

Anil Special Steel Industries Ltd.

DIRECTORS

P.L. Bawa
Shiv Shankar Sharma
V.B.L. Mathur

CHAIRMAN & MANAGING DIRECTOR

Sudhir Khaitan

AUDIT COMMITTEE

P.L. Bawa
Shiv Shankar Sharma
V.B.L. Mathur

VICE PRESIDENT

Suresh Sharma

GM (FINANCE) & COMPANY SECRETARY

C.P. Vaid

AUDITORS

M/s S.S. Surana & Co., Jaipur

BANKERS

Allahabad Bank
Bank of Maharashtra
Indian Overseas Bank
State Bank of Bikaner & Jaipur

REGISTERED OFFICE

Kanakpura, P.O. Meenawala,
Jaipur - 3020 12

REGISTRAR & SHARE TRANSFER AGENT

M/s MCS Limited,
F-65, 1st Floor, Okhla Indl. Area, Phase-1,
New Delhi - 110 020

Anil Special Steel Industries Ltd.

NOTICE

NOTICE is hereby given that the 43rd 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 Friday the 30th day of September 2011 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 on 31st March 2011 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 on 31st March 2011.
2. To appoint a Director in place of Shri V.B.L. Mathur, who retired by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint 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 up to 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.
4. To appoint Mrs. Rashmi Khaitan, who was appointed as an Additional Director in the meeting of the Board of Directors held on 16th June 2011 and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing her candidature for the office of the Director, as a Director of the Company on the terms and conditions set out in the draft agreement made between her and Company.
5. To appoint Mr. Krishan Murari Gangawat, who was appointed as an Additional Director in the meeting of the Board of Directors held on 12th August 2011 and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director, as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

Jaipur 20th August 2011
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 28th Sept. 2011 to 30th Sept. 2011 (both days inclusive) for the financial year 2010-11.
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.

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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 V.B.L. Mathur
Date of Birth	24.01.1934
Date of Appointment	15.12.1993
Expertise in Specific Functional Areas	Administration & Finance
Qualifications	Retd. Chief Secretary (Govt. of Raj.) 30 years experience in Administration and Finance Matters
Directorship in other Public Limited Companies	Indo Continental Hotels & Resorts Ltd. Reliance Chemotex Industries Ltd.
Other positions	M/s Potash Research, Institute of India
Membership of Committees in other Public Limited Companies	Reliance Chemotex Industries Ltd.
Number of shares held in the Company	200

Jaipur 20th August 2011
Regd. Office & Works:
Kanakpura P.O. Meenawala,
Jaipur - 302 012

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

Anil Special Steel Industries Ltd.

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

ITEM NO. 4

Mrs. Rashmi Khaitan was appointed as an Additional Director in the meeting of Board of Directors of the Company held on 16th June 2011 to comply with the conditions set out in the RIICO Financial Assistance Sanction Letter. The Company has received notice in writing under section 257 of the companies Act, 1956 along with the requisite deposit proposing her candidature to appoint as a Director on the terms and conditions set out in the draft agreement made between her and Company.

Mrs. Rashmi Khaitan has a vast experience in the field of steel industries. She is expertise in area of Management and Purchase.

Mrs. Rashmi Khaitan does not hold any Directorship and Membership in any Company.

With the joining of Mrs. Rashmi Khaitan as a Director, the company would be definitely benefited from her rich experience in the field of management and purchase.

Mrs. Rashmi Khaitan holds 15,000 shares in the company. None of the Director except Mrs. Rashmi Khaitan is in any way concerned and interested in this resolution.

The Board of Directors of our company is of the opinion that her appointment would be beneficial to the Company and hence recommended the Resolution in the Item No. 4 for your approval.

ITEM NO. 5

Shri Krishan Murai Gangawat was appointed as an Additional Director in the meeting of Board of Directors of the Company held on 12th August 2011 to comply with the conditions set out in the RIICO Financial Assistance Sanction Letter. The Company has received notice in writing under section 257 of the companies Act, 1956 along with the requisite deposit proposing his candidature to appoint as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

Shri Krishan Murai Gangawat has a vast experience in the field of Management. He is expertise in area of Management & Administration.

Shri Krishan Murai Gangawat holds office as an Independent Director in The Punjab & Sind Bank Limited.

With the joining of Shri Krishan Murai Gangawat as a Director, the company would be definitely benefited from his rich experience.

Shri Krishan Murai Gangawat does not hold any share in the company. None of the Director except Shri Krishan Murai Gangawat is in any way concerned and interested in this resolution.

The Board of Directors of our company is of the opinion that his appointment would be beneficial to the Company and hence recommended the Resolution in the Item No. 5 for your approval.

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 43rd Annual Report of the Company together with the Audited Profit & Loss Account for the year-ended 31.03.2011 and the Balance Sheet as on that date.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ending 31.03.2011	Year ending 31.03.2010
Turnover	13810	11333
Gross Profit before Finance Cost and Depreciation	1089	1084
Finance Cost	323	430
Profit after Finance Cost	766	654
Depreciation/Miscellaneous expenses Written off	461	440
Net Profit for the year	305	214

OPERATIONAL REVIEW

During the year the Company's performance has been improved in terms of sales, profit and net worth. Turnover for the year was Rs. 13810 lacs against Rs. 11333 lacs in the previous year hence an increase in turnover by 21.85% and Profit after tax for the year is Rs. 305 lacs as against Rs. 214 lacs for the previous year hence an increase of 42.52%.

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 of the TMT Bar Project in the Village of Anantpura, Chimanpura, Chomu, your Company approach to Indian Overseas Bank for financing the project. In this regard Indian Overseas Bank has sanctioned the limit of Rs. 34.30 crores. Other than above Company has also issued 12178302 Convertible Equity Share Warrant to the Non-Promoters Group at Rs. 11.50 each.

