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#### **Important Communication to Members**

Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Link Intime India Private Limited. The Company is providing e-voting facility to all members to enable them to cast vote electronically to all resolutions set forth in the notice. This is pursuant to section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are annexed to the notice.

Annual General Meeting will be held at 3.00 p.m. on Monday, the 26<sup>th</sup> September, 2016 at MIG-4, Indravati Colony, Raipur, Chhattisgarh. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting. Visit us at : [www.vaswaniindustries.com](http://www.vaswaniindustries.com), E-mail : [info@vaswaniindustries.com](mailto:info@vaswaniindustries.com) • Tel.: +91 771 4226000 • Fax : +91 771 4226000

## CORPORATE INFORMATION

### Performance Highlights 2015-2016

#### Financial

(Rs. in Lacs)

Total Revenue	23810.47
Profit Before Tax	136.24
Profit After Tax refund adjustment	115.53
Earning Price Per Share (EPS) - Basic & Diluted	0.41

#### Operational

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
<b>Installed capacity</b>					
Sponge Iron MT	90000	90000	90000	90000	90000
Steel Billets/Ingots MT	36000	36000	36000	36000	36000
Power MW	11.5	11.5	11.5	11.5	11.5
<b>Production</b>					
Sponge Iron MT	50554.73	59943.09	50266.00	50832.73	58543.81
Steel Billets/Ingots MT	75165.00	47524.40	44104.030	37596.705	33231.655
Power in UNITS	66886200	65208200	65372200	64213200	70555900

## CORPORATE PROFILE

**CIN: L28939CT2003PLC015964**

### BOARD OF DIRECTORS

Mr. Ravi Vaswani	Chairman & Managing Director (CMD)
Mr. Pramod Vaswani	Whole Time Director (WTD)
Mr. Yashwant Vaswani	Whole Time Director (WTD)
Mr. Pawan Kumar Jha	Additional Director
Mr. Lekhu Thadharam Mulchandani	Non- Executive & Independent Director
Mr. Ashok Suri	Non- Executive & Independent Director
Mr. Sanjay Jadwani	Non- Executive & Independent Director
Mrs. Satyawati Parashar	Non- Executive & Independent Director

## **COMMITTEES OF THE BOARD**

<b>I . AUDIT RISK MANAGEMENT AND VIGIL COMMITTEE</b>	
Mr. Lekhu Thadharam Mulchandani – Independent Director	Chairman
Mr. Pramod Kumar Vaswani – Whole-time Director	Member
Mr. Ashok Suri - Independent Director	Member
Mr. Sanjay Jadwani – Independent Director	Member
<b>II. NOMINATION &amp; REMUNERATION COMMITTEE</b>	
Mr. Lekhu Thadharam Mulchandani – Independent Director	Chairman
Mr. Ashok Suri – Independent Director	Member
Mr. Sanjay Jadwani – Independent Director	Member
<b>III. STAKEHOLDERS RELATIONSHIP COMMITTEE</b>	
Mr. Lekhu Thadharam Mulchandani – Independent Director	Chairman
Mr. Yashwant Vaswani – Whole-time Director	Member
Mr. Ashok Suri – Independent Director	Member
<b>IV. RISK MANAGEMENT COMMITTEE</b>	
Mr. Ravi Vaswani – Managing Director	Chairman
Mr. Yashwant Vaswani – Whole-time Director	Member
Mr. Pramod Kumar Vaswani – Whole-time Director	Member

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Ms. Ritu Hardeep Lamba**

<b>INDEPENDENT AUDITORS</b>	<b>COST AUDITORS</b>	<b>SECRETARIAL AUDITORS</b>	<b>INTERNAL AUDITORS</b>
Sunil Johri & Associates Chartered Accountants 110, Wallfort Ozone First Floor Fafadih chowk Raipur (C.G.)-4920010	Sanat Joshi & Associates Cost Accountants " Prem Pourn", Pt. Din Dayal Upadhyay Nagar, Akash Gas Godown Road, P.O. Gudhiary, Raipur – 492 011	SATISH KUMAR BATRA & ASSOCIATES, Company Secretaries, C-501, Ashoka Ratan, PO Shankar Nagar, Raipur (C. G.) 492 007	A SIDDIQUE & ASSOCIATES  Chartered Accountants  1 <sup>st</sup> Floor, Behind Lal Ganga Shopping Mall, Near Modern X-Ray, Raipur CG

