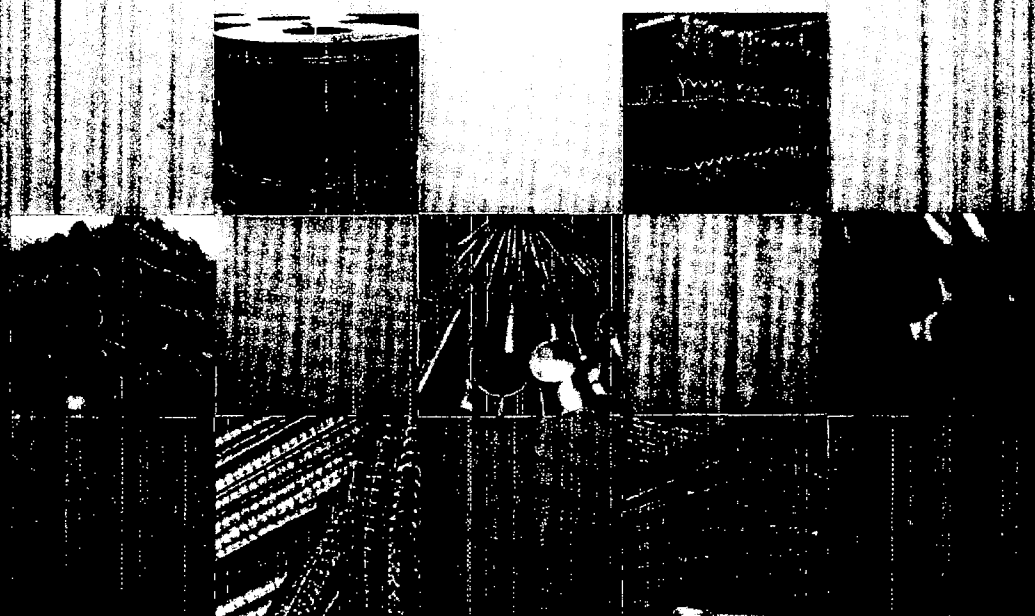


**31<sup>st</sup> Annual Report 2007 - 2008**



**Karma Ispat Limited**

*Previously Known as SCANA COLOR (INDIA) LTD.*



# **KARMA ISPAT LIMITED**

## **31st Annual Report 2007 –2008**

**Board of Directors**

Mr. Rajesh Mehta  
Mrs. Bhavna Mehta  
Mr. Hemang Sampat  
Mr. Amish Modi

Managing Director  
Wholetime Director  
Director  
Director

**Auditors**

Arvind Darji Associates,  
Chartered Accountants

**Bankers**

The Jammu and Kashmir Bank  
Corporation Bank  
Canara Bank

**Registered Office**

H Wing, Office No. 131,  
Raj Arcade, Mahavir Nagar,  
Kandivali West, Mumbai –400067.

**Equity shares are listed on**

The Stock Exchange, Mumbai  
The Stock Exchange, Ahmedabad  
The Stock Exchange, Hyderabad

**Registrar and  
Share transfer agent**

System Support Services  
209, Shivai Industrial Estate,  
89, Andheri Kurla Road,  
Sakinaka, Andheri (East),  
Mumbai – 400 072.

**Day & Date of A.G.M.**

Saturday, September 27, 2008

**Time**

11.30 a.m.

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 31st Annual General Meeting of the members of **KARMA ISPAT LIMITED** will be held on Saturday, the 27th day of September, 2008 at 11.30 am at the Registered Office of the Company at H Wing, Office No. 131, Raj Arcade, Mahavir Nagar, Kandivali West, Mumbai -400067 to transact[s] the following business:

**ORDINARY BUSINESS:**

- 1] To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and Profit and Loss Account for the year ended March 31, 2008 together with the Reports of the Directors and Auditors thereon.
- 2] To appoint a Director in place of Mr. Amish Modi who retires from office by rotation, and being eligible offers himself for re-appointment.
- 3] To appoint Auditors, to hold the office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting.

**SPECIAL BUSINESS:**

- 4] To consider, and if thought fit, to pass, with or without modification as an Ordinary Resolution :

**"RESOLVED THAT** Mr. Rajesh Mehta who was appointed as an Additional Director at the meeting of the Board of Directors held on September 13, 2007 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Rajesh Mehta as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** in supersession of the resolution passed by the Board of Directors at their meeting held on November 05, 2007 and subject to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Rajesh Mehta be and is hereby appointed as Managing Director of the Company for a period of five years from April 01, 2008 to March 31, 2013, on the terms and conditions (including the terms of remuneration as approved by the Remuneration Committee) as mentioned below:

**I. Fixed Compensation:**

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund.