PREFERENTIAL ISSUE OF WARRANTS

The Board of Directors of the company has allotted 12178302 Warrants convertible in to Equity Share of Rs. 10/- each and 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.

Anil Special Steel Industries Ltd.

LISTING COMPLIANCES

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

DIRECTORS

Shri V.B.L. Mathur retire 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 going 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

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 21.85% over the previous year. The net profit for the year is Rs.305.00 Lacs as compared to net profit of Rs.214.00 Lacs earned in previous year hence the net profit after tax has increased by 42.52%. 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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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.

(A) Conservation of Energy	2010-11	2009-10
1 Electricity		
(a) Purchased:		
Unit (Kwh)	11732490	11117400
Amount	53950357	49746290
Rate/Unit (Rs.)	4.60	4.47
(b) Own Generation :		
Through Diesel Generator :		
Unit (Kwh)	200306	513660
Unit Produced per ltr of Diesel oil	2.84	2.83
Cost / Unit (Direct Cost) (Rs.)	12.57	11.28
2. Fuel in oil fired Annealing Furnaces :		
Quantity (Litrs)	501859	469,388
Total Cost (Rs.)	15,255,941	11,274,659
Rate /unit (Rs. /PMT)	1,519	1,110
B Consumption per unit of Flat Rolled Production		
Electricity (kwh/ PMT)	1187.90	1145.05
Fuel (Ltr / PMT)	49.96	46.21
Other detail		
HSD Cons. In D.G. Sets (Ltr)	70522	181600
HSD Cons. In D.G. Sets (Rs.)	2517812	5792050.28
Production CRCA	1269.52	1696.92
Production H & T	8775.75	8460.73
Total Packed Production	10045.27	10157.65

Consumption figures are not strictly comparable as Company produces wide varieties of strips and consumption norms change 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	3244.19
Foreign Exchange used	96.95

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CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-2011

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 director 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, four - Board Meetings were held on— 29.05.2010, 14.08.2010, 9.11.2010 and 12.02.2011.

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	4	No	1	-	1
Mr.V.B.L. Mathur	Independent Director	4	No	2	-	2
Lt. Col. Purshottem Lal Bawa	Independent Director	4	No	-	-	-

- ♦ 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 29.05.2010, 14.08.2010, 09.11.2010 and 12.02.2011 during the year.

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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
Mr. Shiv S. Sharma	Non-Executive & Independent	4	4	No
Mr. V.B.L. Mathur	-Do-	4	4	No
Lt. Col. Purshottem 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 Subsection (2AA) of Section 217 of the Companies Act, 1956.
 - Charges, 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. No any meeting of the committee was held during the year. 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. - None

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Details of remunerations paid to Directors for the year.

The salary, perquisites and commission paid for the year-ended 31.3.2011 to Managing Personnel is as follows:

S. No	Name	Title	Salary	Perquisites*
1	Shri Sudhir Khaitan	Chairman & Managing Director	18,00,000	5,63,063/-

* 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. Purshottem Lal Bawa	66,000
2	Mr. Shiv S. Sharma	66,000
3	Mr. V.B.L. Mathur	66,000

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 2011 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 Bower Policy.

6. Secretarial Audit

The company has appointed a qualified Practicing 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 31.3.2011 :

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	13,14,675	10.80
c) FII's	Nil	Nil
Others	49,87,781	40.99
a) Bodies Corporate	41,10,576	33.78
b) Individuals	26,656	0.22
c) NRIs / OCBs		
TOTAL	121,69,178	100

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(b) Distribution of Shareholding:

Range	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	6,897	83.86	10,44,638	8.58
501 to 1000	599	7.28	5,23,550	4.30
1001 to 2000	301	3.66	4,83,819	3.98
2001 to 3000	126	1.53	3,28,158	2.70
3001 to 4000	48	0.58	1,76,024	1.45
4001 to 5000	56	0.68	2,68,369	2.21
5001 to 10000	103	1.25	7,88,299	6.47
10001 and above	95	1.16	85,56,321	70.31
TOTAL	8,225	100%	1,21,69,178	100%

8. General Shareholder Information:

(a) Annual General Meeting

Forthcoming Annual General Meetings will be held on or before end of September 2011 at the Company's Registered Office at Kanakpura F.O. Meenawala, Jaipur. The Separate Notice will be issued to Shareholders on due time.

(b) Financial Calendar (Tentative) (April 1st 2011 to 31st March 2012)

Audited Results for the year ending 31.03.2011	Adopted and published on 30 th April 2011.
Mailing of Annual Reports 2010-2011	End of July 2011
Financial Reporting for the quarter ending 30 th June, 2011	Mid of August 2011
Financial Reporting for the quarter ending 30 th September 2011.	Mid of November 2011
Financial Reporting for the quarter ending 31 st December 2011.	Mid of February 2012
Financial Reporting for the quarter ending 31 st March 2012.	End of April 2012
Secretarial Audit for the Quarter ending 30 th June, 2011	End of July 2011
Secretarial Audit for the Quarter ending 30 th September, 2011	End of October 2011
Secretarial Audit for the Quarter ending 31 st December, 2011	End of January 2012
Secretarial Audit for the Quarter ending 31 st March, 2012	End of April 2012
Half yearly compliance certificate regarding Transfer activities for the 1 st half ended on 30 th September, 2011	End of October 2011
Half yearly compliance certificate regarding Transfer activities for the 2 nd half ended on 31 st March, 2012	End of April 2012
Audit committee meetings	End of April 2011, Mid of Aug. 2011, Mid of Nov. 11 & Mid of February 2012.
Share Transfer-cum-Investor's grievances committee meeting	Monthly between 20 th to 25 th of every month.