## **BANKERS**

State Bank of India (SBI), Raipur	Bank of Baroda (BOB), Raipur	IDBI Bank Limited (IDBI), Raipur
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## **LISTED IN STOCK EXCHANGES**

## **REGISTRAR & SHARE TRANSFER AGENTS**

NATIONAL STOCK EXCHANGE, MUMBAI  BOMBAY STOCK EXCHANGE, MUMBAI	Link Intime India Private Limited  C-13, Pannalal Silk Mills Compound  LBS Marg, Bhandup (w)  Mumbai – 400 078
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## **REGISTERED OFFICE**

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

## **CHAIRMAN'S STATEMENT**

The year 2015-2016 was challenging year for companies who are in Iron & Steel Manufacturing and your Company was no exception. In recent years, the global steel industry has been impacted by significant falling spreads between steel prices and raw material prices. Some of these issues are structural as the world is readjusting to lower commodity prices and slow growth. As the world adjusts to structurally lower commodity prices for a longer period of time, consolidation of the steel industry would remain a key theme, especially in geographies where the demand is unlikely to grow structurally in the near future. It is important for national governments to ensure a balanced level in spreads of steel prices. Orders already awarded were generally progressing slowly due to various continuing problems on ground, which remain unresolved over the years leading to cost escalations which remain unpaid. We have seen significant increase in levies, duties and regulatory costs in the mining sector in India in the recent years and also infrastructural challenges especially in logistics. If this trend continues in the future, it will seriously impact the long term attractiveness for investments in the steel manufacturing sector

A lot of hopes from the new Government to bring about much needed policy initiatives and systemic changes which alone would have brought the required equilibrium followed by growth trajectory. Regrettably, these have not so far been rolled out with the required speed and the problems continue festering.

Year Under Review - The total sales of current year was Rs. 23750.89 lacs as compared to Rs. 25481.33 lacs in previous year. The sales showed a decline of 7.29%. The material cost during the current year was Rs - 15087.66 lacs as compared to Rs 16690.29 lacs in previous year. The raw material consumption has decreased by 10.62%. Manufacturing expenses during the current year were Rs. 3643.10 lacs where as during the previous year were Rs. 3120.44 lacs. These expenses increased by 16.75% as compared to last year. Employees Remuneration & benefits during the current year was Rs. 399.22 lacs as compared to Rs. 334.96 lacs in previous year. These expenses increased by 19.18% as compared to last year. Administrative & other Expenses during the current year was Rs. 202.60 lacs as compared to Rs. 370.10 lacs in previous year. These expenses decreased by 82.67% as compared to last year. Depreciation during the current year was Rs.637.94 lacs as compared to Rs.648.39 lacs the previous year. During the current year it decreased by 1.64%. The current year Profit after tax was Rs. 115.53 lacs as compared to previous year of Rs. 115.06 lacs.

During the year 2015-2016 there is minimal growth in profit and we would like to thank our strategic employees, bankers and all stakeholders for their support and the faith reposed in us during these tough times and we assure all that we will work towards our goal with renewed and dedicated commitment.

