

Anil Special Steel Industries Ltd.

NOTICE

NOTICE is hereby given that the 42nd Annual General Meeting of the members of Anil Special Steel Industries Limited will be held at the Registered Office of the Company at Kanakpura, P.O. Meenawala, Jaipur - 302 012 on Wednesday the 29th day of September, 2010 at 11.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the financial year ended 31st March, 2010 and the audited Balance Sheet of the Company as on that date together with the Auditor's Report thereon and the Director's Report for the year ending 31st March, 2010.
2. To appoint a Director in place of Shri Shiv Shankar Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. M/s S.S.Surana & Co., Chartered Accountants, Jaipur, the retiring Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, as may be mutually agreed upon between the Board of Directors and the Auditors.

Jaipur 29th May 2010
Regd. Office & Works
Kanakpura, P.O. Meenawala,
Jaipur - 302 012

By order of the Board
Sd/-
C.P.VAID
Company Secretary

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 OF THE COMPANY. Proxy, in order to be effective, should be duly stamped, filled and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. M/s MCS Limited is the Registrar and Share Transfer Agent (RTA) for physical shares and is also the depository interface of the Company with both CDSL and NSDL.
3. The Register of Members and Share Transfer Book of the Company shall remain closed from 27th Sept., 2010 to 29th Sept., 2010 (both days inclusive) for the financial year 2009-10.
4. Shareholders are requested to immediately notify to the RTA or the Company any change in their address.
5. The shareholders, who have not converted their shares in demat form, are requested to do so.
6. Members seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least seven days before the date of meeting so as to enable the Management to keep the information ready at the meeting.
7. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M. to 1.00 P.M. except on holidays.
8. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers on the attendance slip for easy identification of attendance at the meeting.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting (Pursuant to clause 49 of the Listing Agreement)

Name of the Director	Shri Shiv Shankar Sharma
Date of Birth	27.08.1933
Date of Appointment	28.05.1992
Expertise in Specific Functional Areas	Administration
Qualifications	IAS Retd. D.G. (Doordarshan)
Directorship in other Public Limited Companies	Creative Eye Limited
Other positions	Nil
Membership of Committees in other Public Limited Companies	Nil
Number of shares held in the Company	210

Jaipur 29th May 2010
Regd. Office & Works
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Jaipur - 302 012



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By order of the Board
Sd/-
C.P.VAID
Company Secretary

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For Anil Special Steel Industries Ltd

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 42nd Annual Report of the Company together with the Audited Profit & Loss Account for the year-ended 31.03.2010 and the Balance Sheet as on that date.

FINANCIAL RESULTS

(Rs. In lacs)

	Year ending 31.03.2010	Year ending 31.03.2009
Turnover	11133	10590
Gross Profit before Finance Cost and Depreciation	1084	843
Finance Cost	430	465
Profit after Finance Cost	654	378
Depreciation/Miscellaneous expenses Written off	440	341
Net Profit for the year	214	37

OPERATIONAL REVIEW

During the year Turnover for the financial year under review, were Rs. 11133 Lacs as against Rs. 10590 Lacs for the previous financial year registering an increase of 5.13%. The profit before interest and depreciation of Rs.1084 Lacs and Profit after tax of Rs. 214 Lacs for the financial year under review as against Rs.843 Lacs and Rs.37 Lacs, respectively for the previous financial year, improved by 28.59% and 478.38% respectively.

FINANCIAL CONDITION AND RESULTS OF OPERATION

Management discussion and analysis of Financial Condition and Results of operation of the company for the year under review, as stipulated in clause 49 of the listing agreement with the Stock Exchange, is given as a separate statement in the Annual Report.

DIVIDENDS

To consolidate the long-term resources for enhanced working capital and to maintain the growth in productivity, profitability and turnover, the Directors of your Company are constrained not to recommend any dividend for the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956, with Companies (Disclosure of particulars in respect of Board of Directors) Rules, 1988 is given in Annexure-A to this report and forms part of this report.

PARTICULARS OF EMPLOYEES

As none of the employee of the Company falls within the purview of information required under section 217 (2A) of the Companies Act 1956 read with the companies (Particulars of Employees) Rules 1975 as amended, the same is not furnished.

FINANCE

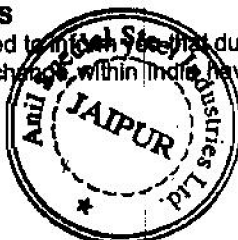
To meet the funding requirement, the Company has issued 12178302 Convertible Equity Share Warrants to the Promoters and Non-Promoters at Rs. 11.50 each (Face value Rs. 10/- and premium Rs. 1.50 per Warrant).

PREFERENTIAL ISSUE OF WARRANTS

The Board of Directors of the company has allotted 12178302 Warrants convertible in to Equity Share of Rs. 10/- each at a premium of Rs. 1.50 each aggregating of Rs. 14.00 crores to other than Promoters on a preferential basis and your Company has received in principle approval of allotment of convertible Equity Share Warrants from Bombay Stock Exchange Limited vide their letter no. DCS/PREF/SR/PRE/1756/09-10 Dated 19.03.2010.

LISTING COMPLIANCES

Your Directors are pleased to inform that during the year under review all compliances related to listing with the recognized stock exchange within India have been duly complied.



Anil Special Steel Industries Ltd.

DIRECTORS

Shri Shiv Shankar Sharma retires by rotation from the Board pursuant to Section 255 of the Companies Act, 1956 read with Article 103 of Articles of Association of the Company and being eligible offers himself for re-appointment. The company has received notice from the Members for his re-appointment as director of the Company.

AUDITORS

M/s. S.S. Surana & Company, Chartered Accountants, Jaipur, Auditors of the Company is getting retired at the conclusion of the ensuing Annual General Meeting. M/s. S.S. Surana & Co. being eligible have offered themselves for re-appointment.

AUDITORS REPORT

The observations made in the Auditors Report are self explanatory from the notes on accounts and therefore do not call for any special comments.

THE CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance and a certificate from the Auditors of the Company has been obtained regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, form part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

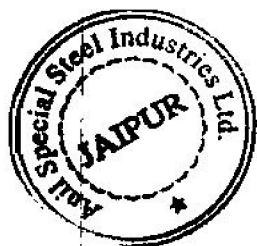
In accordance with the provisions of section 217(2AA) of the Companies Act.1956, your Directors State:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the Profit or Loss of the Company for that year;
- (iii) that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) that your Directors have prepared the annual accounts on a ongoing concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation and express their sincere thanks to the concerned Government Authorities, Financial Institutions, Banks and Shareholders for their help, co-operation and support to the company.

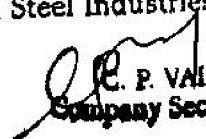
Your directors sincerely appreciate the commitment and dedication of employees at all levels and look forward for their continued support in the future as well.



For and on behalf of the Board of Directors
Sd/-

(Sudhir Khaitan)
Chairman & Managing Director

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For Anil Special Steel Industries Ltd.


R. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

ANNEXURE - A TO THE DIRECTORS' REPORT

A CONSERVATION OF ENERGY

Energy conservation is an ongoing process in our organization. Continuous monitoring, planning, development and modifications for energy conservation are done at the plants. The various measures have contributed to maintain energy cost within the desired levels.

	2009-10	2008-09
(A) Conservation of Energy		
1. Electricity		
(a) Purchased:		
Unit (Kwh)	11117400	10620210
Amount	49746290	46517615
Rate/Unit (Rs.)	4.47	4.38
(b) Own Generation :		
Through Diesel Generator :		
Unit (Kwh)	513660	90428
Unit Produced per ltr of Diesel oil	2.83	2.65
Cost / Unit (Direct Cost) (Rs.)	11.28	11.97
2. Fuel in oil fired Annealing Furnaces :		
Quantity (Ltrs)	469,388	430,517
Total Cost (Rs.)	11,274,659	12,161,256
Rate /unit (Rs. /PMT)	1,110	1,368

B Consumption per unit of Flat Rolled Production

	2009-10	2008-09
Electricity (kwh/ PMT)	1145.05	1204.59
Fuel (Ltr /PMT)	46.21	48.42

Consumption figures are not strictly comparable as Company produces wide varieties of strips and consumption norms changes according to thickness / width of strips as well as grade of material produced.

C TECHNOLOGY ABSORPTION

a) Research and Development (R & D)

The company has no specific Research & Development Department. However it has Quality Assurance Department to check the quality of different products manufactured.

The company has been continuously improving the quality of the existing products and also been able to reduce the cost of production.