(c) Listing of Equity Shares on Stock Exchange:

The shares of the company are listed at Bombay Stock Exchange. The Listing Fees for the year 2010-11 has already been paid.

(d) Name of the Stock Exchange

Bombay Stock Exchange Limited
Dalal Street,
Mumbai - 400 001

Stock Code

504629

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, 10	20.79	12.50
May, 10	22.35	17.65
June, 10	24.30	19.15
July, 10	20.90	16.80
August, 10	18.70	15.40
September, 10	18.50	16.10
October, 10	19.20	15.30
November, 10	17.50	11.60
December, 10	14.20	9.50
January, 11	12.77	9.60
February, 11	10.74	8.50
March, 11	9.95	8.55

(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, 2011, over 1,08,21,046 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: 1,21,69,178

Total No. of Share Holders: 8,225

Mode of Shareholding	No. of Shares	% to Equity Shares	No. of Shareholders	% of No. of Shareholders
Physical	13,48,132	11.08	3594	43.70
Electronic	1,08,21,046	88.92	4631	56.30
TOTAL	1,21,69,178	100	8225	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@mcsdel.com

h) **General Body Meetings: -**

Following General Meetings held in the financial year.

Financial Year	Date, Time and Venue
2009-10	29.09.2010 AT 11.00 A.M. at Registered office (AG.M)

The details of last three General Meetings are as under :

1. Annual General Meeting held on 2009-10

a) No any Special Resolution was passed in the meeting.

2. Extra ordinary General Meeting on 15.01.2010

a) Special resolution passed by shareholders for preferential issue of convertible equity share warrants of Rs.11.50 per share to Non-Promotor.

Anil Special Steel Industries Ltd.

3. Annual General Meeting held on 29.09.2009

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

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, 2011 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

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 2011, 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
FR No. : 001079C
Place: JAIPUR
Date: 30th April 2011

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 M/s ANIL SPECIAL STEEL INDUSTRIES LIMITED as at 31st March 2011 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 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 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.25.06 lacs on account of bonus and Rs.14.88 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.16.99 lacs and leave pay accrued up to 31st March'2011 Rs.42.93 lacs as per actuarial valuation remain un-provided for. (Refer Note No. 1(i) & 1(j) 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 earlier years (upto 31st March' 2010 Rs. 231.53 lacs.
 - (iii) Investment of Rs.8.55 Lacs on account of Life Insurance Policy taken in favour of Managing Director of the Company.(Refer Note No.2(j) of Schedule 19)
 - (iv) Non provision of income tax amounting to Rs.60.72 lacs relying upon the legal opinion. (Refer Note No.2(l) of Schedule 19)

Anil Special Steel Industries Ltd.

(v) Non ascertainment of the value of unquoted investments of Rs.34.70 lacs resulting into diminution in value of investment and provision required to be made.

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, 2011.
- 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: 30th April, 2011

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.
- (e) 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. 83.68 Lacs and year ended balance is Rs.70.68 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 having internal audit system, however same need to be strengthened so as to be commensurate with the size and nature of its business.
- (viii) As per information given to us, the company has maintained cost records, as prescribed under section 209(1)(d) of the Companies Act, 1956, as prescribed by the Central Government. However we have not made detailed examination of such records.
- (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 and other statutory dues with the appropriate authorities to the extent applicable. There are no statutory dues as at last day of the financial year concerned for a period of six months from the date they became payable.

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 Service Tax 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
The Central Sales Tax Act, 1956	Sales Tax and Penalty 1985-86	6.13	DC (Appeal) Jaipur IV
The Central Sales Tax Act, 1956	Sales Tax and Penalty 1986-87	4.39	DC (Appeal) Jaipur IV
The Central Excise Act, 1944	Export Benefits claim 2005-06	12.21	Pending with CESTAT, Delhi
The Central Excise Act, 1944	Duty demand on insurance claim of Gear Box 2001-02	0.90	CESTAT, Delhi
The Central Excise Act, 1944	Diff. Duty demand on Sale of Circular Saw Plan: 2006-07	4.67	Commissioner (Appeals), Jaipur

However, the Company has paid Rs. 10.52 lacs against the demand of Central Sales Tax.

- (x) The Company has no accumulated losses as on 31st March 2011. 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 2011.
- (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.
- (xii) 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.
- (xv) As per explanation given to us the Company has not raised new term loans during the year, except hire purchase finance of Vehicles/Equipments.
- (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.
- (xvii) 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.
- (xx) 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: 30th April, 2011

Anil Special Steel Industries Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule	Rupees	As at	
		31.03.2011 Rupees	31.03.2010 Rupees
Sources of Funds			
1 Shareholders' Funds			
a) Share Capital	1 163,726,290	156,702,540	
b) Reserves & Surplus	2 219,865,771	383,592,061	191,837,353
2 Loans			284,048,091
a) Secured Loans	3 269,681,943	306,312,463	28,120,042
b) Unsecured Loans	4 36,630,520	689,904,524	660,708,026
ii Application of Funds			
1 Fixed Assets	5		
a) Gross Block	849,529,410	840,767,557	
b) Less: Depreciation	526,198,842	496,193,458	
c) Net Block	323,330,568	344,574,099	
Capital Work in Progress and Advances for Capital Expenditure	74,372,281	397,702,849	23,898,280
		4,364,000	368,472,379
2 Investments	6		4,089,000
3 Current Assets, Loans & Advances			
a) Inventories	7 179,548,125	164,444,435	
b) Sundry Debtors	8 169,135,202	171,068,568	
c) Cash & Bank Balances	9 12,906,509	12,365,411	
d) Loans & Advances	10 53,044,908	46,642,549	
e) Other Current Assets	9,402,201	5,110,267	
	424,036,945	399,631,230	
Less: Current Liabilities & Provisions	12 154,068,910	269,968,035	143,802,974
		16,700,000	255,828,256
4 Deferred Tax Assets		1,169,640	16,700,000
5 Misc. Expenditure to be W/O	11	689,904,524	15,618,391
			660,708,026
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
Membership No. : 70331
FR No. : 001079C
Place : Jaipur
Date : 30th April, 2011

Sd/-
C.P.VAID
Company Secretary

For and on behalf of the Board
Sd/-
SUDHIR KHAITAN
Chairman & Managing Director
Directors
Sd/-
P.L. Bawa
Shiv Shankar Sharma
V.B.L. Mathur

Anil Special Steel Industries Ltd.