***RAVI VASWANI***

***CHAIRMAN***

## OUR COMPETITIVE STRENGTHS

<p><i>Management Expertise</i></p> <p>Our Promoters are engaged in trading &amp; steel manufacturing business for more than two decades. Our promoters, over the years, have gained experience in setting up and operating integrated steel plants. The established position of the Company and the Group Companies in the local markets has also resulted in an established customer base and a supplier network in Uttaranchal, Chhattisgarh, Maharashtra, and Madhya Pradesh. In addition to our Promoters, we have a professionally managed team with technical experts in respective fields.</p>	<p><i>Business Strategy</i></p> <p>The key components of our strategy to drive profitable growth and to maximize value are to continuously enhance customer satisfaction, attract &amp; retain qualified employees, maintain stringent standards of environmental safety and corporate responsibility. Keeping in view the above, our Company has been able to devise certain strategies to take the advantage of the growing Iron &amp; Steel Industry, as described below:</p>		
<table border="1"> <tr> <td data-bbox="139 562 321 1052"> <p>Mr. Ravi Vaswani</p> </td> <td data-bbox="326 562 751 1052"> <p>is the Managing Director of our company. He is a Commerce Graduate by qualification and is a founder of Vaswani Group. He has an experience of steel business for more than 3 decades. As he entered this Industry at an early age and has been engaged in the manufacturing of C.I. Castings and Trading of Pig Iron &amp; Scrap. He has achieved extensive knowledge in trading and marketing of sponge iron, steel billets/ingots and responsible for the day to day operations of our company</p> </td> </tr> </table>	<p>Mr. Ravi Vaswani</p>	<p>is the Managing Director of our company. He is a Commerce Graduate by qualification and is a founder of Vaswani Group. He has an experience of steel business for more than 3 decades. As he entered this Industry at an early age and has been engaged in the manufacturing of C.I. Castings and Trading of Pig Iron &amp; Scrap. He has achieved extensive knowledge in trading and marketing of sponge iron, steel billets/ingots and responsible for the day to day operations of our company</p>	<p><i>Sales and Marketing</i></p> <p>The sales and marketing strategy is based on building upon strengths and results already achieved. Accordingly, our strategy is to consolidate our position in Chhattisgarh and penetrate in other Northern, Western and Eastern parts of the country. In parallel, we also strive to build credible partnerships as an entry strategy and build on the same for a full-scale penetration in future.</p> <p><i>Continued focus on consistently meeting quality standards</i></p> <p>We have acquired high reputation with our suppliers, as one who can consistently supply quantity without compromising on the quality and delivery schedules. We intend to continue to focus on this.</p>
<p>Mr. Ravi Vaswani</p>	<p>is the Managing Director of our company. He is a Commerce Graduate by qualification and is a founder of Vaswani Group. He has an experience of steel business for more than 3 decades. As he entered this Industry at an early age and has been engaged in the manufacturing of C.I. Castings and Trading of Pig Iron &amp; Scrap. He has achieved extensive knowledge in trading and marketing of sponge iron, steel billets/ingots and responsible for the day to day operations of our company</p>		
<table border="1"> <tr> <td data-bbox="139 1058 321 1314"> <p>Mr. Pramod Vaswani</p> </td> <td data-bbox="326 1058 751 1314"> <p>is the Whole Time Director of our company. He is Master in Commerce. He is also one of the founder of Vaswani Group. He has widespread experience in trading of Iron &amp; steel and has been instrumental in the establishment of the Sponge Iron unit.</p> </td> </tr> </table>	<p>Mr. Pramod Vaswani</p>	<p>is the Whole Time Director of our company. He is Master in Commerce. He is also one of the founder of Vaswani Group. He has widespread experience in trading of Iron &amp; steel and has been instrumental in the establishment of the Sponge Iron unit.</p>	<p><i>Mix of Organic and Inorganic Models of Growth</i></p> <p>Our strategy so far has been of organic growth. At this stage of our business, we believe that a combination of organic and inorganic models will help us continue to grow.</p>
<p>Mr. Pramod Vaswani</p>	<p>is the Whole Time Director of our company. He is Master in Commerce. He is also one of the founder of Vaswani Group. He has widespread experience in trading of Iron &amp; steel and has been instrumental in the establishment of the Sponge Iron unit.</p>		
<table border="1"> <tr> <td data-bbox="139 1320 321 1751"> <p>Mr. Yashwant Vaswani</p> </td> <td data-bbox="326 1320 751 1751"> <p>is the Whole Time Director of our company. He is an under graduate (Commerce) , though yet he has extensive experience. He entered the family business with his father Mr. Ravi Vaswani in his proprietorship firm named M/s Kwality Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day operation of the same.</p> </td> </tr> </table>	<p>Mr. Yashwant Vaswani</p>	<p>is the Whole Time Director of our company. He is an under graduate (Commerce) , though yet he has extensive experience. He entered the family business with his father Mr. Ravi Vaswani in his proprietorship firm named M/s Kwality Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day operation of the same.</p>	<p><i>Training and Motivating Our Work Force</i></p> <p>Our Company continue with its policy of training of the work force with adequate product knowledge, market knowledge and above all the application of knowledge to the Industry. Our Company always keeps its focus on narrowing the hierarchy for free and transparent two-way communication between management and employees for better exchange of ideas, views and opinions for maintaining good competitive work atmosphere at all levels.</p>
<p>Mr. Yashwant Vaswani</p>	<p>is the Whole Time Director of our company. He is an under graduate (Commerce) , though yet he has extensive experience. He entered the family business with his father Mr. Ravi Vaswani in his proprietorship firm named M/s Kwality Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day operation of the same.</p>		
<p><i>Cordial Relationship between management and labour</i></p> <p>We enjoy cordial relations with our employees and there is no union of employees. Further,</p>	<p><i>Our Vision</i></p> <p>Our vision is to make VIL a trusted brand name by creating a distinct status for ourselves in the Integrated Steel business by:</p>		

