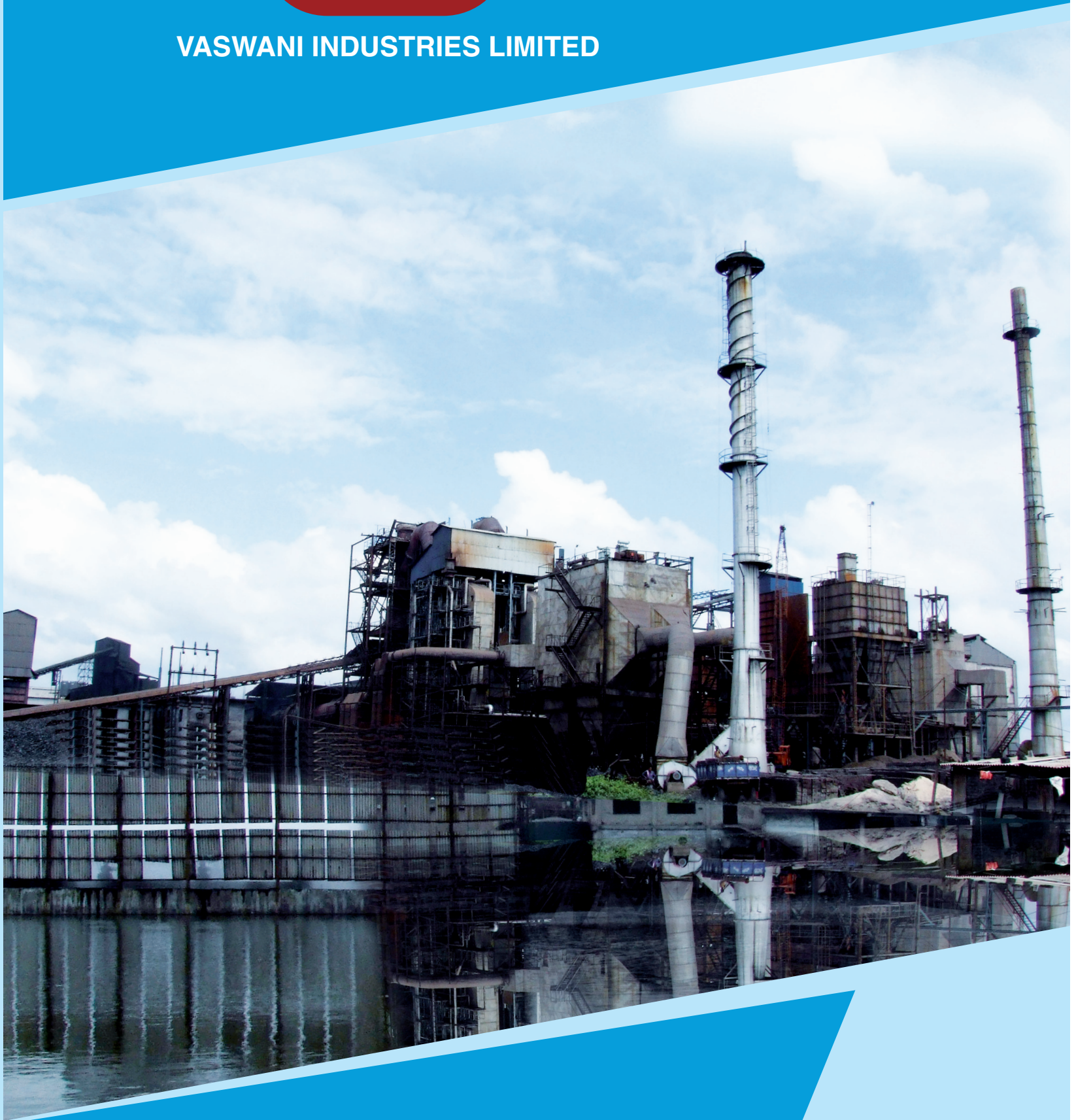




VASWANI INDUSTRIES LIMITED



8TH ANNUAL REPORT 2010-11



Man Power



Iron ore used as Raw Material for Manufacturing of Sponge Iron



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COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|---------------------------------|------------------------|
| Mr. Ravi Vaswani | – Managing Director |
| Mr. Pramod Vaswani | – Whole Time Director |
| Mr. Yashwant Vaswani | – Whole Time Director |
| Mr. Lekhu Thadharam Mulchandani | – Independent Director |
| Mr. Ashok Suri | – Independent Director |
| Mr. Sunny Saini | – Independent Director |

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

| | |
|---------------------------------|------------|
| Mr. Lekhu Thadharam Mulchandani | – Chairman |
| Mr. Pramod Vaswani | – Member |
| Mr. Sunny Saini | – Member |

REMUNERATION COMMITTEE

| | |
|---------------------------------|------------|
| Mr. Lekhu Thadharam Mulchandani | – Chairman |
| Mr. Ashok Suri | – Member |
| Mr. Sunny Saini | – Member |

SHAREHOLDERS'/INVESTOR GRIEVANCES COMMITTEE

| | |
|---------------------------------|------------|
| Mr. Lekhu Thadharam Mulchandani | – Chairman |
| Mr. Sunny Saini | – Member |
| Mr. Yashwant Vaswani | – Member |

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Rachana Hingar upto September 1st, 2011.
Mr. Anurag Pandya w.e.f. September 1st, 2011.

STATUTORY AUDITORS

M/s Sunil Johri & Associates

BANKERS

State Bank of India
Union Bank of India
IDBI Bank

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai 400 078

REGISTERED OFFICE

MIG-4, Indrawati Colony,
Raipur- 492 001,
Chhattisgarh



LETTER TO SHAREHOLDERS

Dear Members,

You are cordially invited to attend the 8th Annual General Meeting of the members to be held on Monday, 17th October, 2011 at 10:30 A.M. at the Registered Office of the Company at MIG-4, Indrawati Colony, Raipur Chhattisgarh, India.

The Notice for the meeting, containing the business to be transacted, is enclosed herewith.

Warm Regards,

Ravi Vaswani
Managing Director

NOTICE

NOTICE is hereby given that the 8TH ANNUAL GENERAL MEETING of the members of **Vaswani Industries Ltd.** will be held on Monday, the 17th October, 2011 at 10:30 A. M. at Registered Office of the Company situated at MIG-4, Indrawati Colony, Raipur, Chhattisgarh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2011 and Profit & Loss Accounts of the Company for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Yashwant Vaswani, Whole-Time Director of the Company, who retires by rotation and is eligible for re-appointment.
3. To appoint a director in place of Shri Ashok Suri, Director of the Company, who retires by rotation and is eligible for re-appointment.
4. To appoint Statutory Auditors for holding the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to consider and if thought fit to pass with or without modification the following resolution as an "Ordinary Resolution."

"**RESOLVED THAT** M/s Sunil Johri & Associates, (Registration No. 005960C), Chartered Accountants, Nathani Building, Shastri Chowk, Raipur be and are hereby appointed as 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 a remuneration to be fixed by the Board plus reimbursement of actual travelling and other incidental expenses incurred in connection with the audit."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 94 (1) (a) of the Companies Act, 1956, the Authorized Share Capital of the Company be increased from Rs. 25,00,00,000/- (Rs. Twenty Five Crore only) divided into 2,47,50,000 (Two Crore Forty Seven Lac Fifty Thousand only) equity shares of Rs. 10/- each (Rs. Ten only) and 2,50,000 (Two Lac Fifty Thousand only) 10% Non-cumulative redeemable preference shares of Rs.10/- each (Rs. Ten only) to Rs. 30,00,00,000/- (Rs. Thirty Crore only) by creation of 50,00,000/- (Fifty lacs only) Equity Shares of Rs. 10 each/-, ranking *pari-passu* with the existing equity shares of the company."

"**RESOLVED FURTHER THAT** in compliance with the provisions of Section 16 of the Companies Act, 1956, the existing capital clause No. V appearing in the Memorandum of Association be substituted with the following new clause:

"V. The Authorized Share Capital of the Company is Rs. 30,00,00,000/-(Rs.Thirty Crore Only) divided into 2,97,50,000 (Two Crore Ninety Seven Lac Fifty Thousand only) Equity shares of Rs. 10/- each and 2,50,000 (Two Lac Fifty Thousand only) 10% Non-cumulative redeemable Preference Shares of Rs.10/- each (Rs. Ten Only)"

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things necessary to give effect to increase in authorized share capital and necessary alterations in Memorandum of association"

6. To consider and if thought fit to pass with or without modification the following resolution as **Special Resolution:**

"**RESOLVED THAT** in compliance with the provisions of Section 31 of the Companies Act, 1956, the existing capital clause appearing in Article 3 of Articles of Association be substituted by the following new article:

"3. The Authorized Share Capital of the Company is as per the Capital Clause "V" of Memorandum of Association of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things necessary to give effect to increase in authorized share capital and necessary alterations in Articles of Association"



7. To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **Special Resolution**:-

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act 1956 and provisions of the Articles of Association of the Company, and order of Securities Appellate Tribunal (SAT) dated 25.08.2011 and subject to such regulatory, statutory and other approvals permissions and sanctions as may be required and subject further to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals which the Board of Directors of the Company be and is hereby authorized to accept, if it thinks fit, the Company be and is hereby authorised to capitalise upto Rs.2,50,00,000 (Rs.Two Crore Fifty lac only) out of 'Securities Premium Account' and transferred the same to share capital account towards issue and allotment of equity shares not exceeding 25,00,000 (Twenty Five lacs only) equity shares of Rs.10/- each, as bonus shares credited as fully paid-up, to members of company (other than the Promoters/Promoter Group entities) holding Equity Share of Rs.10/- each, and whose names stand in the register of members of the company on the 'Record Date' i.e. 30.09.2011, in the proportion of 1 (one) new fully paid-up Equity Share of Rs. 10/- each for every 4 (four) Equity Shares of Rs.10/- each, held as on the "Record Date" and any fractional bonus shares left over within the limit of 25,00,000 equity shares (after allocating the above bonus shares in the ratio of 1:4 to the aforesaid non-promoter shareholders) may be held by such person(s)/account(s) for the benefit of the aforesaid non-promoter shareholders which shares may be dealt with and disposed off in such manner as the Board may consider appropriate in the interest of the non-promoter shareholders; and that the bonus shares so issued (including the fractional bonus shares) and allotted be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member/person and not as income and that the said Equity Shares be issued and allotted, inter-alia, on the following terms and conditions :

(a) The new Equity Shares of Rs. 10/- each to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects and carry the same rights as the then existing Equity Shares of the Company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of dividend, if declared, for the financial year in which the same are allotted.

(b) No letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares (or opt to receive the Bonus Shares) in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

(c) The issue and allotment of fully paid-up new Equity Shares as Bonus Shares to the extent that they relate to non-residents shall be subject to approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of Bonus Shares as aforesaid or any other matter incidental or consequential thereto

**By order of the Board of Directors
For Vaswani Industries Limited**

**Anurag Pandya
(Company Secretary)**

Place: Raipur (C.G.)

Date: 20/09/2011

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.THE INSTRUMENT APPOINTING THE PROXY SHOULD ,HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act,1956, in respect of special business as set out above annexed hereto.
3. A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section187 of the Companies Act,1956, i.e. only if the Corporate Member sends certified true copy of the Board Resolution/Power of Attorney authorizing the representative to attend and vote the Annual General Meeting.
4. Register of Members and Share Transfer Book of the Company will remain closed from; 03.10.2011 to 17.10.2011 (both days inclusive).
5. Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
6. Members are requested to kindly notify the Company immediately any change of address:
 - a. To their Depository Participants(DPs) in respect of their electronic share accounts, and
 - b. To the Company at its Registered Office in their physical shares so as to enable the Company to address the future communications at their correct addresses.



7. Members who are holding Equity shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
8. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
9. The Record Date for the purpose of issue of Bonus Shares shall be published in newspapers in due course and will also be intimated to the Stock Exchanges.
10. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting venue. However, entry to the Auditorium will be strictly on the basis of the entry slip available at the counters at the venue and to be exchanged with attendance slip.
11. Members are requested to bring their copies of Notice and Attendance Slip at the time of the meeting.
12. No gift(s) shall be distributed at the ensuing 8th Annual General Meeting of your Company.

By order of the Board of Directors
For Vaswani Industries Limited

Anurag Pandya
(Company Secretary)

Place: Raipur (C.G.)
Date: 20/09/2011

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 5 & 6:

The present authorised share capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore only). Now in view of Company proposing Issue of Bonus Shares for which increase in Authorised Share Capital is required, so your director recommend as an adequate mean to increase the authorized share capital and then to allot the shares, to issue Bonus Shares.

The Board of Directors of the Company proposed to increase the Authorised Share Capital upto Rs. 30,00,00,000/- (Rupees Thirty Crore, only) divided into 2,97,50,000 (Two Crore Ninety Seven Lacs Fifty Thousand only) Equity shares of Rs. 10/- each and 2,50,000 (Two Lacs Fifty Thousand only) 10% Non-Cumulative redeemable preference shares of Rs.10/- each (Rupees Ten Only)

In terms of provisions of Section 94 and 31 of the Companies Act, 1956 approval of the members of the Company is required for alteration in the Memorandum of Association by passing an Ordinary Resolution and Article of Associations a Special Resolution as proposed in the item no. 5 & 6 of Notice.

Your Directors therefore recommend passing the resolutions set out at item no. 5 and 6 of the Notice as an Ordinary Resolution and Special Resolution respectively.

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

ITEM NO. 7:

As per the Order of Securities Appellate Tribunal (SAT) dated 25.08.2011, your directors have proposed that sum of not exceeding Rs. 2,50,00,000/- (Rupees Two Crore Fifty Lacs only) be drawn from the Securities Premium Account of the Company and capitalised and transferred to Share Capital Account towards issue and allotment of Equity Shares not exceeding 25,00,000 (Twenty Five Lacs) Equity Shares of Rs.10 each as Bonus Shares, credited as fully paid-up, to the members holding Equity Shares as on the Record Date as specified in this behalf. The Bonus Shares will be issued in the proportion of 1 new Equity Share for every 4 Equity Shares held on the date of record date i.e. October 3, 2011.

The Bonus Shares so allotted shall rank *pari-passu* in all respect including dividend with the existing equity shares of the Company.

Your Directors therefore recommend passing the resolution set out at item no.7 of the notice as an Special Resolution.