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

	Schedule	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Income			
Sales / Income from Operations	13	1,380,977,335	1,133,346,510
Less : Excise Duty		55,742,315	42,078,947
		<u>1,325,235,020</u>	<u>1,091,267,563</u>
Other income	14	2,860,455	1,489,177
Increase / (Decrease) in Stock	15	12,834,523	11,457,402
		<u>1,340,929,998</u>	<u>1,104,214,142</u>
Expenditure		<u>949,022,234</u>	<u>725,200,587</u>
Cost of Materials		32,141,026	32,988,090
Stores & Spares Consumed		71,724,110	66,812,999
Power & Fuel	16	95,995,207	84,641,072
Employment Cost	17	83,145,576	86,022,371
Other Expenses		14,448,751	12,650,680
Miscellaneous Expenses W/Off		-	770,244
Loss on sale of Fixed Assets		-	-
		<u>1,246,476,904</u>	<u>1,009,086,043</u>
Profit Before Interest, Depreciation & Tax		94,453,094	95,128,099
Interest	18	32,343,986	42,993,580
Profit Before Depreciation & Tax		62,109,108	52,134,519
Transfer from Revaluation Reserve		2,440,317	2,440,317
Depreciation		2,440,317	2,440,317
On revaluation value of assets		31,640,373	31,314,665
On original value of assets		30,468,735	20,819,854
Profit before tax		-	578,192
Income Tax for Previous Years written back		30,468,735	21,338,046
Profit After Tax		27,606,410	6,208,364
Profit brought forward from prev. year		58,075,145	27,606,410
Balance transferred to Balance Sheet			
Significant Accounting policies and Notes to the Accounts	19		
Earning per Equity Share (In Rs.)		2.504	1.758
Basic		2.504	1.756
Diluted			

As per our attached report of even date
For S.S.Surana & Co.
Chartered Accountants
Sd/-
R.N.GOYAL
Partner
Membership No. : 70331
FR No. : 001079C
Place : Jaipur
Date : 30th April, 2011

Sd/-
C.P.VAID
Company Secretary

For and on behalf of the Board
Sd/-
SUDHIR KHAITAN
Chairman & Managing Director
Directors
Sd/-
P.L. Bawa
Shiv Shankar Sharma
V.B.L. Mathur

Anil Special Steel Industries Ltd.

SCHEDULE 1 : SHARE CAPITAL

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Authorised :		
27,000.000 (P.Y.27,000,000) Equity Shares of Rs.10/- each	270,000,000	270,000,000
	<u>270,000,000</u>	<u>270,000,000</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		
Fully paid up	121,691,780	121,691,780
Less: Calls in Arrears	1,860	1,860
(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		
Amount paid up on Equity Share Warrants	42,036,370	35,012,620
	<u>163,726,290</u>	<u>156,702,540</u>

SCHEDULE 2: RESERVES & SURPLUS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Capital Reserve		
Capital Reserve	49,525	49,525
Capital Redemption Reserve	1,500,000	1,500,000
Share Premium Account	126,903,180	126,903,180
Profit & Loss Account	58,075,145	27,606,410
Revaluation Reserve		
Opening Balance	35,778,238	38,218,555
Less : Transferred to P & L A/C	<u>2,440,317</u>	<u>2,440,317</u>
	<u>33,337,921</u>	<u>35,778,238</u>
	<u>219,865,771</u>	<u>191,837,353</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, compulsorily convertible into Equity Shares of Rs. 10 each at a premium of Rs. 1.50 per share within 18 months. The appropriation 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 BSE vide letter dated 19/03/2010.

Anil Special Steel Industries Ltd.

SCHEDULE 3 : SECURED LOANS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Term Loan from Banks : #		
From Allahabad Bank	0	9,115,502
From Indian Overseas Bank	0	11,989,759
From Kotak Mahindra Bank Ltd.	24,760,691	31,223,985
From Allahabad Bank WCTL	17,843,132	35,421,156
Working Capital Borrowings from Banks : #		
From Indian Overseas Bank	34,366,716	22,984,528
From Allahabad Bank	77,587,684	69,522,729
From Bank of Maharashtra	43,697,329	40,992,442
From State Bank of Bikaner & Jaipur	23,880,394	23,473,147
Inland Bills Discounted	4,527,755	2,065,579
Foreign Bills Discounted	39,647,122	33,638,769
Hire Purchase Loans from others #	3,371,120	3,620,495
	269,681,943	284,048,091

Refer Note No. 2(f) of Schedule 19

SCHEDULE 4 : UNSECURED LOANS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Loans:		
From Bodies Corporate	24,023,860	5,200,907
From Director	7,067,693	8,368,128
From Others	5,538,967	14,551,007
	36,630,520	28,120,042

Anil Special Steel Industries Ltd.