<p>there have been no strikes, lock-out or any labour protest in our Company since its incorporation.</p>	<p>Driving growth through both organic &amp; inorganic initiatives. Keeping shareholders' interests at the core of business and put customer satisfaction on top of the agenda.</p>
<p><i>Expected High Operating Efficiency</i></p> <p>The Company's steel plant is fully integrated. The sponge iron manufactured by us is used as raw material to manufacture Mild Steel Billets/Ingots. Thus, the finished product of one unit acts as a raw material for the other unit. The current power capacity is feeding the power requirement of our Company and as well as the surplus is being sold to the private power companies as well as State Electricity Board. Due to integration, our company as a whole can reduce its cost of production and achieve better profitability. Our company can sustain/absorb adverse market situation during cyclical recession. The steel industry is highly power-intensive and captive power generation plant, which has low cost per unit, is leading to significant cost saving.</p>	<p>Business Model</p> <ul style="list-style-type: none"> <li>❖ Key Activities: Mild Steel Billets/ Ingots manufacturer</li> <li>❖ Key Resources: Sponge Iron, Captive Power Plant</li> <li>❖ Customers Relationship: Product excellence, on time delivery and customer services</li> <li>❖ Channels: Government authorities, Semi-government authorities</li> <li>❖ Cost structure: Based on Government Rules and Regulations</li> </ul>
<p><i>Captive Power Plant</i></p> <p>Power is an important factor in every manufacturing facility. Considering the power requirements of our existing manufacturing facilities, our Company has increased the generation capacity from 7.5 MW to 11.5 MW from Waste Heat Recovery Boiler to meet the present requirement of power as well as to sale the surplus through private power companies and SEB. Captive power plant will give us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring complete utilization of our capacities.</p>	

## **NOTICE OF ANNUAL GENERAL MEETING**

**THIRTEENTH ANNUAL GENERAL MEETING** of Vaswani Industries Limited will be held at 03:00 P. M. on Monday, the 26<sup>th</sup> September, 2016 at MIG-4, Indrawati Colony, Raipur, Chhattisgarh to transact the following business:

### **ORDINARY BUSINESS:**

- 1: To receive, consider and adopt audited Statement of Profit and Loss for the year 2015-16, Balance Sheet and the Directors' Report for the year ended 31<sup>st</sup> March 2016, and the Report of the Independent Auditors thereon.
- 2: To re-appoint Shri Pramod Vaswani, Whole-time Director of the Company, in terms of Section 152(6) of Companies Act, 2013 who being eligible offers himself for reappointment.