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

By order of the Board of Directors
For Vaswani Industries Limited

Anurag Pandya
(Company Secretary)

Place: Raipur (C.G.)
Date: 20/09/2011



DIRECTORS' REPORT

To,

The Members

Vaswani Industries Limited

Your Directors have pleasure in presenting the 8th Annual Report of your Company together with the Audited Statement of accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

Financial Results of the Company for the financial year ending 31st March 2011 are summarized below for your consideration:

| PARTICULARS | Rupees in Lacs | |
|---|----------------|------------|
| | 31-03-2011 | 31-03-2010 |
| SALES | 13153.10 | 9196.44 |
| PROFIT BEFORE INTEREST AND DEPRECIATION | 1980.86 | 1490.50 |
| INTEREST | 801.17 | 552.27 |
| DEPRECIATION | 472.78 | 338.14 |
| NET PROFIT BEFORE TAX & PRIOR PERIOD ADJUSTMENT | 706.91 | 600.08 |
| PRIOR PERIOD ADJUSTMENT | 0.00 | 2.53 |
| NET PROFIT BEFORE TAX | 706.91 | 602.61 |
| PROVISION FOR TAXES | 211.63 | 234.42 |
| NET PROFIT AFTER TAX | 495.29 | 368.20 |
| PROPOSED DIVIDEND | 0.00 | 33.73 |
| TAX ON PROPOSED DIVIDEND | 0.00 | 5.73 |
| TRANSFER TO GENERAL RESERVE | 49.53 | 36.82 |

2. PERFORMANCES

During the year under review, the Company has achieved sales revenue of Rs. 13153.10 Lacs as against Rs. 9196.44 lacs in the previous year thereby registering an increase of approx Rs. 3956.66 Lacs over the previous year. The profit before depreciation and interest amounted to Rs.1980.86 Lacs as against Rs. 1490.50 lacs in the previous year. After providing for interest, depreciation and tax, the net profit of the Company stands at Rs. 495.29 Lacs as against Rs. 368.20 Lacs in the previous year.

3. OPERATIONAL REVIEW

Your directors are pleased to inform you that the physical performance in the entire chain of the Integrated Steel & Power Plant operation of the Company has been excellent during the year. The Power Division has marked a remarkable increase in the Power generation due to commissioning of 4 MW Power Plant. The Generation of power has increased from 60396000 Units to 74753378 units vis-à-vis Previous year. Due to efficient running of the Generation Plant, the generation loss has also decreased as compared to previous year i.e. 1.93% to 1.79%.

The performance of the Steel Division is excellent as compared to previous year in terms of production. The Production of Sponge Iron has increased from 47378.030 MT to 58637.570 MT as Compared to Previous Year. The Sales revenue of the year in respect of Sponge Iron Plant has increased by 35.14 % as compared to previous year. This is due to increased production and better marketing strategy.

4. FUTURE PROSPECTS AND EXPANSIONS

The Company has already setup 4MW Power generation plant resulting into increased power generation in the said financial year. Further the Company has applied to the Nodal Agency of Chhatisgarh Govt. (CREDA) to go for Solar Power Plant as an alternative source of energy to supplement the increased demand of power at a cheaper cost. The completion of the project will depend upon Govt. policies. All these expansion plans are expected to increase the present volumes significantly in the ensuing year and the Company is expected to maintain this growth momentum in future year also.

5. INITIAL PUBLIC OFFER

During the financial year 2010-2011, your Company had initiated the process of Initial Public offer of 1,00,00,000 (One Crore) Equity Shares of the Company ("the Issue") and filed its final Prospectus dated May 6, 2011 with SEBI and Registrar of Companies, M.P. The Issue which remained opened from April 29, 2011 to May 3, 2011 received good response from the public and hence, was oversubscribed. The basis of allotment was filed with the stock exchange(s) on May 10, 2011. However, some complaints were filed with SEBI regarding certain irregularities in the bidding process. Accordingly, SEBI vide its Order dated May 26, 2011 directed the stock exchange(s) to withhold listing of Company's shares and initiated detailed investigation in the matter. SEBI vide its Order dated July 11, 2011 had held that the investigation did not prima facie suggest any involvement of the Company in bidding process and further directed that Company's shares may be listed subject to conditions, inter alia, that a withdrawal option may be given by the Company to investors falling under the Non-Institutional Investors (NII) & Retail Individual Investors (RII) category for such number of shares by which the allotment ratio was impacted due to withdrawals/rejections in the bidding process. The Company filed appeal against the said SEBI's Order before the Securities Appellate Tribunal (SAT). After hearing the parties and considering the circumstances peculiar to the present case, SAT has vide its Order dated 25th August, 2011 disposed off the Company's appeal as per the terms and conditions agreed between the Company and SEBI. As per the SAT Order, the Company



will be giving withdrawal option to the investors in RII category to the extent of 15,00,348 shares. Upon conclusion of the withdrawal option and compliance with other formalities, the stock exchanges shall give listing permission to the Company. Immediately after obtaining listing permission, the Company will initiate necessary steps for making a bonus issue of shares to the investors in the IPO (excluding Promoters/Promoter Group entities) in the ratio of 1 Bonus Share for every 4 Equity Shares held.

The Company is in the process of complying with the directions of SAT by giving the concerned investors a withdrawal option and making a bonus issue of shares subsequently.

6. DIVIDEND

In view of the funds required for the expansion of operation of the Company. The Board of Directors of your Company does not recommend any dividend for the year ending 31st March, 2011.

7. No material changes and commitment occurred since the conclusion of the financial year.

8. There are no changes, which have occurred during the financial year in the name of business of the Company.

9. PROVISION FOR TAX

Liability of tax have been determined on the basis of Accounting Standard - 22 which is accounting for taxes on income and accordingly. The tax expenses comprising of deferred tax liability & current tax have been calculated.

10. PERSONNEL

No employee was in receipts of remuneration exceeding the limits set out under Section 217 (2A) of the Companies Act, 1956.

11. DIRECTORS

a. Pursuant to the Articles 135, 154, 155, 156 & 165 of the Article of Association of the Company read with Sec. 255 and 256 of the Companies Act, 1956. Shri. Yashwant Vaswani Whole time Director and Shri Ashok Suri Director of the Company are due to retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

b. None of the Directors of the Company are disqualified from being appointed as directors specified in section 274 (1) (g) of the Companies Act, 1956.

12. AUDITORS

The Auditors, **M/s Sunil Johri & Associates, Chartered Accountants, Raipur** will retire at the conclusion of the ensuing Annual General Meeting and they, being eligible, have offered themselves for re-appointment. The shareholders are requested to re-appoint the Auditors for the current year.

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

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

13. AUDITORS REPORT (QUALIFICATIONS/ COMMENTS)

The Observations made by the Statutory Auditors in their report, read with relevant notes to accounts, are self-explanatory. The following are the explanations to the qualifications of auditors in their report for the year ended 31st March, 2011.

(a) During the year the Company has not produced M.S. Ingots, due to high profit margin in power generation.

(b) In view of long standing relationship with particular enterprises your Company enjoys credit period higher than the period prescribed by law and outstanding dues are paid accordingly. However your Company would ensure that the outstanding dues to these parties would be minimize over a period.

(c) Confirmation from creditors regarding certain disclosure relating to Micro/ Small/Medium Enterprises is in process. In next year your Company would ensure the bifurcation relating to Micro/Small/Medium Enterprises.

14. CORPORATE GOVERNANCE

According to Clause 49 of Listing Agreement there shall be a separate section on Corporate Governance in the Annual Reports of Company, with a detailed compliance report on Corporate Governance. Non-compliance of any mandatory requirement of this clause with reasons thereof and the extent to which the non-mandatory requirements have been adopted should be specifically highlighted.

The companies shall submit a quarterly compliance report to the stock exchanges within 15 days from the close of quarter.

Since the Company is in process of being listed on Bombay Stock Exchange & National stock Exchange of India, the above provisions shall become applicable to the Company only after listing.

15. CONSERVATION OF ENERGY & TECHNICAL ABSORPTION & FOREIGN EXCHANGE EARNING OUTGO

In accordance with the requirements of section 217 (i) (e) of the companies Act, 1956 read with the companies (disclosure of particulars in report of Board of Directors) rules 1988, a statement showing the information relating to the Conservation of Energy, Research and Development, Technology absorption and foreign exchange earnings and is enclosed in form-A and should be treated as a part of this report.



16. PUBLIC DEPOSITS

The Company has not accepted Public Deposit within the meaning of Section 58A of the Companies Act, 1956 after complying necessary formalities. There are no overdue or unclaimed deposits.

17. 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 Annual Accounts, the mandatory Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, has been followed and there were no material departures.
- (ii) Appropriate accounting policies have been selected and applied consistently and have 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 on 31st March, 2011 and the profit of the Company for the year ended 31st March' 2011.
- (iii) Proper and sufficient care has been taken 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 Annual Accounts for the financial year ended 31st March, 2011 have been prepared on 'going concern' basis.

18. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the continued assistance and support extended by various Government authorities, Company's bankers, consultants, auditors, suppliers, customers and all its esteemed shareholders of the Company during the year under review.

Your Directors also wish to place on record their deep sense of appreciation to the committed services and support of the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Place: Raipur (C.G.)
Date: 31.08.2011

Ravi Vaswani
(Managing Director)

Pramod Vaswani
(Whole-time Director)

ANNEXURE TO THE DIRECTORS REPORT OF EVEN DATE

Statement as required under section 217 (1)(e) of the companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The Company is making all efforts to minimize the energy consumption. Details of total energy consumption and energy consumption per unit of production as per Form – A are given hereunder:-

| | | For the Year ended 31-03-2011 | For the Year ended 31-03-2010 |
|----------|---|----------------------------------|----------------------------------|
| 1 | Electricity | | |
| | a Purchased | | |
| | Total units | 5526450 | 4025980 |
| | Total Amount (In Rs.) | 18220525 | 12883136 |
| | Rate / Unit (In Rs.) | 3.30 | 3.20 |
| | b Own Generation | | |
| | Through Diesel Generation (Ltrs) | NIL | NIL |
| | Unit per Ltrs of Diesel Oil | NIL | NIL |
| | Rate / Unit per Ltrs (in Rs.) | NIL | NIL |
| 2 | Coal (Specify quantity and where used) | | |
| | Quantity (In MT) | 130868.87 | 89435.640 |
| | Total Cost (In Rs.) | 270728341 | 140133140 |
| | Average Rate (In Rs.) | 2068.699 | 1566.86 |
| 3 | Consumption Per Unit of Production | | |
| | Production of Sponge Iron (In MT.) | 58637.570 | 47378.030 |
| | Electricity (In Unit) | 94.25 | 84.98 |
| | Coal (In MT) | 1.99 | 1.89 |

B. TECHNOLOGY ABSORPTION

The technology adopted by the Company is fully indigenous. As no expenditure were made on Research & Development, the details of disclosure are not required.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year Company has acquired a term loan of \$ 20 Lacs on which interest of Rs. 5102133.48 is paid which is charged in Profit & Loss A/c.



AUDITORS' REPORT

To

The Members of

M/S VASWANI INDUSTRIES LTD.

RAIPUR (C.G.)

We have audited the attached Balance Sheet of **VASWANI INDUSTRIES LTD. ("The Company")**, as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 that amounts and disclosures in the financial statements. 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 including companies (Auditor's Report) (Amendment) order 2004 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance sheet, Profit & loss Account and Cash Flow Statement dealt with this report are in agreement with the books of account.
4. In our opinion, **subject to point no. 6** given below the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956.
5. Based on the written representations made by all the Directors and taken on records by the Board, Director of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. Attention of the members is drawn to the following in schedule – **R**.
 - a. **Note No. 6** of Notes to accounts regarding certain disclosure relating to Micro / Small / Medium Enterprises.
7. In our opinion and to the best of our information and according to the explanations given to us, and the books and records examined by us in the normal course of audit, the said accounts, read together with other notes on accounts and Accounting Policies appearing in Schedule – "R" give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii. In case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii. In case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For, SUNIL JOHRI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. 005960C

(SUNIL JOHRI)
PARTNER
Mem. No.74654

PLACE: RAIPUR
DATED: 25.04.2011



**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH (3) OF OUR
REPORT OF EVEN DATE ON THE ACCOUNT OF VASWANI INDUSTRIES LTD.
FOR THE YEAR ENDED ON 31-03-2011**

- i. a.) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b.) As explained to us, the fixed assets have been physical verified by the management with a phased programme over a period of three year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No serious discrepancies were noticed on such verification conducted during the year as compared with the books records.
- c.) Fixed assets disposed off during the year were not substantial to affect Going Concern assumption of the Company.
- ii. a.) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b.) The procedure of physical verification of inventories followed by the management are reasonable, so as to cover all inventories in a phased manner during the year, and adequate in relation to the size of the Company and nature of its business.
- c.) The Company is maintaining proper records of inventory. No material discrepancy was found during the course of physical verification.
- iii. a.) The Company has granted unsecured loans to companies, firms or other parties listed in the Registers maintained U/S 301 of the Companies Act 1956. The total no. of Party are 8 and maximum amount outstanding during the year aggregates to 885.84 lacs and year end balances in those accounts together was 205.48 lacs.
- b.) In our opinion & according to the information given to us the rate of interest & terms & condition of the loan given by the Company are not prejudicial to the interest of the Company.
- c.) As explained to us there is no irregularity in the receipt of the principal amount & interest thereon.
- d.) There is no overdue amount of loan granted to parties covered in the register maintained U/s 301 of Companies Act 1956, so the question of overdue amount more than Rs. 1 lacs does not arise.
- e.) Company has accepted unsecured loans from the parties covered in the Register maintained U/s 301 of the companies Act, 1956. The total no. of party are 5 and maximum amount outstanding during the year aggregates to 685.31 Lacs and yearend balance in those accounts together was NIL.
- f.) In our opinion & according to the information given to us the rate of interest & terms & condition of the loan taken by the Company are not prejudicial to the interest of the Company.
- g.) As explained to us there is no such stipulation upon the Company regarding the payment of the loan taken by the above party So the question relating to the regularity in payment of principle will not arise.
- h.) As stated above there is no stipulation upon the Company to repay the loan hence the question of overdue amount does not arise at all.
- iv. In our opinion and according to the information and explanation give to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any major weakness in internal control system.
- v. a.) According to the information and explanation given to us, we are of the Opinion that the transaction that needs to be entered into the register maintained U/s 301 of the companies Act, 1956 have been so entered.
- b.) In our opinion and accordingly to the information and explanation give to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s 301 of the Companies Act, 1956 and exceeding the value of 5.00 Lacs (Rupees Five Lacs) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant point of time.
- vi. Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2 (b) of the Companies (Acceptance of Deposit's) Rules, 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the records maintained by the Company pursuant to the order by the central Government under section 209(1)(d) of the Companies Act, 1956 , for the maintenance of Cost Records in respect of the products of the Company and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained.
- ix. a.) On the basis of our examination of records and according to the information and explanation given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it and there are no undisputed statutory dues as above



which are outstanding as at the last day of the financial year concerned for a period of six months from the date they become payable.