Management is committed to strengthen Quality Assurance Department, further to improve its competitiveness in times to come.

b) Expenditure on R & D

The company from time to time incurs expenditure, exposes itself to better technology and keeps abreast of technological improvements.

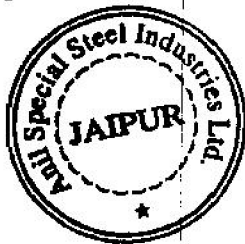
c) Technology Absorption, Adoption and Innovation

Modifications of process and products are carried out from time to time to suit market requirements and to improve operational efficiency.

The Company has no technical collaboration arrangement for manufacturing of flat Rolled Products and Circular Saws.

D FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs./Lacs)
Foreign Exchange earned	2606.57
Foreign Exchange used	35.94



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C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL REVIEW, INDUSTRY OUTLOOK & COMPANY'S OUTLOOK

During the year under review, Company's gross turnover increased by 5.13% over the previous year. The net profit for the year is Rs.214.00 Lacs as compared to net profit of Rs.37.00 Lacs earned in previous year hence the net profit after tax has increased by 478.38%. The increase in turnover is the extra efforts of the employees of the company and increasing goodwill in the International Market.

We are in the opinion that the demand for company's products would remain good in the current year in view of good industrial demand in both domestic and export markets. Your company is pursuing cost cutting measures and focusing on increased productivity, better product mix and thrust on sales and better price realization.

OPPORTUNITIES, THREATS AND CHALLENGES

The turnover has shown a reasonable growth and the trend is expected to continue. The company has great opportunity to further strengthen its presence in both domestic and international markets and achieve higher sales.

The increased competition in the global and overall recession in the global market as well as domestic market especially in automobile sector is the main challenge to the company.

Company is quite competent to handle the competition successfully and gearing up itself to meet the challenge through continuous improvement in quality, reduction in costs, better marketing arrangements for higher value added products.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The company has adequate internal control system to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. Your company is committed to maintain internal control systems and procedures designed to provide reasonable assurance for orderly and efficient conduct of business and security of its assets.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Training and development, safety and security and good relationship with human resources is of paramount importance. A competent, committed and experienced HRD team has made the workforce more efficient through well-structured training programme. Industrial relations remain cordial during the year.

CAUTIONARY STATEMENT

Statement in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either.



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For Anil Special Steel Industries Ltd.

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

Auditors' Report

TO THE MEMBERS OF THE ANIL SPECIAL STEEL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of ANIL SPECIAL STEEL INDUSTRIES LIMITED as at 31st March 2010 and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial 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.
3. As required by the Companies (Auditor's Report) Order, 2003 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 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (3) above:
 - (a) 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;
 - (b) 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.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except otherwise stated.
 - (e) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with Notes of Accounts give the information required by the Companies Act, 1956 in the manner so required and subject to
 - (i) The Company is accounting the bonus & leave pay on cash basis, accordingly a sum of Rs.74.01 lacs on account of bonus and Rs.13.22 lacs on account of leave pay, paid during the year has been charged to revenue. The accounting policy not being in consonance with accrual method of accounting. Accordingly bonus accrued for the year Rs.83.56 lacs and leave pay accrued up to 31st March, 2010 Rs. 43.93 lacs remain un-provided for. (Refer Note No. 1(j) & 2(m) of Schedule 19)
 - (ii) non payment/provision of contribution to Gratuity fund with Life Insurance Corporation of India (Refer Note No. 1(i) of Schedule 19) for current year Rs. 15.41 lacs and for earlier years for Rs. 294.69 lacs.
 - (iii) Investment of Rs.5.80 Lacs on account of Life Insurance Policy taken in favour of Managing Director of the Company.(Refer Note No.2(j) of Schedule 19)



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C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

(iv) Non provision of Income Tax amounting to Rs. 35.38 lacs relying upon the legal opinion. (Refer Note No.2 (i) of Schedule 19)

(v) Non ascertainment of the value of unquoted investments of Rs. 40.50 lacs resulting into diminution in value of investment and provision required to be made.

vi) Debtors / creditors, advances and deposits are subject to confirmation.

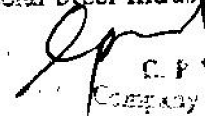
give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
- ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S.S.Surana & Co.
Chartered Accountants
Sd/-
(R.N Goyal)
Partner
Membership No.70331
FR No. 001079C
Place: Jaipur
Date: 29th May, 2010



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For Anil Special Steel Industries Ltd.


C. P. Vaid
Company Secretary

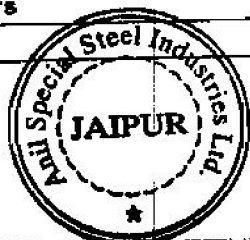
Anil Special Steel Industries Ltd.

Annexure to the Auditors' Report

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

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- b) A major portion of the assets has been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year, which affect the going concern status of the Company.
- (ii) a) The inventory of finished and semi-finished goods and raw materials at works have been physically verified during the year by the Management. In respect of stores and spare parts and stocks at branches, the Company has a programme of verification of stocks at the end of year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the Books of Accounts.
- (iii) a) In our opinion and according to information and explanation given to us, the Company has not granted any loan secured or unsecured to the Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year, hence, clause (b),(c),(d) of the order is not applicable to the company.
- b) In our opinion and according to information and explanations given to us, the Company has taken unsecured/secured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The maximum outstanding during the year was Rs. 89.86 Lacs and year ended balance is Rs.83.68 Lacs the terms of which are not prima facie prejudicial to the interest of the Company as these are interest free.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed major weaknesses in internal controls in respect of these areas.
- (v) a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contract or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, there were no transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year.
- (vi) As per explanation given to us, the company has availed temporary interest free unsecured loans from the director and their associates to maintain margins required by the bankers. The other borrowings include the security deposits from the employees. In our opinion the company has yet to comply with the provisions of section 58 A of the Companies Act, 1956 and Rules made thereunder.
- (vii) In our opinion, the Company is not having internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and according to the information given to us, the company is yet to maintain cost records under section 209(1)(d) of the Companies Act, 1956, applicable for the products of the company.
- (ix) a.) The Company is generally regular (except delay in case of PF, ESI, TDS/TCS, State Entry Tax) in depositing undisputed statutory dues including Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Custom duty Tax, Cess and other statutory dues with the appropriate authorities to the extent applicable. The arrear of statutory dues as at last day of the financial year concerned for a period of six months from the date they became payable is given below :

Particulars	Amount (Rs in lacs.)
Entry Tax	9.49 lacs



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G. P. VAID
Company Secretary

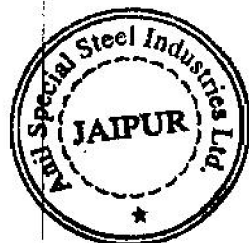
Anil Special Steel Industries Ltd.

b.) According to the records of the Company, there are no dues of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax and Cess which have not been deposited on account of any dispute, other than the following

Name of the statute	Nature of the dues	Amount (Rs. in Lacs)	Forum where dispute is pending
Rajasthan Sales Tax Act	Assessment Demand 1999-00	4.56	DC (Appeal), Jaipur II
Central Sales Tax Act	Branch Transfer 1985-86	6.13	DC (Appeal) Jaipur IV
Central Sales Tax Act.	Branch Transfer 1986-87	4.39	DC (Appeal) Jaipur IV
Central Excise Act 1944	Export Benefits claim 2005-06	12.21	Pending with CESTAT, JPR
Central Excise Act 1944	Duty demand on insurance claim of Gear Box 2001-02	0.90	Pending with CESTAT, JPR
Central Excise Act 1944	Diff. Duty demand on Sale of Circular Saw Plant 2006-07	4.67	Commissioner (Appeals)

- (x) The Company has no accumulated losses as on 31st March 2010. The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks as on 31st March 2010.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 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 provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion, the Company has not given guarantees for loans taken by others.
- (xvi) As per explanation given to us the Company has not raised new term loans during the year, except hire purchase finance of Vehicles.
- (xvii) According to the information and explanations 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 assets.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of Share Warrants to parties and Companies covered in the Register maintained under Sec.301 of the Companies Act 1956. In our opinion, the price at which Share Warrants have been issued is not prejudicial to the interest of the company.
- (xix) The company has not issued any debentures during the year.
- (xx) During the year covered by our audit report, the Company has not raised any money by public issues.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.S.Surana & Co.
Chartered Accountants
Sd/-
(R.N Goyal)
Partner
Membership No. 70331
FR No. 001079C
Place: Jaipur
Date: 29th May, 2010



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For Anil Special Steel Industries Ltd.