SCHEDULE 5 : FIXED ASSETS

Description of Assets	Gross Block				Depreciation US 205 (2) (B)			Net Block		
	Cost as at 1st April 2010	Addition during the year 2010-11	Less sale/adjustment during the year	Total Cost upto 31st March, 2011	Provided upto 31st March, 2010	For the year 2010-11	Less on Sales/Adjustments	Total upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Land- Leasehold	15,142,406	-	-	15,142,406	55,681	1,740*	-	57,421	15,084,985	15,086,725
Land- Freehold	22,500,000	-	-	22,500,000	-	-	-	-	22,500,000	22,500,000
Factory Building	73,478,346	620,904	-	74,099,250	34,265,286	2,322,906	-	36,588,192	37,511,058	39,213,960
Plant & Machinery	705,629,468	10,748,072	1,762,527	714,615,013	444,668,314	30,822,829	1,082,098	474,409,045	240,205,968	260,961,154
Furniture & Fixtures	7,661,023	167,689	4,888	7,823,824	6,739,219	45,199	4,644	6,779,774	1,044,050	921,804
Office Equipments	8,847,986	258,989	369,513	8,737,462	7,061,016	261,424	312,864	7,009,576	1,727,886	1,786,970
Vehicles	7,508,328	3,570,525	4,467,398	6,611,455	3,403,942	626,592	2,675,700	1,354,834	5,256,621	4,104,386
Total	840,767,557 (831,939,437)	15,366,179 (11,843,191)	6,604,326 (3,015,071)	849,529,410 (840,767,557)	496,193,458 (463,952,363)	34,080,690 (33,754,982)	4,075,306 (1,513,887)	526,198,842 (496,193,458)	323,330,568 (344,574,099)	344,574,099 (367,987,074)
Add : Capital Work# in Progress	23,898,280	50,474,001 (23,898,280)	-	74,373,281 (23,898,280)	-	-	-	-	74,372,281 (23,898,280)	23,898,280
Grand Total	864,666,837 (831,939,437)	65,840,180 (35,741,471)	6,604,326 (3,015,071)	923,901,691 (864,665,837)	496,193,458 (463,952,363)	34,080,690 (33,754,982)	4,075,306 (1,513,887)	526,198,842 (496,193,458)	397,702,849 (368,472,379)	368,472,379 (367,987,074)

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/-

5. Cost of Fixed Assets includes Rs.148.87 lacs (P.Y Rs 148.87 lacs) on Leasehold land, Rs. 144.28 lacs (P.Y Rs 144.28 lacs) on Building and Rs.887.30 lacs (P.Y Rs 887.30 lacs) on Plant & Machinery on account of revaluation.

CAPITAL WORK IN PROGRESS FOR NEW PROJECT

LAND & CIVIL WORK	41,563,510
PREOPERATIVE EXPENSES	6,001,364
SECURITY DEPOSIT	257,696
ADVANCES	26,549,711
	<u>74,372,281</u>

Anil Special Steel Industries Ltd.

SCHEDULE 6 : INVESTMENT

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Quoted		
430 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	855,000	580,000
	<u>4,364,000</u>	<u>4,089,000</u>
Market Value of Quoted Shares as on 31st March 2011	68,376	55,200

SCHEDULE 7 : INVENTORIES

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
(As taken, valued and certified by the Management)		
Stores & Spares (including Capital Stores)	14,322,576	12,053,409
Work in Process	157,298,381	142,110,751
Finished Goods	7,922,800	10,275,907
Scrap	4,368	4,368
	<u>179,548,125</u>	<u>164,444,435</u>

SCHEDULE 8 : SUNDRY DEBTORS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Unsecured-Considered good :-		
Over Six months	17,004,682	18,422,529
Less than Six Months	<u>152,130,520</u>	<u>152,646,039</u>
	<u>169,135,202</u>	<u>171,068,568</u>
	<u>169,135,202</u>	<u>171,068,568</u>

SCHEDULE 9 : CASH & BANK BALANCES

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Cash in hand at Head office & Branches	304,322	1,308,972
Balance with Scheduled Banks:-		
In Current Account	1,022,618	2,267,373
In Margin Money Account	9,005,102	7,133,369
Fixed Deposits with Banks	175,187	175,187
Remittances in Transit	2,397,280	1,478,510
Saving Account with Post office	2,000	2,000
	<u>12,906,509</u>	<u>12,365,411</u>

Anil Special Steel Industries Ltd.

SCHEDULE 10 : LOANS & ADVANCES

(Unsecured and Considered Good)

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Advances (recoverable in Cash or in kind or for value to be received or pending adjustment)	19,380,762	17,902,358
Prepaid expenses	1,219,869	1,085,177
Deposit with Govt. Deptts. & Others	22,696,543	18,993,518
Sales Tax /VAT Advance	8,030,368	7,230,153
Income Tax Advance/TDS	1,717,366	1,431,343
	<u>53,044,908</u>	<u>46,642,549</u>

SCHEDULE 11 : MISC. EXPENDITURE

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
DEFERRED REVENUE EXPENDITURE		
(a) Interest/premium paid on one time settlement		
to SASF	13,433,638	24,180,550
to NICL	279,980	503,964
	<u>13,713,618</u>	24,684,514
Less : - Amortised during the year	<u>13,713,618</u>	10,970,896
	-	13,713,618
(b) Processing Fee & Legal charges on loans from Banks	774,666	1,227,272
Less:- Written off 1/5th	<u>452,606</u>	452,606
	322,060	774,666
(c) Preoperative Expenses (Pending for Capitalisation)		
Project Consultancy Fee	-	944,651
Less : Written off	-	944,651
	-	-
(d) Capital issue Expenses	1,130,107	1,412,634
Less : Written off 1/5th	<u>282,527</u>	282,527
	847,580	1,130,107
	<u>1,169,640</u>	<u>15,618,391</u>

Anil Special Steel Industries Ltd.

SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Current Liabilities :		
Sundry Creditors	134,443,393	117,925,572
Customer's Credit Balance	19,625,517	25,877,402
	<u>154,068,910</u>	<u>143,802,974</u>
Provisions :	-	-
	<u>154,068,910</u>	<u>143,802,974</u>

SCHEDULE 13 : SALES / INCOME FROM OPERATIONS

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Rolled Products / Steel Products	1,342,454,589	1,108,938,944
Circular Saws & Steel Disc	3,387,039	5,508,007
Foreign Exchange Gain / (Loss)	2,418,655	(7,491,420)
Others	29,931,174	24,405,661
Job work charges recovered [Tax deducted at source Rs. 56486 (Previous year 40236)]	2,079,886	1,833,434
Break Down Insurance Claims	705,992	151,884
	<u>1,380,977,335</u>	<u>1,133,346,510</u>

SCHEDULE 14 : OTHER INCOME

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Dividend	1,440	1,200
Miscellaneous Income	1,187,872	1,073,354
Sundry Balances / Provisions w/back(Net)	1,219,964	414,623
Profit on sale of Fixed Assets	451,179	-
	<u>2,860,455</u>	<u>1,489,177</u>

Anil Special Steel Industries Ltd.

SCHEDULE 15 : INCREASE / (DECREASE) IN STOCK

	As at		As at	
	31.03.2011		31.03.2010	
	Rupees		Rupees	
Opening 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	140,933,524
Closing Stock :				
Finished Goods	7,922,800	10,275,907		
Work in Process	157,298,381	142,110,751		
Scrap	4,368	165,225,549	4,368	152,391,026
		<u>12,834,523</u>		<u>11,457,402</u>

SCHEDULE 16 : EMPLOYMENT COST

	As at		As at	
	31.03.2011		31.03.2010	
	Rupees		Rupees	
Salaries, Wages, Allowances & Bonus	81,635,012	72,780,017		
Managerial Remuneration	2,286,000	1,752,000		
Contribution to Provident Fund & Other Funds	7,131,944	5,435,164		
Contribution to Employees State Insurance	1,839,470	259,652		
Employees Welfare Expenses	3,102,781	4,414,239		
	<u>95,995,207</u>	<u>84,641,072</u>		

Anil Special Steel Industries Ltd.

SCHEDULE 17 : OTHER EXPENSES

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Rent	1,184,278	1,113,491
Rates & Taxes	264,078	249,623
Directors Travelling Expenses	897,666	713,985
Travelling - Others	1,172,304	941,941
Insurance	1,287,148	1,726,119
Directors Meeting Fees	198,000	60,000
Payment to Statutory Auditors	187,200	102,500
Repairs & Maintenance to :		
Plant & Machinery	9,324,528	8,392,956
Building	484,129	506,164
Others	1,200,177	812,527
Job work charges	669,184	1,212,000
Bank Charges	3,040,727	3,541,795
Miscellaneous Expenses	4,800,432	5,171,436
Sales Tax	18,825,861	17,981,525
Advertisement	287,395	190,876
Sales Promotion	36,196	69,435
Freight, Forwarding & Export expenses	34,644,671	30,572,509
Commission on Sales	587,803	297,677
Trade & Other Selling Expenses	4,053,799	5,817,173
Forward cover Fluctuation	-	6,548,639
	<u>83,145,576</u>	<u>86,022,371</u>

SCHEDULE 18 : INTEREST

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Interest on Secured Loans :		
On term loans	11,184,247	17,186,396
On Working Capital Borrowings	22,436,400	25,041,942
Interest to Others	560,889	2,435,527
	<u>34,181,536</u>	44,663,865
Less:- Interest Received [Tax deducted at source Rs. 182485 (Previous year 154510)]	1,837,550	1,670,285
	<u>32,343,986</u>	<u>42,993,580</u>

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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 :-

Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency assets and liabilities are translated at exchange rates prevailing at the date of Balance Sheet. 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. Stores & Spares - At Weighted 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 provision made for goods lying in bonded ware house. Sales Tax realisation from the parties has been included in the sales account and correspondingly figure of sales tax has been shown as an item of expenditure.

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(h) Cenvat/VAT benefits:-

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 :

Contribution to the employee's provident fund are made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952. Such contributions are charged to the Profit & Loss account of the year in which the related services are rendered by the employees.

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. 231.53 lacs for earlier years. Due to paucity of funds the company has not paid the contribution for the earlier years. However, Gratuity Rs. 18.98 lacs for the current year has been charged to Profit & Loss account and liability is provided for.

Leave Pay are being accounted for on cash basis. The Company has charged a sum of Rs.14.88 lacs on account of Leave Pay during the current year. However Leave Pay accrued Rs.42.93 lacs up to 31st March'2011 as per actuarial valuation, remain un-provided for.

(j) Bonus to employees are being accounted for on cash basis. The Company has charged a sum of Rs.25.06 lacs on account of Bonus during the current year. However, the Bonus accrued Rs. 16.99 lacs for the year ended 31st March'2011 remain un-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 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	3183000	4373822
c. New Project	268700000	197435000
	271883000	201808822
ii. Advances paid in respect thereof		
a. Existing Plant (Loans & Advances)	670000	615061
b. New Project (CWIP)	26549711	4360000
	27219711	4975061
b. Contingent Liabilities not provided in respect of :		
	Current Year (Rs.)	Previous Year (Rs.)
i. Bank Guarantees	5875187	6675187
ii. Against Sales Tax Cases for earlier years under appeal	1052185	1508261
iii. Against Excise matter being disputed	1778133	1778133
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.929.16 lacs upto 31.03.2010 and Depreciation of Rs 24.40 lacs for the current year has been charged from Revaluation Reserve.		
d. Capital Work In Progress of Rs. 743.72 lacs includes Land & Civil Works Rs. 415.63 lacs, Pre-operative expenses Rs. 60.01, Security Deposit Rs. 2.58 lacs and Advances against Capital Expenditure		

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Rs 265.50 lacs. The capital expenditure so incurred are in relation to TMT BAR Division at Village Anatpura, Chimanpura, Tehsil Chomu, Distt. Jaipur, Rajasthan.