- b) As at 31st March, 2011, according to the records of the Company and the information and explanations given to us, the following are the statutory dues which have not been deposited with the concerned authorities on account of dispute are given below:-

| Name of the statute | Nature of the dues | Amount (Rs. In Lacs) | Period to which the amounts relate | Forum where pending |
|---------------------|--------------------|----------------------|------------------------------------|---|
| Central Excise Laws | Excise Duty | 44.16 | 2005-06 & 06-07 | Additional Commissioner, Central Excise, Raipur (C.G) |
| Central Excise Laws | Excise Duty | 139.64 | 2005-06 & 06-07 | CESTAT- Delhi |
| Central Excise Laws | Excise Duty | 49.72 | 2004-09 | Commissioner Appeal Central Excise, Raipur (C.G) |
| Central Excise Laws | Excise Duty | 3.17 | 2005-08 | Commissioner Appeal Central Excise, Raipur (C.G) |
| Central Excise Laws | Excise Duty | 2.58 | 2008-09 & 09-10 | Commissioner Appeal Central Excise, Raipur (C.G) |
| Income Tax | Penalty | 1.01 | 2005-06 | Commissioner Appeal Income Tax, Raipur (C.G) |

- x. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of the dues to a financial institution, banks.
- xii. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures & other securities.
- xiii. The company is not a Chit Fund or a Nidhi / Mutal benefit fund / Society. Therefore, the provision of clause 4 (xiii) of the companies (Auditors Report) Order 2003 are not applicable to the Company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xv. As explained to us the Company has not given guarantees for loan taken by other from bank or financial institutions.
- xvi. According to the information and explanation given to us, the Company has availed / utilized term loan during the year and had applied for the purpose for which the loan was obtained.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets.
- xviii. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained U/s 301 of the Act.
- xix. The Company does not have any issued debentures.
- xx. During the year, the Company has not raised money by way of public issue.
- xxi. According to the information & explanation given to us, no frauds on or by the Company has been noticed or reported during the course of our audit.

For, SUNIL JOHRI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM REG. NO. 005960C

(SUNIL JOHRI)
 PARTNER
 Mem. No.74654

PLACE: RAIPUR
 DATED: 25.04.2011



Vaswani Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

| PARTICULARS | SCHEDULE | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------|-------------------------|-------------------------|
| A. Sources of Funds | | | |
| 1. Share Holders Funds | | | |
| A. Share Capital | "A" | 134,907,000.00 | 134,907,000.00 |
| B. Reserve And Surplus | "B" | 318,285,844.70 | 268,757,115.71 |
| | | <u>453,192,844.70</u> | <u>403,664,115.71</u> |
| 2. Loans Funds | | | |
| Secured Loan | "C" | 745,083,258.75 | 520,391,464.00 |
| Unsecured Loan | "D" | - | 47,300,602.00 |
| | | <u>745,083,258.75</u> | <u>567,692,066.00</u> |
| 3. Deferred Tax Liability | | 74,419,189.00 | 61,411,012.00 |
| TOTAL | | <u>1,272,695,292.45</u> | <u>1,032,767,193.71</u> |
| B. Application of Funds | | | |
| 1. Fixed Assets | "E" | | |
| A. Gross Block | | 949,562,381.50 | 735,886,669.00 |
| Less : Depreciation | | 151,932,872.66 | 105,469,860.29 |
| Net Block | | <u>797,629,508.84</u> | <u>630,416,808.71</u> |
| B. Capital Work In Progress | | 1,165,681.00 | 149,704,950.00 |
| Net Fixed Assets | | <u>798,795,189.03</u> | <u>780,121,758.71</u> |
| 2. Investments | "F" | 63,364,470.00 | 838,020.00 |
| 3. Current Assets, Loans & Advances: | | | |
| Inventories | "G" | 167,722,963.00 | 64,375,749.00 |
| Sundry Debtors | "H" | 167,120,645.48 | 59,518,075.00 |
| Cash & Bank Balances | "I" | 2,234,424.94 | 9,491,041.00 |
| Loan And Advances | "J" | 190,703,187.37 | 216,328,829.00 |
| Other Current Assets | "J-1" | 31,033,799.83 | 16,899,176.00 |
| | | <u>558,815,020.62</u> | <u>366,612,870.00</u> |
| Less : Current Liabilities & Prov. | "K" | 158,367,351.00 | 122,054,036.00 |
| Net Current Assets | | <u>400,447,669.62</u> | <u>244,558,834.00</u> |
| 4. Miscellaneous Expenditure | | | |
| To The Extent of Not Written off or Adjusted | | | |
| I. Preliminary & Preoperative Exp. | | 4,678,279.80 | 6,312,106.00 |
| II. Public Issue Expenses | | 5,409,684.00 | 936,475.00 |
| TOTAL | | <u>1,272,695,292.45</u> | <u>1,032,767,193.71</u> |
| Notes on Accounts | "R" | | |

The schedules as referred above form integral part of Balance Sheet. This is the Balance Sheet referred to in our report of even date.

As per our report of even date

For, **Sunil Johri and Associates**
Chartered Accountants
Firm Reg. No. 005960C

For and on behalf of the Board of Directors

Sunil Johri
Partner
M.No.074654
Place : Raipur
Date : 25/04/2011

Ravi Vaswani
Managing Director

Pramod Vaswani
Director

Rachana Hingar
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

(Amount in Rs.)

| PARTICULARS | SCHEDULE | AS AT 31.03.2011 | AS AT 31.03.2010 |
|--|----------------|-------------------------|-----------------------|
| Sales | "L" | 1,315,310,241.12 | 919,643,859.00 |
| Other Income | "M" | 6,132,456.76 | 3,451,690.00 |
| Inc./(Dec.) In Finished Goods | "N" | (9,180,227.00) | (14,581,561.00) |
| | | 1,312,262,470.88 | 908,513,988.00 |
| Expenses | | | |
| Raw Material Consumed | "N1" | 855,777,176.00 | 508,053,245.00 |
| Raw Material Consumed (Steel) | "N2" | 11,580,293.50 | 21,496,385.00 |
| Raw Material Consumed (Power) | "N3" | 111,558,735.00 | 118,357,518.00 |
| Manufacturing Expenses | "O" | 62,741,859.35 | 63,646,900.00 |
| Adm. / Selling & Dist. Exp. | "P" | 46,081,623.52 | 29,340,159.00 |
| Personnel Cost | "P1" | 26,436,849.00 | 18,570,156.00 |
| | | 1,114,176,536.37 | 759,464,363.00 |
| Profit Before Interest & Depreciation | | 198,085,934.51 | 149,049,625.00 |
| Less : Interest Expenses | "Q" | 80,116,903.52 | 55,227,007.00 |
| Profit Before Depreciation | | 117,969,030.99 | 93,822,618.00 |
| Less: Depreciation For The Period | | | |
| Sponge Division | | 18,562,094.00 | 12,444,507.00 |
| Steel Division | | 4,300,340.00 | 4,169,906.29 |
| Power Division | | 23,957,638.00 | 17,199,636.00 |
| Indravati Office | | 457,653.00 | |
| | | 47,277,725.00 | 33,814,049.29 |
| Profit Before Tax & Prior Period Adj. | | 70,691,305.99 | 60,008,568.71 |
| Add/(Less): Prior Period Adjustment | "Q-1" | - | 252,640.00 |
| Profit Before Tax | | 70,691,305.99 | 60,261,208.71 |
| Less: Provision For Taxation | | | |
| Less: Current Tax (Mat) | | | |
| Provision Made | 14,193,186.00 | | |
| Mat Credit Entitlement A/C | (6,038,786.00) | 8,154,400.00 | 4,519,866.00 |
| Less: Deferred Tax Liability | | 13,008,177.00 | 19,061,892.00 |
| Add: Excess Prov of It In Prev Year | | - | 140,139.00 |
| Profit After Tax | | 49,528,728.99 | 36,819,589.71 |
| Appropriation of Profit | | | |
| Less : Proposed Dividend | | - | 3,372,675.00 |
| Less : Tax On Proposed Dividend | | - | 573,186.00 |
| Less : 10% Transfer To Gen. Reserve | | 4,952,872.90 | 3,681,959.00 |
| Amount Transfer To Profit & Loss A/C | | 44,575,856.09 | 29,191,769.71 |
| Nominal Value of Equity Share | | 10.00 | 10.00 |
| No.of Equity Share (wtd avg no. of Equity Share) | | 13,490,700 | 11,592,630 |
| Eps In Rs.(Basic & Diluted) (If Earning is After Tax Expenses) | | 3.67 | 3.18 |
| Eps In Rs.(Basic & Diluted) (If Earning is Before Tax Expenses) | | 5.24 | 5.20 |

As per our report of even date

For, **Sunil Johri and Associates**
Chartered Accountants
Firm Reg. No. 005960C

For and on behalf of the Board of Directors

Sunil Johri
Partner
M.No.074654
Place : Raipur
Date : 25/04/2011

Ravi Vaswani
Managing Director

Pramod Vaswani
Director

Rachana Hingar
Company Secretary



CASH FLOW STATEMENT FOR THE PERIOD FROM 01.04.10 TO 31.03.11

| PARTICULARS | (Amount in Lacs) | |
|---|------------------|------------------|
| | Year 2010-11 | Year 2009-10 |
| A) Cash Flow From Operating Activities :- | | |
| 1. Net Profit/(Loss) before Taxes and Except. Items | 706.91 | 602.61 |
| Adjustments for:- | | |
| Depreciation | 472.78 | 338.14 |
| Interest Charged to P & L A/c | 801.17 | 512.05 |
| (Profit)/Loss on sale of Investment | 0.00 | 0.00 |
| (Profit)/Loss on sale of Fixed assets (net) | 14.84 | 1.22 |
| Preliminary Expenses written off | 16.34 | 17.33 |
| 2. Operating Profit before Working Capital Changes | 2012.03 | 1471.35 |
| Trade & other Receivable | (875.74) | (1301.16) |
| Inventories | (1033.47) | 1183.05 |
| Trade Payables & other Liabilities | 364.24 | 450.77 |
| Cash generated from Operations | 467.07 | 1804.01 |
| Direct Taxes Paid | (100.00) | (119.93) |
| Net Cash from Operating Activity (A) | 367.07 | 1684.07 |
| B) Cash Flow From Investing Activities :- | | |
| Purchase of Fixed Assets | (760.95) | (1167.16) |
| Sale of Fixed Assets | 69.67 | 20.09 |
| Decrease / (increase) in Capital Work in Progress | (11.66) | (1482.29) |
| Payment for Misc. Assets | 0.00 | (9.36) |
| Misc. Expenses Capitalised (IPO Exp.) | (44.73) | 0.00 |
| Purchase of Investment | (625.26) | (2.60) |
| Net Cash from Investing Activity (B) | (1372.93) | (2641.32) |
| C) Cash Flow From Financing Activities :- | | |
| Proceeds from Unsecured Loans (Net) | (473.01) | (584.99) |
| Proceed from Bank Borrowing (Net) | 2246.92 | 1209.09 |
| Monies received towards Share Capital & application | 0.00 | 222.45 |
| Monies received towards Share Premium | 0.00 | 778.57 |
| Interest Paid | (801.17) | (512.05) |
| Proposed dividend paid | (33.73) | (56.33) |
| Corporate Dividend Tax Paid on Equity dividend | (5.73) | (9.57) |
| Net Cash From Financing Activities (C) | 933.28 | 1047.16 |
| D) Net Increase / (Decrease) in Cash & Cash Equ. ((A)+(B)+(C)) | (72.57) | 89.91 |
| E) Cash and Cash Equivalent at beginning of the Year | 94.91 | 5.00 |
| F) Cash and Cash Equivalent at end of the Year (D+E) | 22.34 | 94.91 |

NOTE:-

- The above cash flow Statement has been prepared under the "Indirect Method" as set out in accounting Standard (AS)-3 on Cash Flow statement as notified by the Companies (accounting Standard) Rules, 2006.
- Previous Year figures have been regrouped / recast wherever necessary.

As per our report of even date
For, **Sunil Johri and Associates**
Chartered Accountants
Firm Reg. No. 005960C

For and on behalf of the Board of Directors

Sunil Johri
Partner
M.No.074654
Place : Raipur
Date : 25/04/2011

Ravi Vaswani
Managing Director

Pramod Vaswani
Director

Rachana Hingar
Company Secretary



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

| PARTICULARS | (Amount in Rs.) | |
|---|-----------------------|-----------------------|
| | AS AT 31.03.2011 | AS AT 31.03.2010 |
| Schedule - A | | |
| Share Capital | | |
| Authorised Share Capital | | |
| 24750000 Equity Shares of 10 Each & 2,50,000 Non Cumm. Pref Shares of Rs. 10/- Each | 250,000,000.00 | 250,000,000.00 |
| Paid Up Share Capital (13490700 Shares of Rs.10/- Each) | 134,907,000.00 | 134,907,000.00 |
| Schedule - B | | |
| Reserve and Surplus | | |
| Security Premium | 156,249,500.00 | 156,249,500.00 |
| General Reserve | | |
| Opening Balance as on 01/04/2010 | 12138245.00 | |
| Add:- 10% out of C.Y Profit | 4952872.90 | 12,138,245.00 |
| Profit and Loss A/C | | |
| Opening Balance as on 01/04/2010 | 100369370.71 | |
| Add:- Transfer From P & L Account | 44575856.09 | 100,369,370.71 |
| TOTAL | 318,285,844.70 | 268,757,115.71 |
| Schedule - C | | |
| Secured Loan | | |
| Cash Credit With SBI, Raipur | 26,730,358.53 | - |
| Cash Credit With IDBI Bank Ltd. | 69,951,270.00 | - |
| Cash Credit With UBI, SSI Branch, Raipur | 146,284,936.12 | 85,264,606.00 |
| Term Loan -1 With UBI, SSI Branch, Raipur | 9,996,442.00 | 40,373,468.00 |
| Term Loan-2 With UBI, SSI Branch, Raipur | 180,142,138.00 | 238,211,553.00 |
| Term Loan- State Bank of India | 101,073,470.00 | 156,541,837.00 |
| Term Loan- IDBI Bank Ltd. | 120,000,000.00 | - |
| Term Loan- State Bank of India, Usd | 89,420,906.95 | - |
| Indusind Bank Ltd (Wheel Loader) | 1,483,737.15 | - |
| TOTAL | 745,083,258.75 | 520,391,464.00 |