[Signature]
G. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010

1. Company's Philosophy on Corporate Governance.

The Company's Philosophy on Corporate Governance is to ensure transparency in all dealings and maintain highest standards of professionalism, integrity, accountability, social responsibility, fairness and business ethics. We consider ourselves as trustees of the shareholders and relentlessly attempt to maximize long-term shareholder value.

Your Directors confirm the practice of good corporate Governance codes by the Company in true spirit and are pleased to present below the Report on Corporate Governance.

2. Board of Directors

The present strength of the Board is four, comprising of one Executive Chairman & Managing Director, and 3 Non-Executive Directors (All are Independent). The strength of the Independent directors is 75% of the total Board members leading to an "Independent" Board characteristic. None of the Independent director is below the age of 21 years.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees, which is in compliance of Clause 49(1)(d) of the Listing Agreement.

During the year, five Board Meetings were held on 10.06.2009, 29.07.2009, 29.10.2009, 28.01.2010 and 30.03.2010.

Composition of Directors and the attendance at the Board Meeting during the year and the last AGM as also other directorships and Committee Memberships are given below:

Name of Director	Category of Directorship	No. of Board meetings Attended	Whether Attendance at last AGM	Other Boards		
				Directorship	Chairmanship	Committee
Mr. Sudhir Khaitan	Promoter & Executive Director	4	Yes	-	-	-
Mr. Shiv S. Sharma	Independent Director	3	No	1	-	1
Raja Onkar Singh★	Independent Director	2	Yes	2	-	-
Mr. V.B.L. Mathur	Independent Director	1	No	3	-	2
Lt. Col. Purshottam Lal Bawa	Independent Director	5	No	-	-	-

★ Cess to be director due to Sudden demise as on 3.10.2009

- ◆ The Company places before the Board, all the relevant and necessary information for seeking the necessary consents and suggestions on the operation and plans of the Company.
- ◆ The Information as required under Annexure 1 of Clause 49 of the Listing Agreement is being made available to the Board.
- ◆ The details of pecuniary relationship / transactions with Non-Executive Directors during the year is given in the Annual Report.

3. Board Committee's

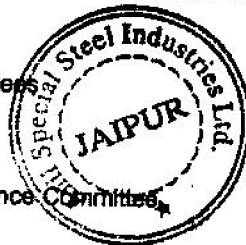
Your Company's Board has three Committees

- ◆ Audit Committee
- ◆ Remuneration Committee
- ◆ Shares Transfer Cum-Investors Grievance Committee

A. Audit Committee :

The Board of the company has constituted an Audit Committee on 29th June 2002.

The Committee met on 10.06.2009, 29.07.2009, 29.10.2009 and 28.01.2010 during the year.



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For Anil Special Steel Industries Ltd.

[Signature]
G. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

The constitution of the Audit Committee and the details of the attendance are as under.

Name of the Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Last AGM attended
Raja Onkar Singh	Non-Executive & Independent	4	2	Yes
Mr. Shiv S. Sharma	-Do-	4	2	No
Mr. V.B.L. Mathur	-Do-	4	1	No
Lt. Col. Purshotam Lal Bawa	-Do-	4	4	No

The Quorum is two Members present in person.
The secretary of the Company acts as the Secretary of the Committee.
The Finance Head and the Chief Internal Auditor are permanent invitees.

Terms of Reference:

The role of the audit committee shall include the following: -

- Review of the Company's financial reporting process and the disclosure of adequate and accurate financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of statutory auditor, fixation of audit fees and also approval for payment of any other services.
- Reviewing the annual financial statements in consultation with the management before submission to the board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement which forms a part of the Director's Report pursuant to Sub section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgement by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing the adequacy of internal control systems with the management, external and internal auditors.
- Reviewing the adequacy of internal audit function, including the structure of the internal control systems.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditor before the audit commence, nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

B. Remuneration Committee

The Remuneration Committee of the Company was constituted in accordance with Schedule XIII of the Companies Act, 1956 to carry out functions as envisaged under the said Schedule. The committee was constituted on 29th June 2002. The meeting of committee hold on 29.07.2009 for increasing remuneration of Mr. Sudhir Khaitan, who is Promoter and Executive Director of the Company. The Company does not have any employees' stock option scheme.

Composition of the Committee

The Remuneration Committee consists of the following Directors

- | Name | Designation |
|-------------------------------|-------------------------|
| (i) Shri V.B.L. Mathur | Non Executive Directors |
| (ii) Shri Shiv S. Sharma | -Do- |
| (iii) Shri Lt. Col. P.L. Bawa | -Do- |

During the year No. of meeting of the Committee was held. -



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For Anil Special Steel Industries Ltd

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

Details of remunerations paid to Directors for the year.

The salary, perquisites and commission paid for the year-ended 31.3.2010 to Managing Personnel is as follows:

S.No	Name	Title	Salary	Perquisites*
1	Shri Sudhir Khaitan	Chairman & Managing Director	13,50,000	4,68,342/-

* Perquisites include housing allowance, medical reimbursement, LTA, Club Fees, Bonus, Personal Accident Insurance, Gas and Electricity, use of movable assets and contribution to gratuity and provident funds. No stock options were issued.

The Sitting Fees paid to the Non-Executive Directors during the year is as follows :

S.No.	Name of the Directors	Amount Paid Rs.
1	Lt. Col. Purshotam Lal Bawa	15,000
2	Raja Onkar Singh	15,000
3	Mr. Shiv S. Sharma	6,000
4	Mr. V.B.L. Mathur	27,000

C Share Transfer / Investors Grievances Committee

a) Composition of the Committee: -

The Company has formed a Shareholder/Investor Grievance Committee consisting of the following Director and Company Secretary: -

1. Shri Sudhir Khaitan
2. Shri C. P. Vaid

As per SEBI Guidelines, the powers of processing of the share transfers both physical and de-mat mode have been delegated to M/s MCS LTD, New Delhi (Share Transfer Agents) in order to expedite the process of share transfers, issue of duplicate certificates and certificates after splits/consolidation renewal and re-materialisation.

b) Terms of Reference: -

The terms of reference of the Investor Grievance Committee are as follows: -

- Ensure redressal of Shareholders and Investors complaints relating to transfer of shares.
- Redressal of Investors complaints in respect of de-mat / re-mat and all other complaints whatever their nature.

The company confirms that there were no share transfers lying pending as on 31st March 2010 and all requests for de-materialisation and re-materialisation of shares as on that date were confirmed/rejected into the NSDL/CDSL System.

4. Compliance Officer

Shri C.P. Vaid, Company Secretary is the Compliance Officer of the company for complying with the requirements of Listing Agreement entered into with the Stock Exchange as also of SEBI (Prohibition of Insider Trading) Regulation, 1992. The E-mail ID of Mr. C.P. Vaid is cpvaid@anilspecialsteel.com

5. Whistle Blower Policy

The company at present does not have Whistle Blower Policy.

6. Secretarial Audit

The company has appointed a qualified Practising Company Secretary to conduct quarterly secretarial audit of the company for reconcile the admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issue and the listed capital. The secretarial audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

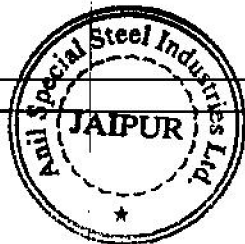
The Audit committee reviews the quarterly reports of the secretarial audit.

7. Share Transfer System

As per the SEBI guidelines, the company's share transfers, both physical and de-mat mode has been carried by the share transfer agents i.e. M/s. MCS Ltd, Delhi, and all requests for Transfer / De-mat are disposed off within the stipulated time.

(a) Shareholding Pattern as on 31.3.2010 :

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign promoters and persons acting in concert)	1724180	14.17
Non Promoter's Holding:		
a) Mutual Funds & UTI	5,310	0.04
b) Banks, FIs and Insurance Company	13,19,575	10.84
c) FIs	Nil	Nil
Others		
a) Bodies Corporate	59,06,550	48.54
b) Individuals	31,85,533	26.18
c) NRIs / OCBs	28,030	0.23
TOTAL	121,69,178	100



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For Anil Special Steel Industries Ltd

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

(b) Distribution of Shareholding:

Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	6,834	86.14	10,13,911	8.33
501 to 1000	520	6.55	4,57,350	3.76
1001 to 2000	262	3.30	4,12,460	3.39
2001 to 3000	90	1.13	2,31,649	1.90
3001 to 4000	44	0.55	1,56,760	1.29
4001 to 5000	49	0.62	2,36,556	1.94
5001 to 10000	60	0.76	4,52,880	3.72
10001 and above	75	0.95	92,07,612	75.67
TOTAL	7,934	100%	1,21,69,178	100%

8. General Shareholder Information:

(a) Annual General Meeting

Forthcoming Annual General Meetings will be held on 29th September, 2010 at the Company's Registered Office at Kanakpura P.O. Meenawala, Jaipur.