### **3: Appointment of Statutory Auditors**

To appoint Auditors to hold office for the financial year 2016-17 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s Sunil Johri & Associates, Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Sunil Johri & Associates, Chartered Accountants (ICAI Firm Registration no. 005960C), the retiring Auditors of the Company, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company."

### **4: Appointment of Mr. Lekhuchand T Mulchandani as an Independent Director**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Lekhuchand T Mulchandani (DIN NO.02801146) to be proposed as Non-executive Independent director and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for two consecutive years with effect from the conclusion of the ensuing Annual General Meeting and shall not be liable to retire by rotation."

### **5: Appointment of Mr. Ashok Suri as an Independent Director**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Ashok Suri (DIN NO.00291897) to be proposed as Non-executive Independent director and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and and who is

eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for two consecutive years with effect from the conclusion of the ensuing Annual General Meeting and shall not be liable to retire by rotation.”

#### **6: Appointment of Mr. Pawan Kumar Jha as Director**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: -

“RESOLVED that Mr. Pawan Kumar Jha (DIN: 06812944), who was appointed an Additional Director of the Company with effect from 31<sup>st</sup> March 2016 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

#### **7: Appointment of Mr. Pawan Kumar Jha as Executive Director**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: -

“RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made there under, as amended from time to time, the Company hereby approves of the appointment and terms of remuneration of Mr. Pawan Kumar Jha as the Executive Director of the Company for the period from 31<sup>st</sup> March 2016 to 31<sup>st</sup> March 2020, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Pawan Kumar Jha.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

#### **8: Appointment of Cost Accountants**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Sanat Joshi & Associates Cost Accountants, (ICMAI Firm Registration no. 005960C), residing at Prem Poorna, Pt. Deen Dayal, Upadhyay Nagar, P O Gudiary, Akash Gas Godown Road, Raipur, Chhattisgarh, be and hereby appointed as Cost Auditors of the Company vide board resolution dated 07<sup>th</sup> May, 2016 for auditing the company’s cost accounting records for the financial year 2016-2017 on a remuneration on such remuneration as may be mutually agreed upon between the Board of Directors of the Company.

FURTHER RESOLVED that the aforesaid appointment is as per the order of Central Government, directing cost audit 52/26/CAB/2010 dated 30th June 2010.

FURTHER RESOLVED that necessary application be moved in Form CRA 1 and for submitting cost audit record in CRA-4, under the signature of any one of Mr. Ravi Vaswani, Managing Director or Mr. Yashwant Vaswani, Whole Time Director or Company Secretary of the Company, and to do all such acts as may be necessary and incidental here to.”



## 9: Appointment of Internal Auditor

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 138 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. A Siddiqui & Associates, Chartered Accountants, be and hereby appointed as Internal Auditors of the Company vide board resolution dated 13<sup>th</sup> August, 2016 for the conduct of internal audit of the Company for Financial Year 2016-2017 be and is hereby ratified and confirmed.”

By order of the Board of Directors  
For **Vaswani Industries Limited**  
SD/-  
Ravi Vaswani  
(Chairman & Managing Director)

Place: Raipur (C.G.)

Date: 29/08/2016

### Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) Register of Members and Share Transfer Book of the Company will remain closed from; 19.09.2016 to 26.09.2016 (both days inclusive).
- 3) Members who are holding Equity shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
- 4) Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
- 5) Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting venue. However, entry to attend the Meeting will be strictly on the basis of the entry slip available at the counters at the venue and to be exchanged with attendance slip.
- 6) Members will not be distributed any gift, compliment or kinds of such nature at the ensuing 13<sup>th</sup> Annual General Meeting of your Company.
- 7) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 8) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 9) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 10) Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.

11) Electronic copy of the Notice of the 13<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 13<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

12) Members may also note that the Notice of the 13<sup>th</sup> Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.vaswaniindustries.in](http://www.vaswaniindustries.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Raipur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com).

15) Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 13<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "Vaswani Industries Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of Vaswani Industries Limited Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com) with a copy marked to [satishbatra6@gmail.com](mailto:satishbatra6@gmail.com).