Note : Term Loan Facilities From UBI, SSI Branch, SBI, Commercial Branch and IDBI Bank Ltd, Pandri, Raipur (C.G) is secured by equitable mortgage of all Fixed Assets & working capital facilities is secured by hypothecation of companies raw material, finished goods, stock in process, stores, spares & book debts, and personal guarantee of all directors. vehicle loan of Indusind bank is secured by respective vehicles also.

| PARTICULARS | AS AT | |
|--|------------|----------------------|
| | 31.03.2011 | 31.03.2010 |
| Schedule - D | | |
| Unsecured Loan | | |
| From Director & Share Holders | | |
| Pramod Vaswani | - | 37,357,608.00 |
| Smt. Juhi Vaswani. | - | 310,642.00 |
| Yashwant Vaswani | - | 9,632,352.00 |
| TOTAL | - | 47,300,602.00 |



**SCHEDULE - E
FIXED ASSETS**

| Name Of Assets | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | | | | |
|--------------------------------------|----------------------------------|--------------------------|---|------------------------|--------------|-------------------------------|--------------------------------|----------------------------------|---|------------------------|--------------------------|--------------------------|
| | Opening Balance As On 01.04.2010 | Addition During The Year | Deduction / Adjustments During The Year | Total As On 31.03.2011 | Rate Of Dep. | Dep. Opening As On 01.04.2010 | Depreciation During The Period | Dep On Deduction During The Year | Net Depreciation Chargeable During The Year | Total As On 31.03.2011 | Balance As On 31.03.2011 | Balance As On 31.03.2010 |
| Sponge Division | | | | | | | | | | | | |
| Freehold Land | 14382551 | | | 14382551 | | | | | | | 14382551 | 14382551 |
| Garden | 70274 | 40895 | | 111169 | 3.34% | 7041 | 2916 | 2916 | 2916 | 9957 | 101212 | 63233 |
| Site Development & Borewell | 2386051 | 163385 | | 2549436 | 3.34% | 366392 | 82864 | | 82864 | 449256 | 2100180 | 2019659 |
| Building & Civil Work (Sponge) | 37104614 | 10253552 | | 47358166 | 3.34% | 3847575 | 1406119 | | 1406119 | 5253694 | 42104472 | 33257039 |
| Plant & Machinery (K-1) | 79306050 | 232833 | | 79538883 | 5.28% | 20560721 | 4192445 | | 4192445 | 24753166 | 54785717 | 58745329 |
| Plant & Machinery (K-2) | 69064669 | | | 69064669 | 5.28% | 14343800 | 3646615 | | 3646615 | 17990415 | 51074254 | 54720869 |
| Plant & Machinery (K-3) # | 75616765 | 5560067 | 1061592 | 80115240 | 5.28% | 10939 | 4159043 | | 4159043 | 4169982 | 75945258 | 75605826 |
| Jaw Crusher | 716674 | | | 716674 | 5.28% | 162038 | 37840 | | 37840 | 199878 | 516796 | 554636 |
| Tools & Equipments | 55508 | | | 55508 | 5.28% | 14478 | 2931 | | 2931 | 17409 | 38099 | 41030 |
| Pollution Control Eq. (Sponge) | 26871665 | 3344002 | | 30215667 | 5.28% | 4181512 | 1498018 | | 1498018 | 5679530 | 24536137 | 22690153 |
| Commercial Vehicle | | | | | | | | | | | | |
| Vehicle (Job Loader) | 300000 | 2356282 | | 2656282 | 11.31% | 148362 | 104752 | | 104752 | 253114 | 2403168 | 151638 |
| Truck CG04 G/2426 | 130000 | | | 130000 | 11.31% | 45922 | 14703 | | 14703 | 60625 | 69375 | 84078 |
| Mini Bus | 860716 | | | 860716 | 11.31% | 331899 | 97347 | | 97347 | 429246 | 431470 | 528817 |
| CGO4JB/0822(DI 207) | 452430 | | | 452430 | 11.31% | 85376 | 51170 | | 51170 | 136546 | 315884 | 367054 |
| Electrical Installation (K-1) | 7959294 | | | 7959294 | 7.07% | 2789262 | 562722 | | 562722 | 3351984 | 4607310 | 5170032 |
| Electrical Installation (K-2) | 8396093 | | | 8396093 | 7.07% | 2374416 | 593604 | | 593604 | 2968020 | 5428073 | 6021677 |
| Electrical Installation (K-3) | 13475831 | 77578 | | 13553409 | 7.07% | 2610 | 956408 | | 956408 | 959018 | 12594391 | 13473221 |
| Generator Set (500Kva) | 2250000 | | | 2250000 | 7.07% | 244496 | 159075 | | 159075 | 403571 | 1846429 | 2005504 |
| Office Equipments (Sponge) | 560590 | 2400 | | 562990 | 7.07% | 103144 | 39656 | | 39656 | 142800 | 420190 | 457446 |
| Computer & Software (Sponge) | 2246660 | 320485 | | 2567145 | 16.21% | 736814 | 392994 | | 392994 | 1129808 | 1437337 | 1509846 |
| Furniture & Fixtures (Sponge) | 619548 | | | 619548 | 6.33% | 159462 | 39217 | | 39217 | 198679 | 420869 | 460086 |
| Two Wheeler | | | | | | | | | | | | |
| Lab Equipment | 575474 | | | 575474 | 5.28% | 114733 | 30385 | | 30385 | 145118 | 430356 | 460741 |
| Herohonda Cd Dawn | 31809 | | | 31809 | 9.50% | 1664 | 3022 | | 3022 | 4686 | 27123 | 30145 |
| Cg18b789(Motorcycle) | | 18500 | | 18500 | 9.50% | | 395 | | 395 | 395 | 18105 | |
| Four Wheeler | | | | | | | | | | | | |
| Maruti Omni CG04 Ha/6512 | 228523 | | | 228523 | 9.50% | 39791 | 21710 | | 21710 | 61501 | 167022 | 188732 |
| Maruti Wagon R | 364652 | | 364652 | 4983466 | 9.50% | 148533 | 6359 | 154892 | 6359 | 435814 | 4547652 | 216119 |
| Audi Q5 Car | | 4983466 | | 4983466 | 9.50% | | 435814 | | 435814 | 435814 | 4547652 | |
| Weighing Machine (Sponge) | | 910443 | | 910443 | 5.28% | | 23970 | | 23970 | 23970 | 886473 | |
| Total | 344026441 | 28263888 | 1426244 | 370864085 | | 50820980 | 18562094 | 154892 | 18562094 | 69228182 | 301635903 | 293205461 |

PROFIT AND LOSS ON SALE OF PLANT AND MACHINERY K-3 HAS NOT BEEN ASCERTAIN AS SCRAP OF FIXED ASSETS HAVE BEEN SOLD.



**SCHEDULE - E
FIXED ASSETS**

| Name Of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | | NET BLOCK | | |
|-----------------------------|----------------------------------|--------------------------|---|------------------------|--------------|-------------------------------|--------------------------------|-----------------------------------|---|------------------------|--------------------------|--------------------------|
| | Opening Balance As On 01.04.2010 | Addition During The Year | Deduction / Adjustments During The Year | Total As On 31.03.2011 | Rate Of Dep. | Dep. Opening As On 01.04.2010 | Depreciation During The Period | Dep On Production During The Year | Net Depreciation Chargeable During The Year | Total As On 31.03.2011 | Balance As On 31.03.2011 | Balance As On 31.03.2010 |
| Power Plant Division | | | | | | | | | | | | |
| Building & Civil Work * | 10596303 | 5163253 | 251153 | 15508403 | 3.34% | 907199 | 412129 | 23 | 412106 | 1319305 | 14189098 | 9689104 |
| Electrical Installation* | 34544534 | 41693735 | 5316997 | 70921272 | 7.07% | 5845137 | 4136961 | 660048 | 4136733 | 9322050 | 61599222 | 28699397 |
| Plant & Machinery * | 228359963 | 130229997 | 5692106 | 352897854 | 5.28% | 31830691 | 16624127 | 823 | 16623304 | 48453995 | 304443859 | 196529272 |
| Site Development | 3922878 | | | 3922878 | 3.34% | 344028 | 131024 | | 131024 | 475052 | 3447826 | 3578850 |
| Hero Honda CD Dawn | 68315 | | | 68315 | 9.50% | 14395 | 6490 | | 6490 | 20885 | 47430 | 53920 |
| Generator 400 KVA | 2231500 | 72943 | | 2304443 | 7.07% | 473301 | 161214 | | 161214 | 634515 | 1669928 | 1758199 |
| Generator 500 KVA | | 2326500 | | 2326500 | 7.07% | | 164484 | | 164484 | 164484 | 2162016 | |
| Generator 08 MW | 10630803 | 359172 | | 10989975 | 7.07% | 1973458 | 765999 | | 765999 | 2739457 | 8250518 | 8657345 |
| Office Equipment | 369811 | 48632 | | 418443 | 7.07% | 40077 | 29101 | | 29101 | 69178 | 349265 | 329734 |
| Computer & Software | 235827 | | | 235827 | 16.21% | 94295 | 38228 | | 38228 | 132523 | 103304 | 141532 |
| Furniture & Fixtures | 701182 | 3400 | | 704582 | 6.33% | 91666 | 44387 | | 44387 | 136053 | 568529 | 609516 |
| Hydraulic Crane | 654601 | | | 654601 | 5.28% | 92680 | 34563 | | 34563 | 127243 | 527358 | 561921 |
| Crane 10Mt | 2825798 | 1823552 | | 4649350 | 5.28% | 444345 | 238891 | | 238891 | 683236 | 3966114 | 2381453 |
| Crane 25Mt | 4190701 | | | 4190701 | 5.28% | 633727 | 221269 | | 221269 | 854996 | 3335705 | 35566974 |
| CG04db/5309(Mobile Crane) | 716914 | | | 716914 | 5.28% | 71853 | 37853 | | 37853 | 109706 | 607208 | 645061 |
| Mitsubishi Pajero | 1475000 | | | 1475000 | 9.50% | 257984 | 140125 | | 140125 | 398109 | 1076891 | 1217016 |
| CGO4 Ja9541/ 8623 (Tipper) | 2850576 | | | 2850576 | 11.31% | 413542 | 322400 | | 322400 | 735942 | 2114634 | 2437034 |
| Loader Al 170 | 3974065 | | | 3974065 | 11.31% | 601923 | 449467 | | 449467 | 1051390 | 2922675 | 3372142 |
| Total | 308348771 | 181721183 | 11260256 | 478809698 | | 44130301 | 23958712 | 660894 | 23957638 | 67428119 | 411381579 | 264218470 |
| Steel Division | | | | | | | | | | | | |
| Plant & Machinery | 65898022 | | 1401305 | 64496717 | 5.28% | 8935407 | 3479416 | 21651 | 3457765 | 12393172 | 52103545 | 56962615 |
| Building & Civil Work | 12827838 | | | 12827838 | 3.34% | 1053159 | 428450 | | 428450 | 1481609 | 11346229 | 11774679 |
| Electrical Installation | 3041315 | | | 3041315 | 7.07% | 466223 | 215021 | | 215021 | 681244 | 2360071 | 2575092 |
| Loader(770 New) Carraro Hd | 1573121 | | | 1573121 | 11.31% | 25835 | 177920 | | 177920 | 203755 | 1369366 | 1547286 |
| Site Development | 50980 | | | 50980 | 3.34% | 4471 | 1703 | | 1703 | 6174 | 44806 | 46509 |
| Computer & Software (Steel) | 120181 | | | 120181 | 16.21% | 33484 | 19481 | | 19481 | 52965 | 67216 | 86697 |
| TOTAL | 83511457 | | 1401305 | 82110152 | | 10518579 | 4321991 | 21651 | 4300340 | 14818919 | 67291233 | 72992878 |
| Indrawati | | | | | | | | | | | | |
| Building & Civilworks | | 11687101 | | 11687101 | 3.34% | | 215863 | | 215863 | 215863 | 11471238 | |
| Electrical Installation | | 1874744 | | 1874744 | 7.07% | | 75532 | | 75532 | 75532 | 1799212 | |
| Office Equipments | | 1754139 | | 1754139 | 7.07% | | 95651 | | 95651 | 95651 | 1658488 | |
| Furniture & Fixtures | | 2462462 | | 2462462 | 6.33% | | 70607 | | 70607 | 70607 | 2391855 | |
| Total | | 17778446 | | 17778446 | | | 457653 | | 457653 | 457653 | 17320793 | |
| Grand Total | 735886669 | 227763517 | 14087805 | 949562381 | | 105469860 | 47300450 | 837437 | 47277725 | 151932873 | 797629509 | 630416809 |

* ADJUSTMENTS IS DUE TO FOREIGN EXCHANGE FLUCTUATION



SCHEDULE - E
CAPITAL WORK IN PROGRESS

| NAME OF ASSETS | OPENING BALANCE AS ON 01.04.2010 | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR/ CAPITALISATION DURING THE YEAR | TOTAL AS ON 31.03.2011 |
|--------------------------------|----------------------------------|--------------------------|---|------------------------|
| SPONGE IRON KILN--3 | | | | |
| SITE DEVELOPEMNT | 170144 | 93241 | 263385 | - |
| WEIGHING MACHINE | 501255 | 409188 | 910443 | - |
| | | | | |
| WIP AT INDRAVATI | | | | |
| BUILDING & CIVILWORKS | 5837267 | 4675903 | 10513170 | - |
| ELECTRICAL INSTALLATION | 216906 | 1657838 | 1874744 | - |
| | | | | |
| WIP POWER PLANT-(4MW) | | | | |
| PLANT & MACHINERY | 91541680 | 22725048 | 114266728 | - |
| BUILDING & CIVIL WORKS | 2139381 | 648966 | 2788347 | - |
| ELECTRICAL INSTALLATION | 34239897 | 3961780 | 38201677 | - |
| GAS REFILING CHARGES | 197081 | 41869 | 238950 | - |
| STORES & SPARES | 1603721 | 1748228 | 3351949 | - |
| PRE-OPERATIVE EXPENDITURE | 13257618 | 3403863 | 16661481 | - |
| | | | | |
| SOLAR POWER PLANT-(5MW) | - | 1165681 | - | 1165681 |
| TOTAL | 149704950 | 40531605 | 189070874 | 1165681 |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

| PARTICULARS | (Amount in Rs.) | |
|--|-----------------------|----------------------|
| | AS AT 31.03.2011 | AS AT 31.03.2010 |
| SCHEDULE - F | | |
| Investments | | |
| Quoted | | |
| 26 (17+9) Equity Shares of Reliance Power Ltd (Market Value as on 31.03.2011 was Rs.123.90 Per Share) | 7,310.00 | 7,310.00 |
| Unquoted | | |
| Vaswani Ispat Ltd | 50,000.00 | 50,000.00 |
| Vimal Infrastructure (I) Pvt Ltd | 51,000.00 | 51,000.00 |
| CG Sponge Mfg Con. Coal Fields Pvt Ltd | 1,144,910.00 | 729,710.00 |
| CG Ispat Private Limited | 62,111,250.00 | - |
| | 63,364,470.00 | 838,020.00 |
| Schedule - G | | |
| Inventories (As Valued and Certified by Management) | | |
| 1. Raw Material (Sponge Division) | | |
| Iron Ore | 147,593,460.00 | 19,368,304.00 |
| Coal | 1,765,171.00 | 1,315,680.00 |
| Dolomite | 94,141.00 | 359,162.00 |
| Stores & Spares | 2,500,000.00 | 2,100,000.00 |
| TOTAL-1 | 151,952,772.00 | 23,143,146.00 |
| 2. Raw Material (Steel Division) | | |
| M/s Scrap | - | 293,667.00 |
| Sponge Iron | 2,989,827.00 | 1,678,234.00 |
| Ferro Silicon | - | 14,188.00 |
| Silico Magnese | - | 799,155.00 |
| Petro Coke (CPC) | - | 15,433.00 |
| Stores & Spares | - | 1,730,000.00 |
| TOTAL-2 | 2,989,827.00 | 4,530,677.00 |
| 3. Raw Material (Power Division) | | |
| Coal | 169,429.00 | 14,710,764.00 |
| Store & Spares | 2,000,000.00 | 2,200,000.00 |
| TOTAL-3 | 2,169,429.00 | 16,910,764.00 |
| 4. Finished Goods | | |
| Sponge Division | | |
| Sponge Iron | 10,598,613.00 | 11,420,648.00 |
| Char Dolochar | 12,322.00 | 151,225.00 |
| Steel Division | | |
| Billets | - | 8,164,179.00 |
| End Cutting | - | 55,110.00 |
| Ingot | - | - |
| TOTAL-4 | 10,610,935.00 | 19,791,162.00 |
| TOTAL (1+2+3+4) | 167,722,963.00 | 64,375,749.00 |



