000	Provision for Expenses	2000			
8564488	<b>TOTAL</b>	8589839	8564488	<b>TOTAL</b>	8589839

Significant accounting policies and notes on Accounts.

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As per our report of even date.  
For Kaloti & Lathiya  
Chartered Accountants.

On behalf of the Board of Directors.

**SANJEEV N. BAJAJ**  
Partner.  
M.No. 107678  
Place : Mumbai  
Dated : 01-09-2008



*S. Ajmera*  
**S. AJMERA**  
DIRECTOR

*H.G. Joshi*  
**H.G. JOSHI**  
DIRECTOR

**INERTIA STEEL LIMITED.**  
**Profit and Loss Account for the year ended 31st March 2008**

(Amount in Rs.)

31/03/2007	Particulars	31/03/2008	31/03/2007	Particulars	31/03/2008
	43300 To Professional Charges	12000	153000	By Commission	52000
	22000 To Filing Fees	0			
	10000 To Listing Fees	11250			
	13483 To Audit Fees	13483			
	48,024 To Miscellaneous Exp.	0			
	5782 To Bank Charges	3399			
	4320 To Advertisement Charges	0			
	950 To Prov for income Tax	3700			
	3672 To Printing & Stationery	0			
	1469 To Balance carried down	8168			
153000	TOTAL	52000	153000	TOTAL	52000
	123838 To Balance carried to Balance Sheet	132006	122369	By Balance as per last Balance Sheet	123838
			1469	By Balance brought down	8168
123838	TOTAL	132006	123838	TOTAL	132006

Significant accounting policies & notes to Accounts.

**Basic & Diluted Earning per Share of Rs. 10 each**

31-03-2008	31-03-2007
(Rs.)	(Rs.)
0.03	0.01

As per our report of even date.  
 For Kaloti & Lathiya  
 Chartered Accountants.

**SANJEEV N. BAJAJ**  
 Partner.  
 M.No. 107678  
 Place : Mumbai  
 Dated : 01-09-2008



On behalf of the Board of Directors.

<b>S. AJMERA</b> DIRECTOR	<b>H.G. JOSHI</b> DIRECTOR

INERTIA STEEL LIMITED  
LISTS AS ON 31<sup>ST</sup> MARCH, 2007

Particulars	31-Mar-08	31-Mar-07
<b>LIST OF SUNDRY DEBTORS</b>		
Lossy Estates & Investments	267600	267600
Commission Receivable	438720	438720
	<u>706320</u>	<u>706320</u>
<b>LIST OF ADVANCES</b>		
Advance against land purchase	1283156	1283156
Steel & Tube Exports Ltd.	284460	307710
Shri Ishar Alloys Limited	6187782	6187782
	<u>7755398</u>	<u>7778648</u>
<b>LIST OF BANK BALANCES</b>		
Bank of India, Mumbai	0	3399
Development Credit Bank Ltd.	16328	16328
ICICI Bank Ltd.	28737	28737
	<u>45065</u>	<u>48464</u>
<b>LIST OF UNSECURED LOANS</b>		
Jayaswals Holdings Pvt. Ltd.	5887782	5887782
	<u>5887782</u>	<u>5887782</u>
<b>LIST OF SUNDRY CREDITORS</b>		
Chaturvedi & Shah	21300	21300
Kaloti & Lathiya	28027	14544
	<u>49327</u>	<u>35844</u>
<b>LIST OF PROVISIONS OF INCOME TAX</b>		
Asst. Year 2003-2004	3224	3224
Asst. Year 2004-2005	1400	1400
Asst. Year 2005-2006	700	700
Asst. Year 2006-2007	1750	1750
Asst. Year 2007-2008	950	950
Asst. Year 2008-2009	3700	0
	<u>11724</u>	<u>8024</u>
Provision for Expenses	<u>2000</u>	<u>2000</u>



## SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :

1. **Basis for Preparation of Financial Statements :**  
The financial statements are prepared under historical cost convention, income and expenses are recognised on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and are consistent with generally accepted accounting principles.
2. The Company has no Deferred Tax Liability.
3. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all known liabilities is adequate and neither in excess nor in short of the amount reasonably necessary.
4. As the company has not carried out any manufacturing or trading activities, there is no information which is required to be given pursuant to para (3) and para (4) of schedule VI of the Companies Act, 1956.
5. **Disclosure of related parties / related party transactions :**
  - a) A List of related parties with whom transactions have taken place during the year :  
Key Management Personnel :  
Shri H.G. Joshi  
Shri Suresh J. Ajmera  
Shri Dhanesh B Ajmera
  - b) Disclosure of related party transaction :  
Unsecured Loans  
Balance as on 01-04-2007 Rs. 19,000/-  
Taken during the year NIL  
Balance as on 31-03-2007 Rs. 19,000/-
6. There is not separate reportable segment within the meaning of Accounting Standard 17 issued by Institute of Chartered Accountants of India.
7. Previous years figures have been re-grouped and/or rearranged wherever necessary to make them comparable with those of the current year.