(b) Financial Calendar (Tentative) (April 1st 2010 to 31st March 2011)

Audited Results for the year ending 31.03.2010	Adopted and published on 29th May 2010.
Mailing of Annual Reports 2009-2010	End of Aug. 2010
Financial Reporting for the quarter ending 30th June, 2010	Mid of August 2010
Financial Reporting for the quarter ending 30th September 2010.	Mid of November 2010
Financial Reporting for the quarter ending 31st December 2010.	Mid of February 2011
Financial Reporting for the quarter ending 31st March 2011.	Mid of May 2011
Secretarial Audit for the Quarter ending 30th June, 2010	End of July 2010
Secretarial Audit for the Quarter ending 30th September, 2010	End of October 2010
Secretarial Audit for the Quarter ending 31st December, 2010	End of January 2011
Secretarial Audit for the Quarter ending 31st March, 2011	End of April 2011
Half yearly compliance certificate regarding Transfer activities for the 1st half ended on 30th September, 2010	End of October 2010
Half yearly compliance certificate regarding Transfer activities for the 2nd half ended on 31st March, 2011	End of April 2011
Audit committee meetings	End of June 2010, End of September 2010, End of December 10 & End of March 2011.
Share Transfer-cum-Investor's grievances committee meeting	Monthly between 20th to 25th of every month.

(c) Listing of Equity Shares on Stock Exchange:

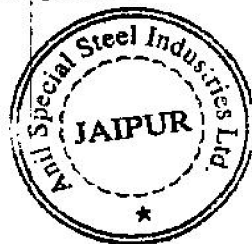
The shares of the company are listed at Kolkata and Mumbai. The Listing Fees for the year 2009-10 has already been paid to the respective Stock Exchanges.

(d) Name of the Stock Exchange

The Calcutta Stock Exchange Association Limited
7, Lyons Range,
Calcutta - 700 001.

Stock Code

Bombay Stock Exchange Limited
Dalal Street,
Mumbai - 400 001



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For Anil Special Steel Industries Ltd.

[Signature]
C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

(e) Market Price Data:

MONTH	HIGH AT B.S.E. (in Rs.)	LOW AT B.S.E. (in Rs.)
April, 09	10.10	6.00
May, 09	11.75	6.25
June, 09	14.65	8.26
July, 09	9.70	7.00
August, 09	10.25	8.02
September, 09	12.78	9.18
October, 09	15.00	9.80
November, 09	13.00	9.02
December, 09	15.00	10.00
January, 10	17.10	13.41
February, 10	14.87	11.63
March, 10	13.90	11.70

(f) De-materialization of Shares:

Liquidity - Shares of the company are under the category of compulsory delivery of dematerialized mode by all categories of investors.

The company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, as on March 31, 2010, over 97,13,336 Nos. of shares of the company are already dematerialized.

The status as the dematerialized of the equity shares of the company is furnished below

Total No. of Equity Shares: 12169178

Total No. of Share Holders: 7,934

Mode of Shareholding	No. of Shares	% to Equity Shares	No. of Shareholders	% of No. of Shareholders
Physical	24,55,842	20.18	3668	46.23
Electronic	97,13,336	79.82	4266	53.77
TOTAL	1,21,69,178	100	7934	100

g) Registrar and Share Transfer Agent (For physical and de-mat segment)

M/s MCS Ltd.

F-65, 1st Floor, Okhla Industrial Area

Phase-I, New Delhi 110 020.

TEL NO:- 011-41406149

FAX:- 011-41709881

Email:- admin@mcscdel.com

h) General Body Meetings: -

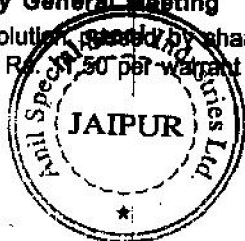
Following General Meetings held in the financial year.

Financial Year	Date, Time and Venue
2009-10	15.01.2010 AT 11.00 A.M. at Registered office (E.G.M)
2009-10	29.09.2009 AT 11.00 A.M. at Registered office (AG.M)
2008-09	12.02.2009 AT 11.00 A.M. at Registered office (E.G.M)

The details of last three General Meetings are as under :

1. Extra ordinary General Meeting

a) Special resolution passed by shareholders for preferential issue of Convertible Equity Share Warrants of Rs. 50 per warrant to Non-Promoters.



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For Anil Special Steel Industries Ltd.

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

2. Annual General Meeting held on 2009-10

- a) Special resolution passed by shareholders for increase remuneration of Mr. Sudhir Khaitan, Promoter and Managing Director of the Company.

3. Annual General Meeting held on 2007-08

- a) Special resolution passed by shareholders for preferential issue of 53,80,000 Equity Share of Rs. 10.00 per share to Promoters and others.

Postal Ballot : No special resolutions were required to be put through postal ballot last year.

Compliance Officer : C.P. VAID

i) Disclosures:

- a. Related Party Transactions have been disclosed under Schedule No. 19 of Note to the accounts for the year under review.
- b. The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges as well as regulation and guidelines of SEBI, if applicable.
- c. There were no instance of non-compliance on any law or regulations (during the last three years) and hence, no penalties/strictures.
- d. CEO/CFO Certification: - The Chairman & Managing Director & CEO (the CEO) and Financial Advisor have placed certificate for the period ended on 31st March, 2010 before the Board in accordance with Clause 49(V) of the Listing Agreement.

j) Means of Communication:

The quarterly/un-audited/annually audited financial results of the Company are sent to the Stock Exchanges immediately after the Board of Directors approved them.

The financial results are published in prominent daily newspapers in English and in Hindi.

The Annual Reports are posted to every shareholder of the company.

All developments, which have a major impact on the Company's financial, or operations are informed to the Stock Exchanges.

Management Discussion and Analysis forms part of the Annual Report and Accounts sent to the shareholders.

k) Re-appointment of Director also include

- (a) Companies where he is a director
(b) Companies in which he is a member of the committee chairman

l) Plant Location: - Factory Location

Anil Special Steel Industries Limited
Kanakpura, P.O. Meenawala,
Jaipur 302 012.

m) Address for correspondence : Correspondence with company

Anil Special Steel Industries Limited
Kanakpura,
P.O. Meenawala, Jaipur 302 012
Tel: -2470211, 12, 15
Fax: - 0141-2470863, 2470014
cpvaid@anilspecialsteel.com
Website: www.anilspecialsteel.com

Correspondence with Registrar

M/s MCS Limited
F-65, 1st Floor,
Okhla Industrial Area,
Phase - I
New Delhi - 110 020
Tel No. :- 011-41406149
FAX:- 011-41709881
Email:- admin@mcsdel.com



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For Anil Special Steel Industries Ltd.


C.P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

Auditor's Certificate on compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement

To the members of Anil Special Steel Industries Limited


1. We have examined the compliance of conditions of Corporate Governance by ANIL Special Steel Industries Limited for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / investors' Grievance Committee.
5. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.S. Surana & Co.
Chartered Accountants
Sd/-
R.N GOYAL
Partner
Membership No. : - 70331

Place: JAIPUR
Date: 29th May 2010



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For Anil Special Steel Industries Ltd.


C. P. VAID
Company Secretary

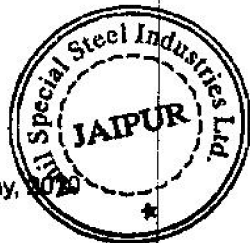
Anil Special Steel Industries Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Rupees	As at	
			31.03.2010 Rupees	31.03.2009 Rupees
I Sources of Funds				
1 Shareholders' Funds				
a) Share Capital	1	156,702,540		121,689,920
b) Reserves & Surplus	2	191,837,353	348,539,893	172,879,624
2 Loans				
a) Secured Loans	3	284,048,091		314,248,361
b) Unsecured Loans	4	28,120,042	312,168,133	23,287,454
			<u>660,708,026</u>	<u>632,105,359</u>
II Application of Funds				
1 Fixed Assets	5			
a) Gross Block		840,767,557		831,939,437
b) Less: Depreciation		496,193,458		463,952,363
c) Net Block		344,574,099		367,987,074
Capital Work in Progress and Advances for Capital Expenditure		23,898,280	368,472,379	—
			4,089,000	3,799,000
2 Investments	6			
3 Current Assets, Loans & Advances				
a) Inventories	7	164,444,435		153,597,147
b) Sundry Debtors	8	171,068,568		139,603,416
c) Cash & Bank Balances	9	12,365,411		10,179,919
d) Loans & Advances	10	48,642,549		50,907,586
e) Other Current Assets		5,110,267		4,870,916
		399,631,230		359,158,984
Less: Current Liabilities & Provisions	12	143,802,974	255,828,256	142,396,136
			16,700,000	216,762,848
4 Deferred Tax Assets				16,700,000
			15,618,391	26,856,437
5 Misc. Expenditure to be W/O	11		<u>660,708,026</u>	<u>632,105,359</u>
Significant Accounting policies and Notes to the Accounts	19			

As per our attached report of even date
For S.S.Surana & Co.
Chartered Accountants
Sd/-
R.N.GOYAL
Partner

Place : Jaipur
Date : 29th May, 2010



Sd/-
C.P.VAID
Company Secretary

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For Anil Special Steel Industries Ltd.