The Basic Salary shall be in the range of Rs. 1,00,000/- to Rs. 5,00,000/- per month, payable monthly. The Annual Basic Salary and increments will be decided by the Remuneration Committee/Board of Directors depending on the performance of the Managing Director, the profitability of the Company and other relevant factors.

**II. Performance Linked Variable Remuneration (PLVR)**

Performance Linked Variable Remuneration for each of the financial years as may be decided by the Remuneration Committee/Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to the performance of the Managing Director for each year.

**III. Flexible Compensation:**

In addition to the Fixed Compensation and PLVR, the Managing Director will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances").

These perquisites and allowances shall be granted to the Managing Director as per the rules of the Company and in the manner as the Board may decide.

- i. Housing i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules;
- ii. Furnishing at residence;
- iii. Supplementary Allowance;
- iv. Leave Travel Assistance;
- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of Food Vouchers, petrol reimbursement;

- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses / electricity / gas expenses;
- ix. Housing Loan, Contingency Loan as per rules of the company. These loans shall be subject to Central Government approval, if any;
- x. Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- xi. Encashment of leave, club facilities, group insurance cover, group hospitalisation cover and group accident cover.
- xii. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above for the Managing Director shall be Rs. 25,00,000/- plus 75% of the annual basic salary.

#### **Explanation**

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children and dependent parents.
- ii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

#### **IV. Overall Remuneration**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

#### **Notes :**

- a) The following shall not be included in the computation of perquisites:-
  - i) Provision for use of Company's cars for official use.
  - ii) Provision of free telephone facilities or reimbursement of telephone expenses at residence, including payment of local calls and long distance official calls.
- b) Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- c) Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956 except with the approval of the Central Government.
- d) The limits specified above are the maximum limits and the Remuneration Committee / Board may in its absolute discretion pay to the Managing Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- e) In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.
- f) If at any time the Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.
- g) The Managing Director is appointed by virtue of his employment in the Company and the appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the Managing Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.



- h) The Managing Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment to the business or affairs or other matters whatsoever of the Company and the Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person from disclosing the afore-said information.
- i) If the Managing Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Managing Director or any breach of this resolution, as in the opinion of all other Directors renders his retirement from the office of the Managing Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Managing Director and the Company may by giving thirty days notice in writing to the Managing Director determine this resolution and he shall cease to be a Director and Managing Director of the Company, upon expiration of such notice.
- j) The terms and conditions of this resolution are subject to such alterations/ variations as may be mutually agreed upon between the Company and the Managing Director.

5] To consider, and if thought fit, to pass, with or without modification as an **Ordinary Resolution** :

**"RESOLVED THAT** Mrs. Bhavna Mehta who was appointed as an Additional Director at the meeting of the Board of Directors held on September 13, 2007 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mrs. Bhavna Mehta as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** subject to the approval of the shareholders at the Annual General Meeting and the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mrs. Bhavna Mehta be and is hereby appointed as Wholetime Director of the Company for a period of five years from April 01, 2008 to March 31, 2013, on the terms and conditions (including the terms of remuneration as approved by the Remuneration Committee) as mentioned below:

**I. Fixed Compensation :**

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund.

The Basic Salary shall be in the range of Rs. 50,000/- to Rs. 3,00,000/- per month, payable monthly. The Annual Basic Salary and increments will be decided by the Remuneration Committee/Board of Directors depending on the performance of the Wholetime Director, the profitability of the Company and other relevant factors.

**II. Performance Linked Variable Remuneration (PLVR)**

Performance Linked Variable Remuneration for each of the financial years as may be decided by the Remuneration Committee/Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to the performance of the Wholetime Director for each year.

**III. Flexible Compensation:**

In addition to the Fixed Compensation and PLVR, the Wholetime Director will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances"):

These perquisites and allowances shall be granted to the Wholetime Director as per the rules of the Company and in the manner as the Board may decide.

- i. Housing i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules;
- ii. Furnishing at residence;
- iii. Supplementary Allowance;
- iv. Leave Travel Assistance;

- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of Food Vouchers, petrol reimbursement;
- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses / electricity / gas expenses;
- ix. Housing Loan, Contingency Loan as per rules of the company. These loans shall be subject to Central Government approval, if any;
- x. Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- xi. Encashment of leave, club facilities, group insurance cover, group hospitalisation cover and group accident cover.
- xii. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above for the Wholtime Director shall be Rs. 25,00,000/- plus 75% of the annual basic salary.

#### Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children and dependent parents
- ii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

#### IV. Overall Remuneration

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Wholtime Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

#### Notes :

- a) The following shall not be included in the computation of perquisites:-
  - i) Provision for use of Company's cars for official use.
  - ii) Provision of free telephone facilities or reimbursement of telephone expenses at residence, including payment of local calls and long distance official calls.
- b) Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- c) Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Wholtime Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956 except with the approval of the Central Government.
- d) The limits specified above are the maximum limits and the Remuneration Committee / Board may in its absolute discretion pay to the Wholtime Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- e) In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.
- f) If at any time the Wholtime Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Wholtime Director of the Company.

- g) The Wholetime Director is appointed by virtue of his employment in the Company and the appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the Wholetime Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.
- h) The Wholetime Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment to the business or affairs or other matters whatsoever of the Company and the Wholetime Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person from disclosing the afore-said information.
- i) If the Wholetime Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Wholetime Director or any breach of this resolution, as in the opinion of all other Directors renders his retirement from the office of the Wholetime Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Wholetime Director and the Company may by giving thirty days notice in writing to the Wholetime Director determine this resolution and he shall cease to be a Director and Wholetime Director of the Company, upon expiration of such notice.
- j) The terms and conditions of this resolution are subject to such alterations/ variations as may be mutually agreed upon between the Company and the Wholetime Director.
- 6) To consider, and if thought fit, to pass, with or without modification as an **Ordinary Resolution** :  
**"RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorised pursuant to Section 293 (1) (e) of the Companies Act, 1956 on behalf of the Company to contribute and / or subscribe from time to time in any financial year to any body, institute, society, person, trust or fund for any charitable or other purposes not directly related to the business of the Company or to the welfare of employees, any amount, the aggregate of which in any financial year of the Company exceed an amount of Rs. 50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the said Act during the three financial years immediately preceding, subject to a maximum of Rs. 25,00,000/ 5 % of the Company average profit determined as above whichever is greater"  
**"RESOLVED FURTHER THAT** the donation amounting to Rs.1476111/- paid during the financial year ended March 31, 2008 be and are hereby approved, confirmed and ratified"
- 7) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** consent of the Company be and is hereby accorded pursuant to section 293 (1) (d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time exceed Rs.500 Crores (Rupees Five Hundred Crores only)."

For and behalf of the Board of Directors  
**Karma Ispat Limited**

**Registered Office**  
**KARMA ISPAT LIMITED**  
 H Wing, Office No. 131,  
 Raj Arcade, Mahavir Nagar,  
 Kandivali West,  
 Mumbai – 400067.

**(Rajesh Mehta)**  
 Managing Director

29th July 2008

**NOTES:**

- 1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THAT PROXY NEED NOT BE A MEMBER. OF THE COMPANY.  
THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHTY HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2] The register of Members and the Share Transfer Books of the Company will remain closed from Monday, September 22, 2008 to Saturday, September 27, 2008 [both days inclusive].
- 3] Members who desire to seek any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
- 4] Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
- 5] The Company its shares are listed on The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad and The Stock Exchange, Hyderabad.
- 6] Members holding Shares in Physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
- 7] All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 am and 1.00 pm upto the date of the Annual General Meeting.
- 8] Members / Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
- 9] Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
- 10] In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their DP ID and Client ID Number.
- 11] the explanatory statement U/s. 173 of the Companies Act, 1956 is enclosed herewith.

**EXPLANATORY STATEMENT AS REQUIRED U/S. 173[2] OF THE COMPANIES ACTS, 1956**

**ITEM 4 :**

Mr. Rajesh Mehta has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 on 13th September, 2007 and would hold office till the date of the ensuing Annual General Meeting.

Mr. Rajesh Mehta is a commerce graduate from Mumbai University. He has vast knowledge and experience in the field of Iron and Steel industry. He has been dealing in mild sheet plates, hot rolled plates, cold rolled sheets & coils, boiler plates, mild sheet structures, squares, rounds and bars for the past 20 years as a broker and commission agent.

Pursuant to section 257 of the Companies Act, 1956 the Company has received notices from members signifying their intention to propose the candidature of Mr. Rajesh Mehta for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 5 of the accompanying Notice.

None of the Directors of the Company other than Mrs. Bhavna Mehta and Rajesh Mehta is deemed to be concerned or interested in the Resolution.



**ITEM 5 :**

Mrs. Bhavna Mehta has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 on 13th September, 2007 and would hold office till the date of the ensuing Annual General Meeting.