- e. The Stock of Finished Goods include Material-In-Transit of Rs.4,82,593 (Previous year Rs.Nil).
- f. Term loans from Allahabad Bank and Indian Overseas Bank are secured on pari passu basis by deposit of title deeds of the immovable properties of the company (45396 sq meter Industrial land bearing 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. However, the company has repaid these loans but charge is yet to be released by respective banks. 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.

Hire purchase loan from others are secured by respective Vehicle/Equipment financed by the them.

- g. i) Deferred Revenue Expenditure of Rs.2,46,84,514/- 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. 1,37,13,618/- 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. 4,52,606/- has been amortised during the year.
- ii) Capital issue expenses Rs. 14,12,634/- are being amortised over 5 years. Accordingly a sum of Rs. 2,82,527/- has been written off during the year.
- h. No provision has been made for debts of Rs.33.00 lacs (previous year Rs.28.12 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.36.00 Lacs (Previous year Rs.81.00 Lacs) are also interest free.
- j. Investment of Rs. 8,55,000/- 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. 400.00 lacs. The market value of investment as on 31st March, 2011 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. However on the current book profit, without adjusting the brought forward book losses and depreciation the tax liability works out to Rs. 60.72 lacs, which is not being provided for.
- m. 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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- n. Segment information for the year ended 31st March, 2011 : 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, 2011 are as under:

Particulars	Rs.in Lacs	
	Rolled Products 2010-11	Rolled Products 2009-10
Revenue		
Sales-Domestic	10327.48	8616.23
Sales-Export	3482.29	2717.24
Other Income	28.60	14.89
Total Revenue	13838.37	11348.36
Results		
Segment Results/ Operating profit	304.69	208.20
Income Tax for Prev. Year W/Back	-	5.78
Net Profit	304.69	213.98
Other Information		
Segment Assets	8439.73	8045.11
Segment liabilities	4603.81	4559.71
Capital Expenditure	658.40	357.41
Depreciation	316.40	313.15

- o. 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 31.03.2011 of Rs.66.03 lacs, calculated as per prevailing tax rates. The company has recognised deferred tax assets Rs. 167.00 lacs upto 31.3.2009 but had not recognised deferred tax assets Rs. 94.67 lacs for FY 2009-10. During the year, the company has not reverted deferred tax assets of Rs. 100.97 lacs.

Deferred Tax Assets/Liabilities

(Rs./Lacs)

	As on 31.03.2011	As on 31.03.2010
1 Tax impact of unabsorbed depreciation Subject to Appeals and rectification	390.63	640.46
2 Tax impact of unabsorbed Business Loss	-	-
3 Tax impact of expenses charged off in the Financial statement but allowance under Tax laws deferred	2.11	5.36
4 Tax impact due to difference between tax Depreciation and book depreciation	(326.71)	(384.15)
5 Others	-	-
Total	66.03	261.67

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p. 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.23,63,063.00
 B) Mrs Rashmi Khaitan-Rs. 8,35,648.00
 ii) Interest Free Borrowings as on 31.03.2011.
 a) From Mr. Sudhir Khaitan-Rs. 70,67,693.00
- 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.

q. 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 2011	Year ended 2010
Profit After taxation (in Rs.)	30468735	21398046
Weighted Average Number of Shares considered for basic EPS	12169178	12185861
Earning Per Share(Basic)	2.504	1.758
Earning Per Share(Diluted)	2.504	1.756

r. 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 Purchase/Production:-

	Unit	Installed Capacity #	Actual
Rolled Products *	M.T.	40,000	23701
	M.T.	(40,000)	(16468)
Circular Saws/Steel Disc (Job basis)	Nos.	NA	17320
		(NA)	(36638)
Springs (Job basis)	Nos.	NA	Nil
		(NA)	(15470)

As certified by the management.

* This includes internal consumption of 10 MT, out of which 17320 Nos.Circular Saws/Steel Disc/LBK and Nil Springs were procured on job work basis (Previous Year 64 MT, out of which 36638 Nos.Circular Saws/Steel Disc/LBK and 15470 Springs were procured).

Anil Special Steel Industries Ltd.

B. Sales :

	Unit	Quantity	Value (Rs.in Lac)
Rolled Products/Steel Products*	M.T.	23721	1,342,747,491
	M.T.	(16466)	(1,105,542,792)
Circular Saws/Steel Disc/LBK**	Nos.	17320	3,387,039
	Nos.	(36797)	(5,508,007)
Springs	Nos.	Nil	Nil
	Nos.	(15470)	(35,19,741)
Others (Scrap)			29,638,272
			(24,282,072)

*Includes 34 MT (Previous year 123 MT) samples and transfer to WIP.

**Includes 244 Nos. (Previous year 57 Nos.) samples and transfer to WIP

C. Cost of Materials :

	Unit	Quantity	Value (Rs.)
Steel Coils	MT	25968	949,022,234
	MT	(18142)	(725,200,587)

D. Opening Stock of Finished Goods :

	Unit	Quantity	Value (Rs.)
Rolled Products	MT	108	10,275,907
	MT	(169)	(13,865,221)
Circular Saws/Steel Disc	Nos.	Nil	Nil
	Nos.	(159)	(28,779)

E. Closing Stock of Finished Goods :

	Unit	Quantity	Value (Rs.)
Rolled Products	MT	77	7,922,800
	MT	(108)	(10,275,907)
Circular Saws/Steel Disc	Nos.	Nil	Nil
	Nos.	(Nil)	(Nil)

F. Expenditure in Foreign Currency :

	Current Year (Rs)	Previous Year (Rs)
Commission on Sales	587,803	297,677
Traveling	331,841	573,015

Anil Special Steel Industries Ltd.