C. P. VAID
Company Secretary

For and on behalf of the Board
Sd/-
SUDHIR KHAITAN
Chairman & Managing Director

Directors
Sd/-
Shiv Shankar Sharma
V.B.L. Mathur
P.L. Bawa

Anil Special Steel Industries Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

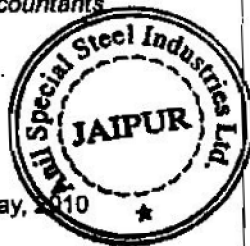
	Schedule	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Income			
Sales / Income from Operations	13	1,133,346,510	1,059,003,255
Less : Excise Duty		42,078,947	54,977,873
		<u>1,091,267,563</u>	<u>1,004,025,382</u>
Other Income	14	1,489,177	2,455,152
Increase / (Decrease) in Stock	15	11,457,402	44,230,944
		<u>1,104,214,142</u>	<u>1,050,711,478</u>
Expenditure			
Cost of Materials		725,200,587	709,181,978
Stores & Spares Consumed		32,988,090	27,657,133
Power & Fuel		66,812,999	59,385,881
Employment Cost	16	84,641,072	74,587,474
Other Expenses	17	86,022,371	93,394,795
Miscellaneous Expenses W/Off		12,650,680	452,606
Loss on sale of Fixed Assets		770,244	-
		<u>1,009,086,043</u>	<u>964,659,867</u>
Profit Before Interest, Depreciation & Tax		95,128,099	86,051,611
Interest	18	42,993,580	46,462,377
Profit Before Depreciation & Tax		52,134,519	39,589,234
Transfer from Revaluation Reserve		2,440,317	2,440,317
Depreciation			
On revaluation value of assets		2,440,317	2,440,317
On Original value of assets		31,314,665	33,649,730
Profit before tax		<u>20,819,854</u>	<u>5,939,504</u>
Current year tax		-	(578,192)
Income Tax for Previous Years		-	(154,450)
Income Tax for Previous Years written back		578,192	-
Fringe Benefit Tax		-	(325,992)
Deferred Tax Assets/(liability)		-	(1,136,000)
Profit After Tax		<u>21,398,046</u>	<u>3,744,870</u>
Profit brought forward from Prev. year		6,208,364	2,463,494
Balance transferred to Balance sheet		<u>27,606,410</u>	<u>6,208,364</u>
Significant Accounting policies and Notes to the Accounts	19		
Earning per Equity Share (In Rs.)			
Basic		1.758	0.552
Diluted		1.756	0.543

As per our attached report of even date
For S.S.Surana & Co.

Chartered Accountants

Sd/-

R.N.GOYAL
Partner



Place : Jaipur
Date : 29th May, 2010

For and on behalf of the Board

Sd/-

SUDHIR KHAITAN
Chairman & Managing Director

Sd/-

C.P.VAID

Company Secretary

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For Anil Special Steel Industries Ltd. Shiv Shankar Sharma

Directors

Sd/-

V.B.L. Mathur
P.L. Bawa

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

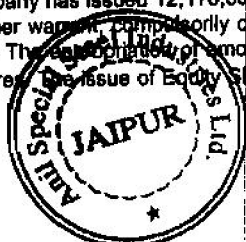
SCHEDULE 1 : SHARE CAPITAL

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Authorised :		
27,000,000 (P.Y.14,000,000) Equity Shares of Rs.10/- each	270,000,000	140,000,000
	<u>270,000,000</u>	<u>140,000,000</u>
Issued		
12,169,178 (Previous year 12,169,178) Equity Shares of Rs. 10 each	121,691,780	121,691,780
	<u>121,691,780</u>	<u>121,691,780</u>
Subscribed & Paid up		
12,169,178 (Previous year 12,169,178) Equity Shares of Rs. 10 each	121,691,780	121,691,780
Fully paid up	1,860	1,860
Less: Calls in Arrears (Due from person other than Directors)	<u>121,689,920</u>	<u>121,689,920</u>
Equity Share Warrants #		
12,178,302 issued at price of 11.50 per warrant convertible into Equity Shares of Rs. 10 each at a premium of Rs. 1.50 per Share	35,012,620	-
	<u>156,702,540</u>	<u>121,689,920</u>

SCHEDULE 2: RESERVES & SURPLUS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Capital Reserve		
Capital Reserve	49,525	49,525
Capital Redemption Reserve	1,500,000	1,500,000
	126,903,180	126,903,180
Share Premium Account	27,606,410	6,208,364
Profit & Loss Account		
Revaluation Reserve		
Opening Balance	38,218,555	40,658,872
Less : Transferred to P & L A/C	<u>2,440,317</u>	<u>2,440,317</u>
	35,778,238	38,218,555
	<u>191,837,353</u>	<u>172,879,624</u>

The company has issued 12,178,302 Equity Share Warrants on preferential basis to selected group of persons at a price of Rs. 11.50 per warrant convertible into Equity Shares of Rs. 10 each at a premium of Rs. 1.50 per share within 18 months. The amount of amount in Equity Share Capital and Security Premium will be accounted for on allotment of Equity Shares. The issue of Equity Share Warrants bears approval of Shareholders' meeting dated 19/03/2010.



Anil Special Steel Industries Ltd.

SCHEDULE 3 : SECURED LOANS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Term Loan from Banks : #		
From Allahabad Bank	9,115,502	20,268,534
From Indian Overseas Bank	11,989,759	36,441,624
From Kotak Mahindra Bank Ltd.	31,223,985	37,458,918
From Allahabad Bank WCTL	35,421,156	-
Working Capital Borrowings from Banks : #		
From Indian Overseas Bank	22,984,528	15,162,044
From Allahabad Bank	69,522,729	122,326,531
From Bank of Maharashtra	40,992,442	46,889,375
From State Bank of Bikaner & Jaipur	23,473,147	24,097,405
Inland Bills Discounted	2,065,579	1,380,441
Foreign Bills Discounted	33,638,769	6,335,009
Vehicle Hire Purchase Loans from others #	3,620,495	3,888,480
	<u>284,048,091</u>	<u>314,248,361</u>

Refer Note No. 2(f) of Schedule 19

SCHEDULE 4 : UNSECURED LOANS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Loans:		
From Bodies Corporate	5,200,907	4,030,527
From Director	8,368,128	271,925
from Others	14,551,007	18,985,002
	<u>28,120,042</u>	<u>23,287,454</u>



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For Anil Special Steel Industries Ltd.**

C. P. VAID
Company Secretary

SCHEDULE 5 : FIXED ASSETS

Description of Assets	Gross Block				Depreciation I/S 205 (2) (B)			Net Block		
	Cost as at 1st April 2009	Addition during the year 2009-10	Less: Sale/adjustment during the year	Total Cost upto 31st March, 2010	Provided upto 31st March, 2009	For the year 2009-10	Less on Sales/Adjustments	Total upto 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
Land- Leasehold	15,142,406	-	-	15,142,406	53,941	1,740*	-	55,681	15,086,725	15,088,465
Land- Freehold	22,500,000	-	-	22,500,000	-	-	-	-	22,500,000	22,500,000
Factory Building	72,902,054	576,292	-	73,478,346	31,918,195	2,347,091	-	34,265,286	39,213,060	40,983,959
Plant & Machinery	698,203,033	9,223,979	1,797,544	705,629,468	415,242,187	30,425,858	986,732	444,668,314	260,961,154	282,960,848
Furniture & Fixtures	7,661,023	-	-	7,661,023	6,699,812	39,407	-	6,739,219	921,804	961,211
Office Equipments	8,551,785	388,301	82,100	8,847,986	6,881,808	286,903	87,495	7,061,016	1,786,970	1,670,177
Vehicles	6,979,136	1,654,919	1,125,427	7,508,628	3,156,820	673,982	426,660	3,403,942	4,104,386	3,822,516
Total	831,939,437 (778,450,320)	11,843,191 (52,489,117)	3,015,071	840,767,537 (831,939,437)	463,952,363 (427,862,317)	33,754,982 (36,090,047)	1,513,887	496,193,458 (463,952,364)	344,574,099 (367,987,073)	367,987,074 (351,588,003)
Add : Capital Work in Progress	-	23,898,280#	-	23,898,280	-	-	-	-	23,898,280	-
	(16,602,238)	-	(16,602,238)	-	-	-	-	-	-	(16,602,238)
Grand Total	831,939,437 (796,052,556)	35,741,471 (52,489,117)	3,015,071	864,665,837 (831,939,437)	463,952,363 (427,862,317)	33,754,982 (36,090,047)	1,513,887	496,193,458 (463,952,364)	368,472,379 (367,987,073)	367,987,074 (368,190,241)

1. Figures for the previous year are given in brackets.

2. *Written off proportionately.