Mrs. Bhavna Mehta has acquired a sound knowledge of accounting and Management Information System (MIS). She has vast experience of running various businesses successfully, it would be immensely beneficial to the Company to have her as a director.

Pursuant to section 257 of the Companies Act, 1956 the Company has received notices from members signifying their intention to propose the candidature of Mrs. Bhavna Mehta for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 6 of the accompanying Notice.

None of the Directors of the Company other than Mrs. Bhavna Mehta and Rajesh Mehta is deemed to be concerned or interested in the Resolution

**ITEM 6**

Section 293(1)(e) of the Companies act, 1956, inter alia, provides the any amount contributed to any charitable or other funds not directly relating to the business of the Company or other funds not directly relating to the business of the Company or the welfare of the employees, the aggregate of which exceeds Rs. 50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the 3 financial years immediately preceding the year in which the contribution has been made needs the approval of the members of the Company. The Board of directors consider that keeping in view the Company obligations to the Society at large and other social welfare and charitable funds / causes the limits provided under Section 293(1)(e) of the Companies Act, 1956 requires upward revision.

During the year ended March 31, 2008 the Company made donations amounting to Rs. 14,76,111/- to charitable and other funds. In view of the past losses incurred by the Company the donations exceeded the limit stipulated in Section 293(1)(d).

This resolution is therefore recommended for your acceptance.

None of the Directors of the Company is concerned or interested in this resolution.

**ITEM 7**

In order to meet the requirements of additional working capital and to finance the implementation of new projects, it would be necessary to resort to additional borrowings from Banks, institutions, etc. It was therefore felt necessary that the Board of Directors be empowered to raise a sum not exceeding Rs. 500 Crores as and when the need arose. Since the borrowing limit is in excess of the paid up capital and free reserves of the Company the approval of the members is required pursuant to section 293(1)(d) of the Companies Act 1956.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in this resolution.

For and behalf of the Board of Directors  
**Karma Ispat Limited**

(Rajesh Mehta)  
**Managing Director**

**Registered Office**

H Wing, Office No. 131,  
Raj Arcade, Mahavir Nagar,  
Kandivali West,  
Mumbai – 400067.

Date: 29th July, 2008

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have great pleasure in presenting the 31ST Annual Report together with the Audited Accounts for the year ended on March 31, 2008.

**FINANCIAL RESULTS**

	Year Ended 31.03.2008 Rs. in'000	Year Ended 31.03.2007 Rs. in'000
Sales & Other Income	11,91,149	-
Less : Expenditure	11,78,010	261
Depreciation	2,906	720
Profit / (Loss) before tax and appropriations	10,233	(981)
Profit / (Loss) after tax	9,790	(910)
Add: Balance brought forward from previous year	(16,798)	(15,888)
Loss carried to Balance Sheet	(7,008)	(16,798)

**DIVIDEND**

With a view to conserve the resources of the Company the Board of Directors have not recommended any dividend for the year ended 31st March 2008.

**OPERATIONS**

The Company has diversified into trading in broad range of steel products, including hot and cold rolled sheets and coils, galvanized sheets, electrical sheets, structurals, plates, bars and rods, stainless steel and other alloy steels. The Company intends to start manufacturing activity shortly.

The year witnessed sustained global economic growth and strong demand for steel in the new emerging markets. Consolidation in steel industry was prompted by growth in emerging economies as well as increasing opportunities in new markets. The global consolidation in the steel industry has resulted in a mature and stable market behaviour and facilitated synergy in marketing efforts.

The turnover of the Company rose from Nil in the previous year to Rs. 1,19,11,46,132 in the year under review. Likewise the Profit after tax also rose from a loss of Rs. 9,10,906 in the previous year to profit of Rs. 97,90,231 in the year ended March 31, 2008.

**CHANGE IN MANAGEMENT**

Mr. Rajesh Mehta and Mrs. Bhavna Mehta had entered into a Share Purchase Agreement with the earlier promoters of the Company for purchase of a majority stake in the company. They collectively made an open offer to the public as per the SEBI Regulations in the month of August 2007. With the completion of the process there was a change in management / control of the Company to Mr. Rajesh Gunvantrai Mehta and Mrs. Bhavna Rajesh Mehta

**CHANGE IN NAME OF THE COMPANY**

The Company has changed its name from Scana Color India Limited to Karma Ispat Limited which has been approved by the Registrar of Companies, Maharashtra.

**RESEARCH & DEVELOPMENT**

The Company has been arduously working to improve the R & D so as to provide quality and value for money to the customers in keeping with market trends.

**FIXED DEPOSITS**

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 from Public and the rules made there under.