SCHEDULE "A" TO "R" FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|-----------------------|-----------------------|
| SCHEDULE - H | | |
| SUNDRY DEBTORS | | |
| DEBTORS OUTSTANDING FOR LESS THAN SIX MONTHS | 161,624,633.00 | 54,844,231.00 |
| OTHER DEBTORS | | |
| Considered Good | 3,014,893.48 | |
| Considered Doubtful | <u>2,481,119.00</u> | |
| TOTAL | <u>5,496,012.48</u> | <u>4,673,844.00</u> |
| | <u>167,120,645.48</u> | <u>59,518,075.00</u> |
| SCHEDULE - I | | |
| CASH AND BANK BALANCE | | |
| Cash in Hand | 1,975,777.00 | 697,716.00 |
| Cash at Bank | <u>258,647.94</u> | <u>8,793,325.00</u> |
| TOTAL | <u>2,234,424.94</u> | <u>9,491,041.00</u> |
| SCHEDULE - J | | |
| LOANS & ADVANCES | | |
| A. Advances for Raw Material | 54,090,669.42 | 16,073,063.00 |
| B. Advances for Capital Goods | 49,750.00 | 2,714,901.00 |
| C. Advance for Expenses & Services (Steel Division) | 4,457,612.50 | 31,913,735.00 |
| D. Adv. for Exp. & Services (See Note-2 of Notes on Accounts) | 5,166,212.67 | 5,131,063.00 |
| E. Advances for Expenses & Services (Power) | 926,252.00 | 5,511,029.00 |
| F. Advances for Kiln -3 | 140,477.00 | 661,573.00 |
| G. Advances for Solar (5 MV) | 200,000.00 | - |
| H. Staff Advances | 1,207,589.00 | 1,245,035.00 |
| I. Security Deposit | 43,523,412.00 | 42,252,529.00 |
| J. Balance with Excise Authorities | 12,218,186.78 | 12,294,887.00 |
| K. Advance with Indrawati Vendors | 35,838.00 | 2,271,805.00 |
| L. Goods in Transit (Coal) | 1,169,604.00 | 1,493,373.00 |
| M. Goods in Transit (Iron Ore) | 23,234,100.00 | 77,590,388.00 |
| N. Cosmos Castings (I) Ltd | 20,000,000.00 | |
| O. Shubh Infrastructure Ltd | 475,000.00 | 475,000.00 |
| P. Vaswani Energy Ltd | 3,500.00 | - |
| Q. Vaswani Cement Ltd | 36,200.00 | 36,200.00 |
| R. Vaswani ispat Ltd | 33,200.00 | 33,200.00 |
| S. Mat Credit Entitlement A/C | 22,669,834.00 | 16,631,048.00 |
| T. Other Advances | <u>1,065,750.00</u> | - |
| TOTAL | <u>190,703,187.37</u> | <u>216,328,829.00</u> |
| SCHEDULE - J-1 | | |
| OTHER CURRENT ASSETS | | |
| Advance Income Tax | 10,000,000.00 | 7,500,000.00 |
| Vat Tax Receivable | 7,778,983.83 | 4,510,395.00 |
| Entry Tax Receivable | 1,289,310.00 | 1,289,310.00 |
| Interest Accured but not due | 321,524.00 | 1,435,378.00 |
| Prepaid Expenses | 234,481.00 | 117,800.00 |
| TDS Receivable | 283,001.00 | 162,418.00 |
| Advance for land at Siltara (Pramod Sahu) | 126,500.00 | 50,000.00 |
| CESS Receivable | - | 526,973.00 |
| Deposit with Vimla Infrastrusture (I) Pvt Ltd | 10,000,000.00 | |
| FBT Receivable | - | 306,902.00 |
| Deposit with Chhattisgarh Ispat Bhoomi Ltd | <u>1,000,000.00</u> | <u>1,000,000.00</u> |
| TOTAL | <u>31,033,799.83</u> | <u>16,899,176.00</u> |



SCHEDULE "A" TO "R" FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

| | | (Amount in Rs.) | |
|---|------------------|-------------------------|-----------------------|
| PARTICULARS | | AS AT 31.03.2011 | AS AT 31.03.2010 |
| SCHEDULE - K | | | |
| CURRENT LIABILITIES & PROV. | | | |
| A. CURRENT LIABILITIES | | | |
| SUNDRY CREDITORS | | | |
| 1. Creditor for Raw Material | | 106,738,639.00 | 45,671,741.00 |
| 2. Creditor for Expenses | | 16,660,957.00 | 8,735,856.00 |
| 3. Creditor for Capital Goods | | 1,303,520.00 | 10,004,041.00 |
| 4. Creditor for Steel Division | | 12,638.00 | 6,351,910.00 |
| 5. Creditor for Power | | 3,892,252.00 | 15,125,249.00 |
| 6. Creditor for Kiln-03 | | 3,241,337.00 | - |
| 7. Creditor for Indrawati | | 112,052.00 | - |
| 8. Advance from Customers | | 3,461,821.00 | 8,079,047.00 |
| 9. Deposit from Customers | | 1,717,682.00 | 1,717,682.00 |
| 10. Security Deposit from Customers (Mandhar) | | 1,000,000.00 | 1,000,000.00 |
| TOTAL (A) | | 138,140,898.00 | 96,685,526.00 |
| B. PROVISIONS | | | |
| 1. Provision for Income Tax | | 14,193,186.00 | 10,358,430.00 |
| 2. Provision for Others | | 6,033,267.00 | 15,010,080.00 |
| TOTAL (B) | | 20,226,453.00 | 25,368,510.00 |
| GRAND TOTAL (A + B) | | 158,367,351.00 | 122,054,036.00 |
| SCHEDULE - L | | | |
| SALES | | | |
| Sales of Finished Goods (Sponge Iron) | 1,028,245,717.00 | | |
| Less : Quality Difference | 27,223.00 | | |
| Less : Sales Return | 1,637,716.00 | 1,026,580,778.00 | 576,789,223.00 |
| Sales of Slage | | 336,138.00 | - |
| Sale of B.F Dust | | - | 12,725.00 |
| Sales of Billet | 31,487,584.00 | | |
| Less : Rate Difference | - | | |
| Less : Purchase | - | 31,487,584.00 | 105,286,224.00 |
| Power Sales | 256,962,350.12 | | |
| Less : Rebate on Power Sales (CSEB) | 6,326,555.00 | 250,635,795.12 | 229,886,711.00 |
| Fly Ash Sales (Power Division) | | 1,258,577.00 | 5,538,099.00 |
| Char & Dolochar Sales | 5,011,369.00 | | |
| Less : Purchase | - | 5,011,369.00 | 2,130,877.00 |
| TOTAL | | 1,315,310,241.12 | 919,643,859.00 |
| SCHEDULE - M | | | |
| OTHER INCOME | | | |
| Rent Receivable Indrawati | | 95,000.00 | - |
| HDFC Life Insurance | | 709,725.06 | - |
| Income Tax Refund | | - | 5,450.00 |
| Late Delivery Settlement A/C (Power) | | 350,909.00 | 54,524.00 |
| Non Delivery Settlement (Sponge Iron) | | 368,732.00 | - |
| Profit on Sale of Fixed Assets | | - | 454,414.00 |
| Lease Rent | | 300,000.00 | 180,000.00 |
| Insurance Claim (Sponge Iron) | | 186,151.00 | - |
| Interest Income | | 3,178,465.30 | 1,790,136.00 |
| Interest Income (Power) | | 166,899.00 | 884,822.00 |
| Sundry Expenses Written off (Power) | | 532,735.40 | 65,642.00 |
| Misc. Income | | 243,840.00 | 16,702.00 |
| TOTAL | | 6,132,456.76 | 3,451,690.00 |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|--|-----------------------|------------------------|
| SCHEDULE - N | | |
| INCREASE\DECREASE IN FINISHED GOODS | | |
| Opening Stock | 19,791,162.00 | 34,372,723.00 |
| Closing Stock (Sponge Iron) | 10,598,613.00 | 11,420,648.00 |
| Closing Stock (Char Dolo Char) | 12,322.00 | 151,225.00 |
| Closing Stock (Billets) | - | 8,164,179.00 |
| Closing Stock (End Cutting) | - | 55,110.00 |
| Closing Stock (Ingot) | - | - |
| Increase/Decrease (+/-) | <u>(9,180,227.00)</u> | <u>(14,581,561.00)</u> |
| SCHEDULE - N 1 | | |
| RAW MATERIAL CONSUMED | | |
| SPONGE DIVISION | | |
| IRON ORE | | |
| Opening Stock | 19,368,304.00 | 98,276,425.00 |
| Add: Purchase | 651,861,696.00 | 227,267,443.00 |
| Add : Ground Loss of Iron Ore | 11,055,497.00 | 4,981,423.00 |
| Less : Quality Difference | 1,426,005.00 | 41,927.00 |
| Add : Transit Gain of Iron Ore | - | 1,591,438.00 |
| Less : Transit Loss | 2,935,819.00 | - |
| Less : Rate Difference of Iron Ore | 44,457.00 | 450,000.00 |
| Add : Security Charges (Iron Ore) | 45,000.00 | - |
| Add : Freight Inward and Unloading Charges | 143,936,123.00 | 83,304,433.00 |
| | <u>821,860,339.00</u> | <u>415,829,235.00</u> |
| Less : Sales | 108,082,878.00 | 37,725,140.00 |
| Less : Closing Stock | 147,593,460.00 | 19,368,304.00 |
| Iron ore Consumed | <u>566,184,001.00</u> | <u>358,735,791.00</u> |
| COAL | | |
| Opening Stock | 1,315,680.00 | 4,659,648.00 |
| Add : Purchase | 199,065,001.00 | 77,815,520.00 |
| Add : Ground Loss of Coal (Washing) | 831,929.00 | 2,615,081.00 |
| Less : Quality Difference | 317,871.00 | 173,925.00 |
| Less : Transit Loss | 178,693.00 | 1,882.00 |
| Add : Transfer from Power Division | 16,245,000.00 | 17,040,000.00 |
| Add : Freight Inward And Unloading Charges | 58,373,828.00 | 41,709,125.00 |
| | <u>275,334,874.00</u> | <u>143,663,567.00</u> |
| Less : Sales | 2,841,362.00 | 2,214,747.00 |
| Less : Closing Stock | 1,765,171.00 | 1,315,680.00 |
| Sponge Coal Consumed | <u>270,728,341.00</u> | <u>140,133,140.00</u> |
| DOLOMITE | | |
| Opening Stock | 359,162.00 | 1,547,980.00 |
| Add : Purchase | 3,066,541.00 | 2,007,746.00 |
| Add : Freight Inward and Unloading Charges | 1,577,275.00 | 1,886,449.00 |
| | <u>5,002,978.00</u> | <u>5,442,175.00</u> |
| Less : Sales | - | - |
| Less : Quality Difference | - | 14,092.00 |
| Less : Closing Stock | 94,141.00 | 359,162.00 |
| DOLOMITE CONSUMED | <u>4,908,837.00</u> | <u>5,068,921.00</u> |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