3. Depreciation has been provided on original cost of all assets on straight line method in accordance with provisions of section 205 and 350 read with schedule XIV of Companies Act, 1956.

4. Above does not include Plant & Machinery taken on lease for value of Rs. 87.47 lacs (Previous year Rs. 87.47 lacs) since transferred to company at value of Re.1/- (P.Y.Rs.87.30 lacs) on Plant & Machinery on account of revaluation.

CAPITAL WORK IN PROGRESS FOR NEW PROJECT

LAND	14,424,860
TUBE WELL	225,000
PREOPERATIVE EXPENSES	339,026
ADVANCES	6,909,394
	<u>23,898,280</u>



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C.P. VAD
Company Secretary

Anil Special Steel Industries Ltd.

SCHEDULE 6 : INVESTMENT

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Quoted		
480 Fully paid Equity Shares of Rs.10 each in Industrial Development Bank of India Ltd.	39,000	39,000
Unquoted		
34,500 Fully paid Equity Shares of Rs. 100 each in Gautam International Ltd.	3,450,000	3,450,000
2,000 Fully paid Equity Shares of Rs.10 each in Satya Sons Services Ltd.	20,000	20,000
Kotak Life Insurance	580,000	290,000
	<u>4,089,000</u>	<u>3,799,000</u>
Market Value of Quoted Shares as on 31st March 2010	55,200	21,792

SCHEDULE 7 : INVENTORIES

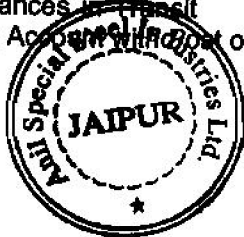
	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
(As taken, valued and certified by the Management)		
Stores & Spares (Including Capital Stores)	12,053,409	12,663,523
Work in Process	142,110,751	127,011,372
Finished Goods	10,275,907	13,894,000
Scrap	4,368	28,252
	<u>164,444,435</u>	<u>153,597,147</u>

SCHEDULE 8 : SUNDRY DEBTORS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Unsecured-Considered good :-		
Over Six months	18,422,529	14,469,311
Less than Six Months	152,646,039	125,134,105
	<u>171,068,568</u>	<u>139,603,416</u>
	<u>171,068,568</u>	<u>139,603,416</u>

SCHEDULE 9 : CASH & BANK BALANCES

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Cash in hand at Head office & Branches	1,308,972	433,162
Balance with Scheduled Banks:-		
In Current Account	2,267,373	249,530
In Margin Money Account	7,133,369	4,750,000
Fixed Deposits with Banks	175,187	200,000
Remittances in transit	1,478,510	4,545,227
Saving Account in Head office	2,000	2,000
	<u>12,365,411</u>	<u>10,179,919</u>



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Company Secretary

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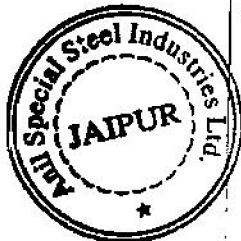
SCHEDULE 10 : LOANS & ADVANCES

(Unsecured and Considered Good)

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Advances (recoverable in Cash or in kind or for value to be received or pending adjustment)	17,902,358	17,109,652
Prepaid expenses	1,085,177	1,566,752
Deposit with Govt. Deptts. & Others	18,993,518	26,201,368
Sales Tax /VAT Advance	7,230,153	5,436,234
Income Tax Advance/TDS	1,431,343	593,580
	<u>46,642,549</u>	<u>50,907,586</u>

SCHEDULE 11 : MISC. EXPENDITURE

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
DEFERRED REVENUE EXPENDITURE		
(a) Interest/premium paid on one time settlement		
to SASF	24,180,550	24,180,550
to NICL	503,964	503,964
	<u>24,684,514</u>	<u>24,684,514</u>
Less : - Amortised during the year	10,970,896	-
	13,713,618	24,684,514
(b) Processing Fee & Legal charges on loans from Banks	1,227,272	874,728
Add : - Addition during the year	-	805,150
	<u>1,227,272</u>	<u>1,679,878</u>
Less:- Written off 1/5th	452,606	452,606
	774,666	1,227,272
(c) Preoperative Expenses (Pending for Capitalisation)		
Project Consultancy Fee	944,651	944,651
Less : Written off	944,651	-
	-	944,651
(d) Capital Issue Expenses	1,412,634	
Less : Written off 1/5th	282,527	
	1,130,107	-
	<u>15,618,391</u>	<u>26,856,437</u>



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SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS

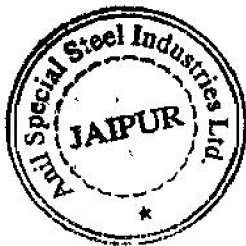
	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Current Liabilities :		
Sundry Creditors	117,925,572	89,686,947
Customer's Credit Balance	25,877,402	51,886,890
	<u>143,802,974</u>	<u>141,573,837</u>
Provisions :		
Provisions for Income Tax	-	578,192
Provision for FBT	-	244,107
	-	<u>822,299</u>
	<u>143,802,974</u>	<u>142,396,136</u>

SCHEDULE 13 : SALES / INCOME FROM OPERATIONS

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Rolled Products / Steel Products	1,108,938,944	1,024,527,001
Circular Saws & Steel Disc	5,508,007	3,615,336
Foreign Exchange Gain / (Loss)	(7,491,420)	2,652,306
Others	24,405,661	26,252,683
Job work charges Recovered	1,833,434	1,658,287
[Tax deducted at source Rs. 40236 (Previous year 35570)]		
Break Down Insurance Claims	151,884	297,642
	<u>1,133,348,510</u>	<u>1,059,003,255</u>

SCHEDULE 14 : OTHER INCOME

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Dividend	1,200	960
Miscellaneous Income	1,073,354	596,363
Sundry Balances / Provisions w/back(Net)	414,623	357,829
Remission of Interest/Borrowings (Written Back)	-	1,500,000
	<u>1,489,177</u>	<u>2,455,152</u>



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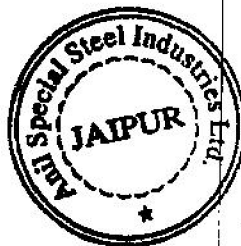
Anil Special Steel Industries Ltd.

SCHEDULE 15 : INCREASE / (DECREASE) IN STOCK

	As at 31.03.2010		As at 31.03.2009	
	Rupees		Rupees	
Opening Stock :				
Finished Goods	13,894,000		10,236,166	
Work in Process	127,011,372		86,389,973	
Scrap	28,252	140,933,624	76,541	96,702,680
Closing Stock :				
Finished Goods	10,275,907		13,894,000	
Work in Process	142,110,751		127,011,372	
Scrap	4,368	152,391,026	28,252	140,933,624
		<u>11,457,402</u>		<u>44,230,944</u>

SCHEDULE 16 : EMPLOYMENT COST

	As at 31.03.2010		As at 31.03.2009	
	Rupees		Rupees	
Salaries, Wages, Allowances & Bonus	72,780,017		64,641,247	
Managerial Remuneration	1,752,000		1,810,168	
Contribution to Provident Fund & Other Funds	5,435,164		4,350,865	
Contribution to Employees State Insurance	259,652		1,450,968	
Employees Welfare Expenses	4,414,239		2,334,226	
		<u>84,641,072</u>		<u>74,587,474</u>



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SCHEDULE 17 : OTHER EXPENSES