8. Basic and diluted earning per share :		For the yr. ended 31-03-2008	For the yr. ended 31-03-2007
a) Amount used as the numerators			
Net profit / (loss) available for equity share holders		8168	2660
b) Number of equity shares		248800	248800
c) Basic and diluted earning per share (Rs.)		0.03	0.01

### 9. **Balance Sheet Abstract and Company's General Business Profile**

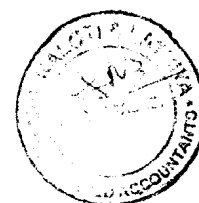
#### I. **Registration Details**

Registration Number	33082
State Code	11
Balance Sheet Date	31.03.2008

#### II. **Capital raised during the year**

	(Amount in Rs.000s)
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

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**III. Position of Mobilisation and Deployment of Funds**

Total Liabilities	8590
Total Assets	8590

**Sources of Funds**

Paid up Capital	2488
Reserves and Surplus	132
Secured Loans	0
Unsecured Loans	5907

**Application of Funds**

Net Fixed Assets	--
Investments	--
Net Current Assets	8451
Miscellaneous Expenditure	0
Accumulated Losses	--

**IV. Performance of the Company**

Turnover	52
Total Expenditure	40
Profit Before Tax (+)	12
Profit After Tax (+)	8
Earning per share (in Rupees)	0.03
Dividend Rate %	--

**V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)**

- Item Code No. (ITC Code)  
Product Description

As per our Report of even date.  
For Kaloti & Lathiya  
Chartered Accountants.

Sanjeev N. Bajaj  
Partner  
M.No. 107678  
Place : Mumbai  
Date : 01-09-2008



On Behalf of the Board of Directors.

*S. J. Ajmera*

S.J. AJMERA  
Director

*H. G. Joshi*

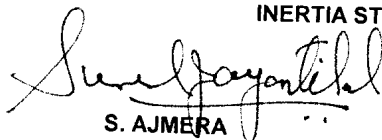
H.G. JOSHI  
Director

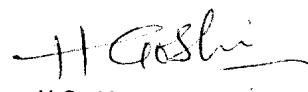
INERTIA STEEL LIMITED.  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2008

A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	31.03.2008 Rs.	31.03.2007 Rs.
	Net Profit/(Loss) before tax and Extraordinary items	8168	1469
	ADJUSTED FOR		
	Depreciation	0	0
	Foreign Exchange	0	0
	Investments	0	0
	Interest/Dividend	0	0
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>	<b>8168</b>	<b>1469</b>
	ADJUSTMENTS FOR		
	Trade and Other Receivables	(52000)	(153000)
	Inventories	0	0
	Trade Payables	17183	(17326)
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>(26649)</b>	<b>(168857)</b>
	Interest Paid	0	0
	Direct taxes paid / Refund	0	0
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(26649)</b>	<b>(168857)</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Advance for Purchase of Fixed Assets	0	0
	Sale of Fixed Assets	0	0
	Purchase of Investments	0	0
	Sale of Investments	0	0
	Deposits & Advances	0	0
	Interest Received	23250	168125
	Dividend Income	0	0
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>23250</b>	<b>168125</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Share Capital	0	0
	Proceeds from Borrowings	0	0
	Repayment of Finance Lease Liability	0	0
	Dividend Paid	0	0
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>0</b>	<b>0</b>
	Cash and Cash Equivalents (Opening Balance)	(3399)	(732)
	Cash and Cash Equivalents (Closing Balance)	79520	80252
	Net Increase / (Decrease)	76121 (3399)	79520 732

Note : Bracket indicates Cash Out Flow.

For and on behalf of the Board of Directors of  
INERTIA STEEL LIMITED

  
S. AJMERA  
DIRECTOR

  
H.G. JOSHI  
DIRECTOR

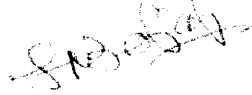


**AUDITOR'S REPORT**

We have examined the attached Cash Flow Statement of Inertia Steel Limited for the year ended 31st March, 2008. The Statement has been prepared by the Company in accordance with the requirements of the Company's Listing Agreement with Mumbai Stock Exchan

Place : Mumbai  
Dated : 01-09-2008

**For KALOTI AND LATHIYA  
Chartered Accountants**



**SANJEEV N. BAJAJ  
PARTNER  
M. NO. 107678**