| PARTICULARS | (Amount in Rs.) | |
|---|-----------------------|-----------------------|
| | AS AT 31.03.2011 | AS AT 31.03.2010 |
| CONSUMABLE STORES | | |
| CONSUMABLE STORES (VARIABLE STOCK) | | |
| Opening Stock | 2,100,000.00 | 1,417,000.00 |
| Purchase | 14,355,997.00 | 4,798,393.00 |
| Less: Closing Stock | 2,500,000.00 | 2,100,000.00 |
| Consumed | 13,955,997.00 | 4,115,393.00 |
| TOTAL RAW MATERIAL CONSUMED - N1 (SPONGE DIVISION) | 855,777,176.00 | 508,053,245.00 |
| SCHEDULE - N 2 (STEEL DIVISION) | | |
| MS SCRAP | | |
| Opening Stock | 293,667.00 | 4,599,277.00 |
| Add : Purchase (Ms Scrap) | 22,704,071.00 | 15,416,057.00 |
| Add : Carriage & Freight (208022*40%) | 83,209.00 | 417,400.00 |
| TOTAL | 23,080,947.00 | 20,432,734.00 |
| Less : Sales | 19,772,214.50 | 10,808,413.00 |
| Less : Rate Difference | - | 4,198.00 |
| Less : Closing Stock | - | 293,667.00 |
| MS SCRAP CONSUMED | 3,308,732.50 | 9,326,456.00 |
| PIG IRON | | |
| Opening Stock | - | 104,452.00 |
| Add : Purchase (Pig Iron) | 8,193,859.00 | 57,217,315.00 |
| Add: Rail Freight on Pig Iron | - | 754,440.00 |
| Add: Handling & Forwarding Charges | - | 25,373.00 |
| Add : Transit Loss on Pig Iron | - | 432,897.00 |
| Add : Carriage & Freight (208022*40%) | 83,209.00 | 417,400.00 |
| TOTAL | 8,277,068.00 | 58,951,877.00 |
| Less : Sales | 7,632,225.00 | 54,866,028.00 |
| Less : Closing Stock | - | - |
| Less: Transferred to Profit & Loss Account | - | - |
| PIG IRON CONSUMED | 644,843.00 | 4,085,849.00 |
| FERRO SILICON | | |
| Opening Stock | 14,188.00 | 53,684.00 |
| Add : Purchase (Ferro Silicon) | 22,997.00 | 110,853.00 |
| Add : Carriage & Freight (208022*6%) | 12,481.00 | 20,870.00 |
| TOTAL | 49,666.00 | 185,407.00 |
| Less : Sales | - | - |
| Less : Closing Stock | - | 14,188.00 |
| FERRO SILICON CONSUMED | 49,666.00 | 171,219.00 |
| SPONGE IRON (STEEL) | | |
| Opening Stock | 1,678,234.00 | 1,967,397.00 |
| Add : Purchase (Sponge Iron) | 4,281,001.00 | - |
| Add : Carriage & Freight (208022*6%) | 12,481.00 | 20,870.00 |
| TOTAL | 5,971,716.00 | 1,988,267.00 |
| Less : Closing Stock | 2,989,827.00 | 1,678,234.00 |
| SPONGE IRON CONSUMED | 2,981,889.00 | 310,033.00 |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|-----------------------|-----------------------|
| SILICO MANGANESE | | |
| Opening Stock | 799,155.00 | 360,937.00 |
| Add : Purchase (Silico Magnese) | - | 3,585,390.00 |
| Add : Carriage & Freight | - | 83,480.00 |
| TOTAL | 799,155.00 | 4029807.00 |
| Less : Sales | 156,977.00 | - |
| Less : Rate Difference | - | - |
| Less : Closing Stock | - | 799,155.00 |
| SILICO MANGANESE CONSUMED | 642,178.00 | 3,230,652.00 |
| PETRO COKE (CPC) | | |
| Opening Stock | 15,433.00 | 482,815.00 |
| Add : Purchase (CPC) | 45,380.00 | 159,118.00 |
| Add : Carriage & Freight (208022*8%) | 16,642.00 | 83,480.00 |
| TOTAL | 77,455.00 | 725,413.00 |
| Less : Sales | - | - |
| Less : Closing Stock | - | 15,433.00 |
| PETRO COKE CONSUMED | 77,455.00 | 709,980.00 |
| CONSUMABLE STORES | | |
| Opening Stock | 1,730,000.00 | 2,394,000.00 |
| Purchase | 2,145,530.00 | 2,998,196.00 |
| Less: Closing Stock | - | 1,730,000.00 |
| Consumed | 3,875,530.00 | 3,662,196.00 |
| TOTAL RAW MATERIAL CONSUMED - N2 (STEEL DIVISION) | 11,580,293.50 | 21,496,385.00 |
| SCHEDULE - N 3 (POWER DIVISION) | | |
| COAL | | |
| Opening Stock | 14,710,764.00 | 31,737,046.00 |
| Add : Purchase (Coal) | 70,931,765.00 | 74,279,245.00 |
| Add : Lorry Freight | 8,527,350.00 | 9,210,131.00 |
| Add : Rail Freight | 20,470,840.00 | 23,862,140.00 |
| Add : Unloading & Loading | 4,406,562.00 | 5,219,075.00 |
| Add : Handling & Forwarding Charges | 2,735,852.00 | 2,960,722.00 |
| Add : Transit Loss | 787,109.00 | 122,844.00 |
| TOTAL | 122,570,242.00 | 147,391,203.00 |
| Less : Sales of Rejected Coal | - | 593,927.00 |
| Less : Transfer Spong Division | 16,245,000.00 | 17,040,000.00 |
| Less : Closing Stock | 169,429.00 | 14,710,764.00 |
| COAL CONSUMED (POWER DIVISION) | 106,155,813.00 | 115,046,512.00 |
| CONSUMABLE STORES | | |
| Opening Stock | 2,200,000.00 | 708,000.00 |
| Purchase | 5,202,922.00 | 4,803,006.00 |
| Less: Closing Stock | 2,000,000.00 | 2,200,000.00 |
| CONSUMED | 5,402,922.00 | 3,311,006.00 |
| TOTAL RAW MATERIAL CONSUMED - N 3 (POWER DIVISION) | 111,558,735.00 | 118,357,518.00 |

SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

(Amount in Rs.)

| Particulars | As At 31.03.2011 | As At 31.03.2010 |
|---|----------------------|----------------------|
| SCHEDULE - O | | |
| MANUFACTURING EXPENSES | | |
| Carriage & Freight Inward (Power) | 1,480,902.00 | 27,332.00 |
| Cess Charges (Dolomite) | 4,225.00 | 6,399.00 |
| Cess Charges (Iron Ore) | 127,016.00 | 67,400.00 |
| Cess On Sale of Electricity (CSEB) Power | 695,941.00 | 259,382.00 |
| Electricity Charges (Power Division) | 3,587,480.00 | 3,863,064.00 |
| EMD Forfeited (Coal Auction) | - | 24,627.00 |
| Gas Refilling Charges | 358,618.00 | 246,396.00 |
| Gas Refilling Charges (Power) | 100,002.00 | 52,521.00 |
| Gas Refilling Charges (Steel) | 42,123.00 | 284,023.00 |
| Lab Chemicals | 419,386.00 | 186,435.00 |
| Lab Chemicals (Power) | 1,430,067.35 | 786,044.00 |
| Lab Chemicals (Steel) | 33,245.00 | 97,625.00 |
| Labour Welfare Charges | 12,000.00 | 12,000.00 |
| Loading Charges (Iron Ore) | 360,597.00 | 412,548.00 |
| Loading Charges (Sponge) | - | 631.00 |
| Loading Charges of Coal (Power) | 973,681.00 | 1,023,356.00 |
| Material Shifting Charges | 372,085.00 | 2,456,688.00 |
| Material Shifting Charges (Power) | 1,187,210.00 | - |
| Material Shifting Charges (Steel) | 227,677.00 | 297,321.00 |
| Pollution Control Expenses | 180,000.00 | 275,830.00 |
| Pollution Control Expenses (Power) | 180,000.00 | 165,000.00 |
| Power Charges (Sponge) | 19,751,710.00 | 15,849,330.00 |
| Power Charges (Steel) | 3,630,001.00 | 12,358,173.00 |
| Production Charges (Power) | 427,129.00 | 1,516,400.00 |
| Production Charges (Steel Division) | 1,947,000.00 | 2,691,126.00 |
| Repair & Maintenance (Vehicle) (Factory) | 6,483,862.00 | 6,289,150.00 |
| Repair & Maintenance (P & M) | 4,465,009.00 | 3,127,934.00 |
| Repair & Maintenance (P & M) (Power) | 1,935,235.00 | 1,489,199.00 |
| Repair & Maintenance (P & M) (Steel Division) | 7,846.00 | 200,989.00 |
| Rescheduling Expenses (Power) | 31,954.00 | 186,939.00 |
| Vehicle Running & Maintenance (D.G.) | 1,540,403.00 | 404,095.00 |
| Wages | 1,105,082.00 | 735,725.00 |
| Wages (Power) | 409,058.00 | 328,957.00 |
| Water Charges (Power) | 4,921,718.00 | 3,594,331.00 |
| Weighing Charges | - | 25,360.00 |
| Wheeling Charges (Power) | 4,223,597.00 | 4,194,570.00 |
| Workmen's Compensation Charges | 90,000.00 | 110,000.00 |
| TOTAL OF SCHEDULE - O | 62,741,859.35 | 63,646,900.00 |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|---------------------|---------------------|
| SCHEDULE – P - ADMINISTRATIVE EXPENSES | | |
| Advertisement & Publicity | 29,458.00 | 66,718.00 |
| Analysis Charges | 15,420.00 | 23,078.00 |
| Application Fee | 50,000.00 | - |
| Audit Fees | 500,000.00 | 50,000.00 |
| Carriage Inward | 518,002.00 | 63,414.00 |
| Commission on Iron Ore | - | 5,044.00 |
| Commission on Sales | 2,749,427.00 | 2,344,435.00 |
| Consultancy Charges | 1,048,000.00 | 233,445.00 |
| Consultancy Charges (Power) | 1,019,500.00 | 13,699.00 |
| Conveyance & Petrol Charges | 255,698.00 | 225,113.00 |
| Conveyance & Petrol Charges (Power) | 25,500.00 | 180.00 |
| Conveyance & Petrol Charges (Steel) | 10,200.00 | 10,001.00 |
| Court Fee | 139,500.00 | - |
| CSR Social Development | 435,847.00 | - |
| CST Paid (06-07) | - | 425,111.00 |
| Donation | 296,859.00 | 262,060.00 |
| E. Cess Paid | 15,468.00 | - |
| E. Cess Paid On Transportation | 4,088.00 | 7,044.00 |
| Electricity Charges (Indrawati) | 120190.00 | - |
| Entertainment Expenses | - | 14,900.00 |
| Entry Tax Paid | 2,323,448.00 | - |
| Entry Tax Paid (05-06 & 06-07) | 64,490.00 | - |
| Excise Duty Paid | 773,350.00 | 39,909.00 |
| Filing Fees | 31,659.00 | 410,604.00 |
| HDFC Life Insurance Charges | - | 587,220.00 |
| Import Charges (Steel Division) | 18,290.00 | 38,549.00 |
| Income Tax Paid (TDS) | 1,972.00 | - |
| Inspection Fees | 23,047.00 | 35,881.00 |
| Inspection Fees (Power) | 50,610.00 | 119,675.00 |
| Insurance Charge | 370,181.00 | (1,737,099.00) |
| Insurance Charges (Power) | 17,020.00 | 331.00 |
| Insurance Charges (Transit) | 17,226.00 | - |
| Interest on Fringe Benefit | - | 17,687.00 |
| Interest on Income Tax | 347,422.00 | - |
| Internal Audit Fee | 32,000.00 | 96,000.00 |
| JCB Hire Charges (Expenses) | 807,125.00 | 380,030.00 |
| Legal & Professional Charges | 757,647.00 | 339,500.00 |
| Legal & Professional Charges (Mandhar) | 30,000.00 | 68,000.00 |
| Licence & Registration | 259,412.00 | 94,946.00 |
| Licence & Registration (Power) | 307,022.00 | 155,000.00 |
| Locker Rent | - | - |
| Lorry Freight on Sponge Iron | 67,772.00 | 85,516.00 |
| Loss on Sale of Sponge Iron | - | 73,162.00 |
| Maintanance and Street Light Charges | 363,000.00 | - |
| Membership Fees | 23,950.00 | 71,552.00 |
| Loss on Sale of Fixed Assets | 1,483,576.00 | 576,160.00 |
| Membership Fees (Power) | 25,000.00 | 108,360.00 |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

| PARTICULARS | (Amount in Rs.) | |
|---|----------------------|----------------------|
| | AS AT 31.03.2011 | AS AT 31.03.2010 |
| NOC Charges (Power) | 300,000.00 | - |
| Office Expenses | 907,957.00 | 1,042,820.00 |
| Office Expenses (Power) | 95,555.00 | 100,764.00 |
| Office Expenses (Steel) | 10,240.00 | 1,563.00 |
| Open Access Charges (Power) | 4,557,757.00 | - |
| Plantation & Gardening Exp (CSR A/C) | 522,730.00 | 185,198.00 |
| Pooja Expenses | 83,728.00 | 45,521.00 |
| Postage & Courier | 29,282.00 | 15,275.00 |
| Postage & Courier (Power) | 150.00 | - |
| Power Exchange Charges (IEX) | 295,897.96 | 4,628,586.00 |
| Preliminary Exp. Written off | 1,633,826.00 | 1,732,646.00 |
| Printing & Stationery | 316,956.00 | 456,609.00 |
| Printing & Stationery (Mandhar) | - | 6,500.00 |
| Printing & Stationery (Power) | 85,000.00 | 27,653.00 |
| Professional Tax | 2,500.00 | 2,500.00 |
| Quality Difference of Billets | - | 170,402.00 |
| Quality Difference of Ingot | - | 381,812.00 |
| Rent, Rate & Taxes | 12,500.00 | 50,000.00 |
| Sales Promotion Expenses | 113,614.00 | - |
| Sales Tax Paid (05-06) | 153,612.00 | - |
| Sec H EDU Cess Paid | 7,733.00 | - |
| Sec H EDU Cess Paid on Transportation | 2,044.00 | 3,513.00 |
| Security Expenses | 7,000.00 | 27,000.00 |
| Service Tax on Business Auxiliary (Power) | 1,004,803.00 | - |
| Service Tax Paid on Transportation | 204,457.00 | 311,792.00 |
| Sundry Balances Written off | - | 439,757.00 |
| Sundry Balances Written off (Sponge) | 4,453,109.96 | - |
| Telephone Expense | 319,310.00 | 314,121.00 |
| Telephone Expense (Power) | 100,617.00 | - |
| Terminal Tax on Pig Iron & Ms Scrap | 7,056.00 | 10,136.00 |
| Testing Charges | - | 9,310.00 |
| Toll Tax | 7,692.00 | 7,597.00 |
| Travelling Expenses (Directors) | 1,035,943.10 | 1,054,922.00 |
| Travelling Expenses (Others) | 100,712.00 | 644,262.00 |
| Travelling Expenses (Power) | 257,000.00 | - |
| Travelling Expenses for Mandhar | - | 147,255.00 |
| U I Charges (Power) | 8,996,685.00 | 11,809,276.00 |
| Unloading Charges of Cement | 540.00 | - |
| Vat Paid (06-07) | 695,500.00 | - |
| Wealth Tax | 22,821.00 | - |
| Repair & Maintenance (Building) (Power) | 159,748.00 | - |
| Repair & Maintenance (Computers) | 153,126.00 | 164,093.00 |
| Repair & Maintenance (Electrical) | 799,413.00 | 111,602.00 |
| Repair & Maintenance (Electrical-Power) | 3,034,282.50 | 127,257.00 |
| Repair & Maintenance (Electrical-Steel) | 41,840.00 | 5,192.00 |
| Repair & Maintenance (Indrawati) | 120,510.00 | - |
| TOTAL OF ADM. / SELLING & DISTRI. EXPENSES | 46,081,623.52 | 29,340,159.00 |



SCHEDULE “A” TO “R” FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON AND FOR THE PERIOD ENDED ON 31.03.2011

(Amount in Rs.)