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Rent	1,113,491	1,566,085
Rates & Taxes	249,623	125,928
Directors Travelling Expenses	713,985	492,245
Travelling - Others	941,941	1,005,030
Insurance	1,726,119	1,350,476
Directors Meeting Fees	60,000	105,000
Internal Audit Fees and Expenses	0	137,000
Payment to Statutory Auditors	102,500	108,700
Repairs & Maintenance to :		
Plant & Machinery	8,392,956	9,221,957
Building	506,164	382,273
Others	812,527	667,314
Bank Charges	3,541,795	3,379,095
Miscellaneous Expenses	6,383,436	8,895,030
Sales Tax	17,981,525	16,482,467
Advertisement	190,876	259,979
Sales Promotion	69,435	61,899
Freight, Forwarding & Export expenses	30,572,509	35,904,568
Commission on Sales	297,677	252,591
Trade & Other Selling Expenses	5,817,173	7,823,435
Forward cover Fluctuation	6,548,639	5,173,724
	<u>86,022,371</u>	<u>93,394,795</u>

SCHEDULE 18 : INTEREST

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
Interest on Secured Loans :		
On term loans	17,186,396	17,106,497
On Working Capital Borrowings	25,041,942	30,440,707
Interest to Others	<u>2,435,527</u>	<u>586,377</u>
	44,663,865	48,133,581
Less:- Interest Received [Tax deducted at source Rs. 154510 (Previous year 273370)]	1,670,285	1,671,204
	<u>42,993,580</u>	<u>46,462,377</u>



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Company Secretary

Anil Special Steel Industries Ltd.

SCHEDULE 19 :SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. Significant Accounting Policies :

(a) Basis of Accounting :-

The Accounts of the Company are prepared under the historical cost convention and in accordance with applicable accounting standards except where otherwise stated. For recognition of income and expenditure, accrual basis of accounting is followed except certain expenditure / income which are accounted for on payment/ receipt basis on account of uncertainties.

(b) Fixed Assets :-

- i) Fixed Assets are stated at cost (including additions in value due to revaluation as mentioned in note no.2 (c) below) / less accumulated depreciation. The cost of an asset comprises its purchase price (net of discount and Cenvat) and directly attributable cost of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account.
- ii) Pre-operative expenses relating to new and expansion projects incurred during the construction are allocated to Plant & Machinery and Building on commencement of commercial production.
- iii) Depreciation is provided on straight line Method at the rates specified in Schedule XIV and provisions made therein of Companies Act, 1956 (as amended), on the Original cost of assets. Lease rental on Leasehold land is amortized over the period of lease. Depreciation on incremental value arising on account of revaluation of assets has been charged to Revaluation Reserve Account.
- iv) As per technical opinion from expert, the Company had identified certain Plant & Machineries as "Continuous Process Plant" during financial year 2006-07 and depreciation on the same is being provided for at the rates specified under Schedule XIV of the Companies Act 1956 (as amended) for continuous process plant.

(c) Investments

Investments are stated at cost and dividend, if any, thereon is accounted for as and when received. No provision for diminution in the value of investments has been made as the same are held for long term investment unless, there is permanent decline in the value of investment.

(d) Foreign Currency Transactions :-

Foreign Currency assets and liabilities are translated at exchange rates prevailing at the date of transaction. The loss or gain arising out of the said translations are adjusted to the profit and loss account except those arising in respect of liabilities for acquisition of fixed assets where the same is adjusted to the cost of assets. Profit/ Loss arising on cancellation of the forward contract is recognised as income & expense for the year.

(e) Revenue Recognition:-

Revenue from sale of goods is recognised on despatch from the factory / branches. Insurance claims are accounted for on admittance of the claims by the relevant authorities. Export benefits are being accounted on accrual basis. The sales are inclusive of excise duty, sales tax, other incidental charges and export benefits. Interest on NSC is recognised on receipt basis.

(f) Inventories :-

Inventories are valued at "cost", at "estimated cost", at "lower of cost or market price" or at "estimated realisable value", depending on the nature of various inventories. The Basis of Valuation of Inventories being followed is as under ;

- | | | |
|----------------------|---|--|
| i. Sores & Spares | - | At Weighed Average Cost |
| ii. Raw Materials | - | At Cost on FIFO basis |
| iii. Work-in-Process | - | At Estimated Cost |
| iv. Finished Goods | - | At lower of Cost or net realisable value |
| v. Scrap | - | At Realisable Value |

(g) Excise Duty and Sales Tax:-

Excise duty has been accounted on the basis of both payments made in respect of goods cleared as well as on the basis of payments made for goods lying in bonded ware house. Sales Tax realisation from the parties



Anil Special Steel Industries Ltd.

has been included in the Sales account and correspondingly figure of sales tax has been shown as an item of expenditure.

(h) Modvat/Cenvat/VAT benefits:-

Modvat/Cenvat/VAT benefits on purchase of inputs has been credited to respective Materials account. On capital goods, it has been credited to Fixed assets.

(i) Retirement benefits :

An irrevocable gratuity fund has been created for the benefit of employees of the Company with effect from 1st March, 1983, as per Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The additional contribution for the fund has been estimated on projected unit credit method at Rs. 294.69 lacs for earlier years and Rs. 15.41 lacs for the current year. Due to paucity of funds the company has not paid the contribution for the earlier years and no provision has been made in the books of accounts on account of gratuity liability for current year.

(j) Bonus and Leave Pay to employees have been accounted for on cash basis. The liability for accrued bonus for the year has been worked out to Rs.83.56 lacs and for leave pay Rs. 43.93 lacs, respectively have not been provided for.

(k) Impairment of Assets:

An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. An impairment loss is charged when an asset is identified as impaired.

(l) Treatment of Contingent Liabilities:-

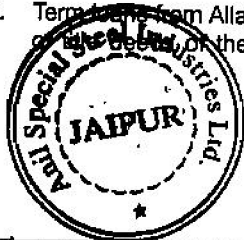
Contingent liabilities are not provided but disclosed in notes to the accounts.

2. Notes to the Accounts :

	Current Year (Rs.)	Previous Year (Rs.)
a. i Estimated amount of contracts		
remaining to be executed on Capital Account and not provided for		
a. Existing Plant	4373822	3551350
b. New Project	197435000	-
	201808822	3551350
ii. Advances paid in respect thereof		
a. Existing Plant	615061	435000
b. New Project	4360000	-
	4975061	435000

b. Contingent Liabilities not provided in respect of :

	Current Year (Rs.)	Previous Year (Rs.)
i. Bank Guarantees	6675187	7460560
ii. Against Sales Tax Cases for earlier years under appeal	1508261	3052485
iii. Against Excise matter being disputed	1778133	1310697
c. Fixed Assets - Leasehold land, Building and Plant & Machinery were revalued as on 1.04.1998 resulting into increase in value by sum of Rs.1,286.94 lacs and Revaluation Reserve for the same amount was created. Depreciation/ reversal on sale of assets Rs.904.75 lacs upto 31.03.2009 and Depreciation of Rs. 24.40 lacs for the current year has been charged from Revaluation Reserve.		
d. Capital Work In Progress of Rs. 238.98 lacs includes Rs 3.39 lacs on account of pre-operative expenses and Rs 89.09 lacs advances against capital expenses. The capital expenditure so incurred are in relation to TMT BAR Division at Village Anapura, Chimanpura, Tehsil Chomu, Distt. Jaipur, Rajasthan.		
e. The Stock of Finished Goods include Material-In-Transit of Rs Nil (Preious year Rs.293198/-).		
f. Term loans from Allahabad Bank and Indian Overseas Bank are secured on pari passu basis by deposit of the immovable properties of the company (45396 sq meter industrial land bearing		



Anil Special Steel Industries Ltd.

khasara no.317 & 47044 sq Meter lease hold land bearing khasara no.115, 42/481, 43, 44,45 & 45/485), situated at Kanakpura, Jaipur and charge by way of hypothecation over movable assets (other than inventories and receivables) both present and future. The term loan are also guaranteed by one of the promotor and Managing Director of the Company. Term loan from Kotak Mahindra Bank Ltd. is secured by registered mortgage of land measuring 1088.80 sq. yards and all the present and future super structures, known as Plot No. 2/17 Kalyan Kunj, Civil Lines, Jaipur.


The working capital borrowings from the Bankers are secured by way of hypothecation on pari passu charge basis over stocks and receivables, and also secured by way of second and subservient charge over fixed and other movable assets of the company, situated at Kanakpura and personal guarantee of the promotor and Managing Director of the Company.

Vehicle hire purchase loan from others are secured by respective vehicle financed by the them.