G. i) C.I.F. Value of Imports :

	Current Year (Rs)	Previous Year(Rs)
Raw Material	5,846,619	1,233,537
Stores & Spare Parts	892,628	228,561
Capital Goods	2,036,048	1,260,907

ii) F.O.B.Value of Export :

	Current Year (Rs)	Previous Year(Rs)
F.O.B.Value of Export	324,419,438	260,656,876
Deemed Export	16,464,179	20,512,101

H. Purchase/Consumption of Imported and Indigenous Materials, Spare Parts & Components :

	Current Year		Previous Year	
	(Rs.)	(%)	(Rs.)	(%)
Imported Material	5,847,729	0.62	1,233,537	0.17
Indigenous Material	943,174,505	99.38	723,967,050	99.83
TOTAL	949,022,234	100.00	725,200,587	100.00
Imported Spare Parts & Components	363,372	1.13	228,561	0.69
Indigenous Spare Parts & Components	31,777,654	98.87	32,759,529	99.31
TOTAL	32,141,026	100.00	32,988,090	100.00

I. Break up of Payments to Auditors :

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fee	100,000	60,000
For Audit Expenses	11,200	7,500
In other capacity :		
a) For Tax Audit	30,000	20,000
b) For Tax Assessments / Appeals	31,000	-
c) For Certification and other matters	15,000	15,000
TOTAL	187,200	102,500

J. Managerial Remuneration :

	Current Year(Rs.)	Previous Year (Rs.)
a) Salary, Bonus and P.F.	2,286,000	1,752,000
b) Other perquisites	77,063	66,342
TOTAL	2,363,063	1,818,342

s. Previous year figures have been regrouped and rearranged wherever it is necessary. Figures in brackets are for previous year.

For S S.Surana & Co.
Chartered Accountants

Sd/-
R.N.GOYAL
Partner

Membership No. : 70331
FR No. : 001079C
Place : Jaipur
Date : 30th April, 2011

Sd/-
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.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	(Rs./Lacs)	
	2010-11	2009-10
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	304.69	208.20
Adjustment for :		
Depreciation	316.40	313.15
Dividend received	(0.01)	(0.01)
Interest Paid	323.44	429.94
(Profit)/Loss on Sale of Fixed Assets	(4.51)	7.70
Deferred Revenue Expenditure Written off	144.49	26.51
Operating profit before working capital changes	1,084.50	1,085.49
Adjustment for:		
(Increase) / Decrease in Inventory	(151.04)	(108.47)
(Increase) / Decrease in Trade & other receivables	19.33	(314.65)
(Increase) / Decrease in Loans & Advances	(61.16)	57.03
(Increase) / Decrease in Other Current Assets	(42.92)	(2.39)
Increase / (Decrease) in Trade & other payable	102.67	22.31
Deferred Revenue Expenditure	-	(14.13)
Adjustment for / Payment of Tax	(2.86)	(10.84)
Changes in Working capital (Net)	(135.98)	(377.14)
Net Cash from operating activities	948.52	708.35
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Asset (Net of Revaluation)	(658.40)	(357.41)
Sale of Fixed Asset	29.80	7.29
Purchase of Investment	(2.75)	(2.90)
Dividend received	0.01	0.01
Net Cash used in Investing activities	(631.34)	(353.01)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital/Share Warrant	70.24	350.13
Increase in Share Premium	-	-
Proceeds from long term borrowings (Net)	(451.47)	(64.19)
Increase / (Decrease) in Hire Purchase Finance	(2.49)	(2.68)
Increase / (Decrease) in Unsecured loans	85.10	48.33
Proceeds from short term borrowings (Net)	310.30	(235.14)
Interest Paid	(323.44)	(429.94)
Net cash used in financing activities	(311.76)	(333.49)
Net Increase/(Decrease) in cash and cash equivalents	5.42	21.85
Opening Balance of Cash and Cash equivalents	123.65	101.80
Closing Balance of Cash and Cash equivalents	129.07	123.65

For S.S.Surana & Co.
Chartered Accountants
Sd/-
R.N.GOYAL
Partner
Membership No. : 70331
FR No. : 001079C
Place : Jaipur
Date : 30th April, 2011

Sd/-
C.P. VAID
Company Secretary

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

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

Anil Special Steel Industries Ltd.

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

1. Registration Details	
Registration No.	1,245.00
State Code No.	17
Balance Sheet Date	31 st March, 2011
2. Capital raised during the period (Amount in thousand Rs.)	
Public Issue (Issue through the prospectus)	Nil
Right Issue	Nil
Bonus Issue	Nil
Preferential allotment of Share Warrants	Nil
3. Position of Mobilisation and Deployment of Funds	
	(Amount in Rs. Thousands)
Total Liabilities	689,905
Source of Funds	
Paid Up Capital	163,726
Reserve & Surplus	219,866
Secured Loans	269,682
Unsecured Loans	36,631
Deferred Tax Liability	—
Total Assets	689,905
Application of Funds	
Net Fixed Assets	397,703
Investments	4,364
Net Current Assets (Excluding Bank borrowings)	269,968
Deferred Tax Assets	16,700
Misc Exp. to be W/Off	1,170
4. Performance of the Company	
Total Income	1 340,930
Total Expenditure	1 310,461
Profit Before tax	30,469
Profit After Tax	30,469
Dividend	—
Earning Per Share in Rs.	2.504
Dividend Rate %	—
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)