| PARTICULARS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------------------|----------------------|
| SCHEDULE -P1 ‘ PERSONNEL COST | | |
| Bonus | 1,661,289.00 | 765,206.00 |
| Bonus (Power) | 776,972.00 | 574,395.00 |
| Bonus (Steel) | - | 15,000.00 |
| Convayence Allowance | 51,600.00 | - |
| Directors Remuneration | 2,355,938.00 | 551,000.00 |
| Employers Contribution to ESI | 623,852.00 | 322,240.00 |
| Employers Contribution to Provident Fund | 336,876.00 | 395,563.00 |
| Gratuity | 140,279.00 | 327,548.00 |
| House Rent Allowance | 99,530.00 | 8,330.00 |
| Medical Expenses | 170,953.00 | 240,344.00 |
| Salary (Power) | 7,259,761.00 | 6,341,153.00 |
| Salary (Sponge) | 12,649,767.00 | 8,597,503.00 |
| Salary (Steel) | 310,032.00 | 431,874.00 |
| TOTAL OF SCHEDULE - P1 | 26,436,849.00 | 18,570,156.00 |
| SCHEDULE -Q ‘ FINANCIAL CHARGES | | |
| Bank Charges & Commission | 10,503,775.68 | 4,021,608.00 |
| Bank Charges & Commission (Power) | 154,857.00 | - |
| Interest on CC Account (To UBI) | 13,661,402.00 | 6,855,303.00 |
| Interest on CC Account (To IDBI) | 2,884,746.00 | - |
| Interest on Term Loan (To IDBI) | 5,344,225.00 | - |
| Interest on Term Loan (To UBI) 6392 | 3,000,530.00 | 7,087,324.00 |
| Interest on Term Loan (To UBI) 6393 (Power) | 20,292,875.00 | 36,533,689.00 |
| Interest on Term Loan (State Bank of India) | 14,248,627.00 | 146,922.00 |
| Interest on Term Loan (SBI)-USD Power Div. | 5,102,133.48 | - |
| Interest on CC Account (to SBI) | 2,367,338.00 | - |
| Interest on Current Account (to SBI) | 67.00 | - |
| Interest on Crane (to ICICI) | - | 4,523.00 |
| Interest on Hydraulic Crane | - | 18,740.00 |
| Interest to ICICI Bank Tipper | - | 51,783.00 |
| Interest to Indusind Bank Ltd | 55,987.15 | 59,088.00 |
| Interest Paid (Excise) | 49,757.00 | 19,269.00 |
| Interest for late Payment (Past Period)-NMDC | 878,096.00 | - |
| Interest on Corp. Div. Tax | 34,391.00 | - |
| Interest on Unsecured Loans | 1,331,485.00 | 13,316.00 |
| | 79,910,292.31 | 54,811,565.00 |
| Interest for late Payment of Tax | 206,611.21 | 415,442.00 |
| TOTAL OF SCHEDULE - Q | 80,116,903.52 | 55,227,007.00 |
| SCHEDULE - Q-1 | | |
| PRIOR PERIOD EXPENSES | | |
| Commission on Sales (Relates to F.Y 08-09) | - | (106,367.00) |
| Commission on Sales (Relates to F.Y 07-08) | - | (4,753.00) |
| Professional Tax (Relates to 05-06) | - | (4,000.00) |
| Quality Difference of Coal (Relates to 08-09) | - | 367,760.00 |
| TOTAL OF SCHEDULE - Q1 | - | 252,640.00 |

SCHEDULE 'R'

Notes of Accounts :

Accounting Policies and Notes on Accounts for the period ended 31.03.2011

A. SIGNIFICANT ACCOUNTING POLICIES :-

1. Basis of Accounting

- (a) The financial statement has been prepared under the historical cost convention and generally accepted accounting principles
- (b) Accrual method of accounting is followed with regard to income & expenses

2. Use of Estimates

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets

Fixed assets are stated at cost of acquisition (inclusive of freight) or construction net of Cenvat /Tax credit, less accumulated depreciation. All costs, including financial costs till commencement of commercial production and adjustment arising from exchange rate variations attributable to the fixed assets are capitalized.

4. Capital Work- in- progress

Project under commissioning and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest

5. Depreciation

- a) Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manners prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on addition to / deduction from fixed assets is being provided on pro-rata basis from / to the date of acquisition / disposal.

6. Inventories

Inventories i.e. stores consumables are valued at cost (exclusive of excise). By Products are valued at estimated realizable value. Raw Materials are valued at cost plus freight using Weighted Average Cost (WAC) method. Finished Goods are valued at cost or net realizable value (NRV) whichever is lower. Finished goods include cost of conversion and other cost for bringing it in the present location and condition including depreciation.

7. Revenue Recognition

Mercantile method of accounting is employed unless otherwise specifically stated elsewhere in this Schedule. However, where the amount is immaterial / negligible and/or establishment of accruals / determination of amount is not possible no entries are made for the accrual.

Sales are exclusive of excise duty, sales tax & sales returns.

8. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is normally charged to Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

9. Investment

Long term investments are carried out at cost less any other temporary diminution in value, determined on the specific identification basis. Current investments are carried at the lower of cost and fair value.

Profit & Loss on sale of investment is determined on specific identification basis.

10. Other income

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

11. Borrowing Cost

The Borrowing costs that are attributable to the acquisition or construction or production of the qualifying assets are capitalized as per the cost of such assets up to the date when such assets are ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account.

12. Accounting for Taxes on Income

- (a) Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.
- (b) Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing



differences that result between taxable profit and the profit as per the financial statement. Deferred tax assets & liabilities are measured using the tax rates and the tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty for its realization.

- (c) The taxable income of the Company being lower than the book profits under the provision of the income tax act 1961. The Company is liable to pay Minimum Alternate Tax (MAT) on its income.
- (d) Considering the future profitability & taxable position in the subsequent years the Company has recognized MAT Credit as an assets by crediting the provision for income tax & including the same under Loans & Advances in accordance with the Guidance note on "Accounting for Credit available in respect of MAT under Income Tax Act 1961" issued by the Institute of Chartered Accountant of India.

13. Cash Flow Statement

The cash flow statement is prepared as per the Indirect method prescribed under "Accounting Standard – 3" Cash Flow Statement issued by the Institute of Chartered Accountants of India.

14. Foreign Currency Transaction

Transactions in foreign currency are recorded in Rupees by applying the exchange rate prevailing on the date of transaction. Transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement shall be adjusted in the carrying amount of the respective fixed assets in case of loans acquired for acquisition of fixed assets.

15. Provision and Contingencies

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statement.

16. Employee Benefits

- a. Provident Fund is a defined contribution scheme and the contribution are charged to the Profit & Loss A/c of the year when the contributions to the Government Funds is due.
- b. Gratuity Liability is defined benefit obligations and are provided for on the basis of following formula:-
$$= \text{Last drawn Salary} * 15/26 * \text{No. of completed years of Service}$$

The above calculation is done only for those employee who have completed continuous five years of service. However, the above calculation of Gratuity is not as per Actuary Valuation.
- c. Short Term Compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.
- d. Actuarial gains / losses are immediately taken to the profit & loss account and are not deferred.

17. Segment Reporting

- a) Business Segment: - The accounting policies adopted for segment reporting are in the line with the accounting policies of the Company. Segment Revenue, Segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, Expenses, Assets, Liabilities which relates to the Company as whole and not allocable to segment on reasonable basis have been included under "Unallocated revenue / expenses / assets / liabilities".
- b) Geographical Segment:- The Company sell its products within India. The condition prevailing in India being uniform. So no separate geographical segment disclosure is considered necessary.

18. Research & Development Expenditure

Revenue expenditure is charged to the Profit and Loss A/c and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred and depreciation thereon is provided as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

19. Intangible Assets

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortised on equated basis over the estimated useful life of such assets.

B. NOTES ON ACCOUNTS

- 1. Balance under sundry debtors, other current assets, sundry creditors, and loans & advances are subject to confirmation and reconciliation if any.
- 2. In the opinion of the Management, Current Assets, Loans & Advances have the value at which they are stated in the balance sheet if realized in the ordinary course of the business except the balance of "Suvikash Alloys and Steel Pvt. Ltd and Cement Corporation of India Ltd.". No Provision has been made as matter is under court proceedings.



3. The figures of the previous year have been regrouped wherever considered necessary to confirm with current year's presentation. The figures have been rounded off to the nearest rupee.

4. Remuneration to Statutory auditor:- (Amount in Rs.)

| Sr. No. | Particulars | 31-03-2011 | 31-03-2010 |
|---------|---|------------------|-----------------|
| 1 | Audit Fees | 450000.00 | 30000.00 |
| 2 | Tax Audit Fees | 50000.00 | 12000.00 |
| 3 | Company Law Matters/certification fees/IT consultancy | 40000.00 | 8000.00 |
| 4 | Service tax Amount | 26471.00 | 5150.00 |
| | TOTAL | 566471.00 | 55150.00 |

5. During the year the Company has not produced M.S Ingots.

6. (a) Company has purchased raw material and other consumables from different firms and Companies, which are outstanding at the end of year, but the Company has not identified its status that whether the same are either SSI unit or others, hence the particulars are not mentioned here.

(b) In respect of Micro / Small / Medium Enterprises Development Act, 2006, certain disclosure are required to made relating to Micro / Small / Medium Enterprises. The Company is in the process of compiling relevant information from its supplier about their coverage under the Act since the relevant information is not readily available, no disclosure have been made in the account. Hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act have not been made.

7. Details of Employee benefits as required by the Accounting Standard 15 "Employee Benefits" are given below:-

(a) **Defined Contribution Plans:-**

During the year the Company has recognized the following amount in the Profit & Loss Accounts (included in Contribution to provident & other funds)

| Particular | Current year | Previous Year |
|--|--------------|---------------|
| Contribution to Provident Fund | 336876.00 | 395563.00 |
| Contribution to Employees State Insurances | 623852.00 | 322240.00 |

8. **Computation of basic and diluted earnings per share :**

(Amount in Rs.)

| Particular | Current year | Previous Year |
|---|--------------|---------------|
| Net Profit after tax | 49528728.99 | 36819589.71 |
| Weighted average number of Equity Share | 13490700 | 11592630 |
| Nominal Value per share | 10.00 | 10.00 |
| Basic and Diluted Earning Per share | 3.67 | 3.18 |

9. **Related Party Disclosures :**

a. Name of the related parties

| Group Companies/ Associates | Key Management Personnel | Relatives of Key Management Personnel |
|------------------------------------|--------------------------|---------------------------------------|
| 1. Kquality Foundry Industries | 1. Shri Ravi Vaswani | 1. Smt. Sudha Vaswani |
| 2. C.G. Ispat Pvt. Ltd. | 2. Shri Pramod Vaswani | 2. Smt. Juhi Vaswani |
| 3. Cosmos Castings (India) Limited | 3. Shri Yaswant Vaswani | 3. Smt. Manisha Vaswani |
| 4. Vaswani Ispat Ltd. | | |
| 5. Vaswani Cement Ltd. | | |
| 6. Vaswani Energy Ltd. | | |
| 7. Shubh Infrastructure Ltd. | | |



Vaswani Industries Limited

- b. Following are the transaction with related parties as defined under Accounting Standard-18 on “Related Party Disclosures “ as notified under the Companies (accounting Standard) Rules , 2006.

(Rs. in Lacs)

| Name | Relationship | Nature of Transaction | Amount of transaction in 2010-11 | Amount Outstanding as at 31/03/2011 |
|---------------------------------|---|-----------------------|----------------------------------|-------------------------------------|
| Ravi Vaswani | Managing Director | Remuneration | 11.40 | 0.45 |
| | | Loan Taken | 318.50 | Nil |
| | | Taken Loan Repaid | 318.50 | |
| | | Payment of Interest | 2.24 | |
| Pramod Vaswani | Whole Time Director | Remuneration | 7.60 | 1.05 |
| | | Loan Taken | 13.10 | Nil |
| | | Taken Loan Repaid | 385.73 | |
| | | Payment of Interest | 9.43 | |
| Yashwant Vaswani | Whole Time Director | Remuneration | 4.56 | 1.67 |
| | | Loan Taken | 91.20 | Nil |
| | | Taken Loan Repaid | 187.37 | |
| | | Payment of Interest | 1.54 | |
| M/s Kwalty Foundry Industries | Proprietorship Firm in which Director has Significant Influence | Sale of Goods | 236.59 | Nil |
| | | Purchase of Goods | 69.52 | Nil |
| | | Loan Given | 240.00 | Nil |
| | | Given Loan Received | 240.00 | |
| | | Interest Received | 3.20 | |
| | | Rent Received | 0.25 | 0.25 |
| Cosmos Castings (India) Limited | Group Companies | Sale of Goods | 1270.19 | 26.92 |
| | | Purchase of Goods | 43.33 | Nil |
| | | Loan Given | 686.00 | 200.00 Dr. |
| | | Given Loan Received | 486.00 | |
| | | Interest Received | 3.30 | |
| | | Rent Received | 0.35 | 0.35 |
| | | Others | | 0.01 |
| Vaswani Ispat Ltd. | Group Companies | Loan Given | Nil | 0.33 Dr. |
| | | Investment Made | Nil | 0.50 Dr. |
| Vaswani Cement Ltd. | Group Companies | Loan Given | Nil | 0.36 Dr. |
| Vaswani Energy Ltd. | Group Companies | Loan Given | 0.04 | 0.04 Dr. |
| C.G. Ispat Private Limited | Group Companies | Sale of Goods | 84.81 | Nil |
| | | Purchase /Services | 5.82 | 2.51 Dr. |
| | | Loan Given | 401.59 | Nil |
| | | Given Loan Received | 401.59 | |
| | | Interest Received | 3.44 | |
| | | Rent Received | 0.35 | 0.35 |
| Investment Made | 621.11 | 621.11Dr. | | |
| Sudha Vaswani | Relative of KMP | Payment of Interest | 0.02 | Nil |
| | | Loan Given | 3.00 | |
| | | Given Loan Received | 3.00 | |
| Juhi Vaswani | Relative of KMP | Payment of Interest | 0.08 | Nil |
| | | Loan Taken | 3.90 | Nil |
| | | Taken Loan Repaid | 7.01 | Nil |
| Manisha Vaswani | Relative of KMP | Loan Taken | 3.90 | Nil |
| | | Taken Loan Repaid | 3.90 | Nil |
| Ravi Vaswani Huf | HUF of Director | Loan Taken | 0.15 | Nil |

Notes: Related party relationship in terms of Accounting Standard 18 as given above is pointed out by the management and relied upon by the Auditors.