- g. i) Deferred Revenue Expenditure of Rs. 24,684,514/- determined in earlier years in respect of interest paid on one time settlement is being amortised in 18 monthly instalments w.e.f 1.08.2009. Accordingly a sum of Rs. 10,970,896/- has been amortised during the year .
- ii) Processing and legal charges on borrowings are being amortised over five years from the year in which these are incurred. Accordingly a sum of Rs. 452,606/- has been amortised during the year.
- iii) Pre operative expenses (pending capitalisation) Rs. 9,44,651/- have been written off during the year as the project for which consultancy was taken has been abandoned.
- iv) Capital issue expenses Rs. 14,12,634/- would be amortised over 5 years. Accordingly a sum of 2,82,527/- has been written off during the year.
- h. No provision has been made for debts of Rs. 28.12 lacs (previous year Rs. 23.13 lacs) which are under litigation. As per legal opinion taken by the Company, these debts are good for recovery. The Provision/ write off will be done on final ascertainment.
- i. Unsecured loans from bodies corporate, directors are interest free. Unsecured loans from others amounting to Rs. 81.00 Lacs(Previous year Rs. 103.00 Lacs) are also interest free.
- j. Investment of Rs. 5,80,000/- has been done in Kotak Smart Advantage plan of Kotak Life Insurance .The amount of investment consist the life Insurance premium and other charges, paid on the life of Managing Director of the company has not been charged to revenue. The investment has been made in view of stipulation of Kotak Mahindra Bank Ltd. for sanction of Term Loan of Rs. 400 lacs. The market value of investment as on 31st March, 2010 is not ascertainable as the policy to be kept in force for duration of 10 years. The Managing Director has given an undertaking to assign all policy benefits in favour of the company.
- k. The advances recoverable includes security deposit of Rs. 98.00 lacs given against hiring of premises at Mumbai has been called back by the company. However, till the amount is received back the property is being occupied and rent has not been provided since Jan 2002 in the books of accounts. Premium / deficit on Security Deposit will be accounted for on final settlement with the property owner.
- l. The Company is having book profits during the year. At the same time it is having brought forward book losses and depreciation as provided under the provisions of section 115JB of the Act . As per legal opinion obtained by the Company, it would not be liable to pay taxes on book profits for the year. The Company has provided Income Tax on book profit for the year ended 31st March, 2009 to the tune of Rs. 578192/-. The company is revising its Income Tax Return, as it was not liable for book profit tax, in view of b/f losses and depreciation. Accordingly, the provision of Income Tax made in earlier year is being reverted. However on the current book profit, without adjusting the brought forward book losses and depreciation the tax liability works out to Rs. 35.38 lacs, which is not being provided for .
- m. Due to accounting of Bonus and Leave Pay on cash basis the Company has charged a sum of Rs.74.01 lacs on account of Bonus and Rs.13.22 lacs on account of Leave Pay during the current year. However the Bonus accrued Rs. 83.56 lacs for the year ended 31st March'2010 and Leave Pay accrued Rs. 43.93 lacs up to 31st March 2010 remain un-provided for.
- n. As per information available with the Company from the suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), there were no overdues payable to any of the supplier.



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Company Secretary

Anil Special Steel Industries Ltd.

- o. Segment information for the year ended 31st March, 2010 : The Company's operations predominantly relate to manufacture of rolled products and constitute the major segment. The business segment information for the year ended 31st March, 2010 are as under :

Rs.in Lacs

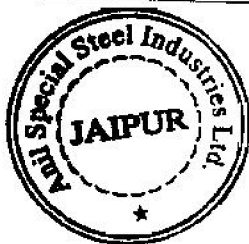
Particulars	Rolled Products 2009-10	Rolled Products 2008-09
Revenue		
Sales-Domestic	8616.23	7409.07
Sales-Export	2717.24	3180.97
Other Income	14.89	24.55
Total Revenue	11348.36	10614.59
Results		
Segment Results/ Operating profit	208.20	59.40
Income Tax for Earlier Years	-	(1.55)
Provision for tax	-	(5.78)
Income Tax for Prev. Year W/Back	5.78	-
Deferred tax Assets	-	(11.36)
Fringe benefit tax	NIL	(3.26)
Net Profit	213.98	37.45
Other Information		
Segment Assets	8045.11	7745.01
Segment liabilities	4559.71	4799.32
Capital Expenditure	357.41	524.89
Depreciation	313.15	336.49

- p. During the year, the company has accounted for Deferred Tax in accordance with the Accounting Standard 22-" Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
The deferred tax Assets as on 31.03.2010 of Rs. 261.67 lacs, calculated as per prevailing tax rates (net of addition of Rs. 94.67 Lacs) is not being recognised due to pending litigations with the Dept. .

Deferred Tax Assets/Liabilities

(Rs./Lacs)

	As on 31.03.2010	As on 31.03.2009
1 Tax Impact of unabsorbed depreciation Subject to Appeals and rectification	640.46	585.59
2 Tax Impact of unabsorbed Business Loss	-	-
3 Tax impact of expenses charged off in the Financial statement but allowance under Tax laws deferred	5.36	17.46
4 Tax impact due to difference between tax Depreciation and book depreciation	(384.15)	(436.05)
5 Others	-	-
Total	261.67	167.00



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Company Secretary

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q. Related Party Disclosures :

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below :

Names and Relationships of the related parties :-

a) Key Management personnel and relatives

- (1) Mr. Sudhir Khaitan – Chairman & Managing Director
- (2) Mrs. Rashmi Khaitan – Wife of Mr. Sudhir Khaitan-GM (Purchase)

Transaction with related Parties during the year

i) Remuneration

- A) Mr. Sudhir Khaitan- Rs.18,18,342.00
- B) Mrs Rashmi Khaitan-Rs. 6,87,808.00

ii) Interest Free Borrowings as on 31.03.2010.

- a) From Mr. Sudhir Khaitan-Rs. 83,68,128.00

b) The Key managerial persons are not having any significant control over on firm or corporate bodies. The company has also not done any transactions with firms or companies in which directors are interested .

r. Earning Per Share :

Basic Earning Per Share has been calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has issued the potential equity shares and accordingly, basic earning per share and diluted earning per share has been computed as under :

	Year ended 31st March	
	Year ended 2010	Year ended 2009
Profit After taxation (in Rs.)	21398046	3744870
Weighted Average Number of Shares	12185861	6892356
Earning Per Share(Basic)	1.758	0.552
Earning Per Share(Diluted)	1.756	0.543

s. Additional information pursuant to the provisions of paragraphs 3 and 4 of part II of Schedule VI to the Companies Act,1956

A. Installed Capacity and Puchase/Production:-

	Unit	Installed Capacity #	Actual
Rolled Products *	M.T.	40,000	16468
	M.T.	(40,000)	(12842)
Circular Saws/Steel Disc (Job basis)	Nos.	NA	36638
	Nos.	(NA)	(26311)
Springs (Job basis)	Nos.	NA	15470
	Nos.	(NA)	(Nil)

As certified by the management.

* This includes internal consumption of 64 MT, out of which 36638 Nos.Circular Saws/Steel Disc and 15470 Springs were procured on job work basis (Previous Year 16 MT, out of which 26311 Nos.Circular Saws/Steel Disc and Nil Springs were procured).



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For Anil Special Steel Industries Ltd.

C. P. VAID
Company Secretary

Anil Special Steel Industries Ltd.

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

1. Registration Details	
Registration No.	1245
State Code No.	17
Balance Sheet Date	31 st March, 2010
2. Capital raised during the period	
Public Issue (Issue through the prospectus)	(Rs.)
Right Issue	Nil
Bonus Issue	Nil
Preferential allotment of Equity Share Warrants (Rs.inThousand)	Nil
	30,446
3. Position of Mobilisation and Deployment of Funds	
Total Liabilities	(Amount in Rs. Thousands)
Total Assets	804,511
	804,511
Source of funds	
Paid Up Capital	
Reserve & Surplus	156,703
Secured Loans	191,837
Unsecured Loans	284,048
	28,120
Application of Funds	
Net Fixed Assets	
Investments	368,472
Net Current Assets (Excluding Bank borrowings)	4,089
Deferred Tax Assets	255,828
Misc Exp. To be W/Off	16,700
	15,618
4. Performance of Company	
Turnover(including stock adjustment)	1104,214
Total Expenditure	1083,394
Profit Before Tax	
Profit After Tax	20,820
Earning Per Share in Rs.	21,398
Dividend Rate %	1.758
5. Generic Name of three Principal Products of the Company	
Item Code	721130 00
Product Description	Rolled products of Iron or Non Alloy Steel CRCA Steel Strips
Item Code	820231 00
Product Description	Circular Saw Blades (including Slitting or Slotting Saw Blades/with working part of steel)



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