10. **Deferred Tax** In accordance with the Accounting Standard- 22 “Accounting for taxes on Income” issued by the Institute of Chartered Accountants of India, the Company has accounted for deferred tax during the year. Consequently, the cumulative net deferred tax liabilities of Rs.74419189.00 as on 31st March, 2011 on net timing difference of Rs.224036091.89 has been recognized.

(Rs. In Lacs)

| Particulars | As at 31-03-2011 | As at 31-03-2010 |
|--|---------------------|---------------------|
| Deferred Tax Liabilities: - | | |
| Difference in Accumulated Book Depreciation & Accumulated Depreciation under Income Tax Act | 2247.50 | 1767.89 |
| Deferred Tax Assets: - | | |
| Unabsorbed Depreciation and disallowance Expenses Provided but allowed in IT on payment | (17.85) | (10.70) |
| Expenses disallowed last year allowed in the current year on payment basis (Reversal of DTA) | 10.70 | 49.55 |
| Net Timing Difference | 2240.36 | 1806.74 |
| Total Deferred Tax Liabilities to be recognized | 744.19 | 614.11 |
| Deferred Tax Liability previously recognized | 614.11 | 423.49 |
| Net Deferred Tax liability created during the year | 130.08 | 190.62 |

11. Valuation & Consumption of inventories has been taken as valued and certified by the Management
12. There were no employees at any time during the year drawing Rs. 5,00,000/- or more per month.
13. Foreign Currency Translation & forward exchange contracts have been initially recognized at exchange rate on the date of transaction / contract. Monetary assets & liabilities relating to foreign currency transactions & forward exchange contracts remaining unsettled at the end of the year are translated at year end rate.

The Company has opted for accounting the Exchange differences arising on reporting of term loan foreign currency monetary items in line with **Companies (Accounting Standards) Amendments Rules, 2009 relating to Accounting Standard 11(AS 11) notified by Govt. of India on 31/03/2009**. Accordingly the effect of exchange differences on foreign currency loans of the Company is accounted by additions or deduction to the cost of the asset so far it relates to Depreciable capital assets.

In the instant case, the Company has acquired forward contract term loan of \$ 20 Lac at fixed rate of Rs.48.03/\$ of date 20.05.2011 for acquisition of assets for Power Plant. In line with above the difference between the forward rate and exchange rate at the inception of contract and thereafter at the end of each financial year has been adjusted in carrying amount of major fixed assets namely Plant & Machinery, Electrical Installation and Building & Civil Works arising out of such loan with corresponding effect to loan liability. The Depreciation on the revised unamortized depreciable asset has been provided in accordance with AS-6.

DEVIATION FROM ICAI AS 11(revised 2003).The above is deviation from ICAI Accounting Standard in respect of forward exchange contracts, stating that exchange differences on such a contract should be recognized in statement of profit & loss in the reporting period in which the exchange rate change.

Due to above deviation the Profit is understated by Rs. 4937908.95 in the profit & loss account of the Company.

14. INITIAL PUBLIC OFFER

The Company has initiated the proceeding for IPO for Pre-payment of the Term Loan & Long Term Working Capital Requirements in the Current Year. The Expense Related to the IPO aggregated to Rs. 54.10 Lacs till 31.03.2011 has been grouped under Misc. Expenses to be written off .



15. Segment Reporting as required by Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India:-

(A) Business Segment:-

| (Rs. In Lacs) | |
|--|---------------------------|
| PARTICULARS | Current year (2010-11) |
| 1. Segment Revenue | |
| ➤ Iron & Steel | 10684.03 |
| ➤ Power | 2530.40 |
| ➤ Other | - |
| Sub-Total | 13214.43 |
| Less: Inter-Segment Revenue | (215.99) |
| Net Segment Revenue | 12998.44 |
| 2. Segment Result (Profit /Loss before Tax and interest from each segment) | |
| ➤ Iron & Steel | 826.90 |
| ➤ Power | 681.18 |
| ➤ Other | - |
| Sub-Total | 1508.08 |
| Less: Interest, Financial Expenses | (801.17) |
| Profit before Tax | 706.91 |
| Provision for Tax | |
| -- Income tax (net) | 81.54 |
| -- Deferred Tax | 130.08 |
| Profit After Tax | 495.29 |
| 3. Other Information | |
| I Segment Assets | |
| ➤ Iron & Steel | 8510.57 |
| ➤ Power | 4732.85 |
| ➤ Un-allocated Assets | 1067.22 |
| Total Assets | 14310.64 |
| II Segment Liabilities | |
| ➤ Iron & Steel | 2466.90 |
| ➤ Power | 2742.06 |
| ➤ Un-allocated Liabilities | 9101.66 |
| Total Liabilities | 14310.64 |
| III Capital Expenditure | |
| (Including work In progress) | |
| ➤ Iron & Steel | 275.92 |
| ➤ Power | 516.32 |
| Total | 792.24 |
| IV Depreciation | |
| ➤ Iron & Steel | 228.63 |
| ➤ Power | 244.15 |
| Total | 472.78 |
| V Non Cash Expenditure other than depreciation | |
| ➤ Other (Preliminary Exp. W/o) | 16.34 |
| Total | 16.34 |

(B) Geographical Segment: -

The Company sell its products within India. The condition prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

16. **Contingent liabilities not provided for in respect of**

(Amount in Lacs)

| Particular | 2010-11 | 2009-10 |
|--|---------|---------|
| - Sales Tax (pending with ACIT Appeals Sales Tax Raipur) | Nil | 3.59 |
| - Excise Duty | 239.27 | 192.53 |
| - Income Tax | 1.01 | - |

17. Company has generated 74753378 units in its Power division during the F.Y 2010-11, out of which 6657630 units has been capitiively consumed in its Sponge & Furnace Division. The transfer pricing of power units has been taken at fixed rate of Rs 3.20 per unit which is below the rate being charged to other customers, as there is high fluctuation in the power rate. However the transfer pricing policy does not affect the profit of the Company as whole.

18. Since the Company is engaged in the generation of power from A.Y 2008-09, so the Company is entitled to claim the deduction under Section-80IA of Income Tax Act & the quantum of deduction is 100% of profit & gains derived from such business for 10 consecutive assessment years out of 15 years beginning with the year in which enterprises begin to generate Power. Hence the Company has decided to claim the deduction after fifth year starting from A.Y 2008-09.

19. Company is considering goods in transit as current assets; these current assets has been created by reducing purchase account. However goods in transit is not included in closing stock, hence there is no impact in profit and loss account.

20. Additional information pursuant to provision of Paragraph 4, 4A, 4B, 4C and 4D of Part II of Schedule VI to the companies Act, 1956 are as given below :-

(Amount in Lacs)

| Clause | Particular | 31-03-2011 | 31-03-2010 |
|--------|--|------------|------------|
| 4 | Managerial Remuneration | 23.56 | 5.51 |
| 4A | Commission paid or payable to directors | NIL | NIL |
| 4B | Auditors Remuneration (including of Service Tax) | 5.66 | 0.55 |
| 4C | | | |
| i. | Licensed capacity | | |
| | Sponge Iron | 90000 MT | 90000 MT |
| | Power | 11.5 MW | 7.5 MW |
| ii. | Installed capacity | | |
| | Sponge Iron | 90000 MT | 90000 MT |
| | Power | 11.5 MW | 7.5 MW |
| iii. | Production | | |
| | Sponge Iron (In Mt) | 58637.570 | 47378.030 |
| | End Cutting (In Mt) | 29.415 | 108.200 |
| | Ms Billet (In Mt) | 865.585 | 4243.320 |
| | Power (In Unit) | 74753378 | 60396000 |

(Amount in Lacs)

| PARTICULARS | 31-03-2011 | | 31-03-2010 | |
|--|------------|----------|------------|---------|
| | Qty. in MT | Value | Qty. in MT | Value |
| 4D i. Turnover | | | | |
| Sponge Iron(Net) | 58369.040 | 10265.81 | 43190.310 | 5767.89 |
| MS Billet | 1255.850 | 314.88 | 4677.05 | 1052.86 |
| ii. Closing Stock of Finished Goods | | | | |
| Sponge Iron | 683.235 | 105.99 | 982.495 | 114.21 |
| Dolochar | 136.912 | 0.12 | 1680.275 | 1.51 |
| MS Billet | 0.00 | 0.00 | 392.225 | 81.64 |
| MS Ingot | 0.00 | 0.00 | 0.00 | 0.00 |
| End Cutting | 0.00 | 0.00 | 3.340 | 0.55 |



Vaswani Industries Limited

(Amount in Lacs)

| PARTICULARS | 31-03-2011 | | 31-03-2010 | |
|--|------------|---------|------------|--------|
| | Qty. in MT | Value | Qty. in MT | Value |
| iii. Closing Stock Raw Material | | | | |
| Iron Ore | 25290.70 | 1475.93 | 6151.615 | 193.68 |
| Coal(sponge and power) | 1009.762 | 19.35 | 13341.022 | 160.27 |
| Dolomite | 84.923 | 0.94 | 288.053 | 3.59 |
| MS Scrap | 0.000 | 0.00 | *22.230 | 2.94 |
| Pig Iron | 0.000 | 0.00 | 0.000 | 0.00 |
| Sponge Iron | 156.330 | 29.90 | 143.555 | 16.78 |

*Inadvertently the closing stock taken as 22.320 but the same has been rectified, without any financial impact

(Amount in Lacs)

| PARTICULARS | 31-03-2011 | | 31-03-2010 | |
|----------------------------------|------------|---------|------------|---------|
| | Qty. in MT | Value | Qty. in MT | Value |
| IV. Raw Material Consumed | | | | |
| Iron Ore | 97016.130 | 5661.84 | 82333.010 | 3587.36 |
| Coal (sponge and power) | 214615.474 | 3768.84 | 187203.125 | 2551.80 |
| Dolomite | 4428.160 | 49.09 | 4065.350 | 50.69 |
| Pig Iron | 33.000 | 6.45 | 229.150 | 40.86 |
| MS Scrap | 190.400 | 33.09 | 702.100 | 93.26 |

| Particular | 31-03-2011 | 31-03-2010 |
|---|------------|------------|
| V C.I.F. Value of Import | NIL | NIL |
| VI Expenditure in foreign exchange | NIL | NIL |
| VII Earning in foreign exchange | NIL | NIL |
| VIII Remittance in foreign currency for dividend | NIL | NIL |

As per our report of even date

For, **Sunil Johri and Associates**
Chartered Accountants
Firm Reg. No. 005960C

For and on behalf of the Board of Directors

Sunil Johri
Partner
M.No.074654
Place : Raipur
Date : 25/04/2011

Ravi Vaswani
Managing Director

Pramod Vaswani
Director

Rachana Hingar
Company Secretary



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

Balance Sheet abstract and Company's General Business Profile

I. REGISTRATION DETAILS :

| | | |
|---|--------------------|------------|
| A | Registration No. | 15964 |
| B | State Code No. | 10 |
| C | Balance Sheet Date | 31.03.2011 |

II. CAPITAL RAISED DURING THE YEAR

(Amount in Thousands)

| | | |
|---|---|-----|
| A | Public Issue | NIL |
| B | Right Issue | NIL |
| C | Bonus Issue | NIL |
| D | Private Placement including share premium | NIL |

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND

(Amount in Thousands)

| | | |
|---|-------------------|---------|
| A | Total Liabilities | 1431063 |
| B | Total Assets | 1431063 |

SOURCE OF FUNDS

(Amount in Thousands)

| | | |
|---|---|--------|
| A | Paid-up capital (Including Share Application Money) | 134907 |
| B | Reserve & Surplus | 318286 |
| C | Secured Loans | 745083 |
| D | Unsecured Loans | NIL |
| E | Deferred Tax Liability | 74419 |

APPLICATION OF FUNDS

(Amount in Thousands)

| | | |
|---|------------------------|--------|
| A | Net Block Fixed Assets | 797629 |
| B | Investment | 63364 |
| C | Capital WIP | 1166 |
| D | Net Current Assets | 400448 |
| E | Deferred Tax Assets | NIL |
| F | Miscellaneous Expenses | 10088 |
| G | Accumulated Loss | NIL |

IV. PERFORMANCE OF COMPANY

(Amount in Thousands)

| | | |
|---|----------------------------|---------|
| A | Total Revenue | 1321443 |
| B | Total Expenditure | 1250752 |
| C | Profit Before Tax | 70691 |
| D | Less: Prov. For Taxes | 21163 |
| D | Profit for the year | 49529 |
| E | Earning Per share (in Rs.) | 3.67 |
| F | Dividend Rate % | 0% |

**V. GENERIC NAME OF PRINCIPAL PRODUCT/SERVICES OF THE COMPANY
Item Code No. (ITC Code)**

Product Description

| | | |
|---|----------|-------------|
| A | 72301000 | Sponge Iron |
| B | 72071190 | Ms Billet |
| C | - | Power |



VASWANI INDUSTRIES LTD.

(Registered Office: MIG-4, Indrawati Colony, Raipur- 492 001)

ATTENDANCE SLIP

8th Annual General Meeting-October 17, 2011

(To be handed over at the entrance of the meeting hall)

I hereby record my presence at the 8th ANNUAL GENERAL MEETING of the Company held on Monday 17th day of October, 2011 at 10.30 A.M. at MIG-4, Indrawati Colony, Raipur- 492 001

Full Name of Member (In Block Letters) _____

DP ID/Client ID/Folio No.: _____

No. of Shares held: _____

Full name of Proxy(in BLOCK LETTERS) _____

Member's/Proxy's Signature

- NOTE: 1. Member/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting.
 2. Member/ Proxy holder wishing to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

-----TEAR HERE-----



VASWANI INDUSTRIES LTD.

(Registered Office: MIG-4, Indrawati Colony, Raipur- 492 001)

PROXY FORM

DP ID/Client ID/Folio No.: _____

No. of Shares held: _____

I/We _____ of _____ in the district of _____ being a

Member/Members of the above named Company hereby appoint _____ of _____ in the

district _____ or failing him/her _____ of _____ in the

district of _____ as my/our proxy to vote for me/us and on my/our behalf at

the 8th ANNUAL GENERAL MEETING of the Company to be held on Monday 17th day of October, 2011 at 10.30 A.M. at MIG-4, Indrawati Colony, Raipur- 492 001 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signed by the said _____

Affix Re.1/-
Revenue
Stamp

NOTE :

1. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Those members who have multiple folios with different proxy holders may use zerox copies of this Attendance Slip/Proxy.





Power Plant in Raipur



Control room for power plant in Raipur

Book Post

If Undelivered, please return to :
VASWANI INDUSTRIES LTD.
MIG-4, Indrawati Colony, Raipur- 492 001.