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders

available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 22<sup>nd</sup> September, 2016 (9:00 am) and ends on 24<sup>th</sup> September, 2016(5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19<sup>th</sup> September, 2016.

VII. Mr. Satish Kumar Batra, Pract. Company Secretary (Membership No. 2875) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report.

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

**Ravi Vaswani**  
(Chairman & Managing Director)

Place: Raipur (C.G.)

Date: 29/08/2016

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### ITEM 3:

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

M/s Sunil Johri & Associates, Chartered Accountants (ICAI Firm Registration no. 005960C), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM). As per the provisions of Section 139 (1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for the appointment of the Statutory Auditors, as per the proposal contained in the Resolution set out at Item No.3 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.3 for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.5 of the Notice.

##### ITEM NO. 4, 5 & 6:

The Board of Directors of the Company ('the Board') at the meeting held on 24<sup>th</sup> August, 2016 on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the appointment of Mr. Lekhuchand T Mulchandani and Mr. Ashok Suri as Independent Directors of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013('the Act') and any amendments thereto or modification thereof, as set out in the Resolutions to their respective appointment.

##### **Mr. Lekhuchand T Mulchandani**

He is an under graduate (Commerce) by qualification. He began his career in the Insurance Industry in 1966 as an advisor and has scaled the career ladder since then. He was the youngest Class I officer in LIC and received various awards as a top performing agency manager. Having travelled extensively he has studied and submitted his notes on all private insurance companies operating in various countries. He has been a speaker at the two prime training institutes in India namely, 'Management Development Centre and 'The National Insurance Academy'. At present, he is running his own institute which imparts training to advisors to insurance companies.

Following are companies in which he is interested:

Sr.No	Name of the Company	Designation
1.	Vaswani Industries Limited CIN: L28939CT2003PLC015964	Independent Director
2.	Space Education and Training Academy Limited CIN: U66010MH2006PLC161429	Director

Except Mr. Lekhuchand T Mulchandani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution

### **Mr. Ashok Suri**

He is a Science Graduate by qualification. He is engaged in the business of trading in Iron & Steel. His experience in the business has been helpful in the operations of our company.

Following are companies in which he is interested:

Sr.No	Name of the Company	Designation
1.	Vaswani Industries Ltd. (CIN- L28939CT2003PLC015964)	Independent Director
2.	Suri Ventures Pvt. Ltd. (CIN- U27106CT2005PTC017669)	Director

Except Mr. Ashok Suri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

### **Mr. Pawan Kumar Jha**

He is B.Com and I.C.W.A (Inter) having experience of over 35 years in the field of accounts. Taking into consideration of the valuable services rendered by him during the past ten years for the company it has been decided at the meeting held on 31st March, 2016 by the Nomination and Remuneration Committee of the Board and the Board of Directors, for appointing him as an Additional Executive Director and subject to the approval of the members of the Company in General Meeting as appointing him as an Executive Director for a further period of five years, with effect from this 13th Annual General Meeting. The remuneration is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V

Following are companies in which he is interested:

Sr.No	Name of the Company	Designation
1.	Vaswani Industries Ltd. (CIN- L28939CT2003PLC015964)	Additional Director
2.	Elite Build Home Limited (CIN U70101C T2010PLC 022062)	Director
3.	C.G. SPONGE MANUFACTURERS CONSORTIUM COAL FIELDS PRIVATE LIMITED (CIN: U01010CT2005PTC017876)	Director

Details of proposed remuneration: Rs. 4.26 lacs (Four Lacs and Twenty-six Thousand) (Basic plus Dearness allowance and inclusive of any other allowance & perquisites).

Except Mr. Pawan Kumar Jha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

ADDITIONAL DISCLOSURE AS PER CLAUSE 49 OF LISTING AGREEMENT AND PURSUANT TO REGULATION 36  
(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

Name of the Director	Mr. Ravi Vaswani	Mr. Pramod Vaswani	Mr. Yashwant Vaswani	Mr. L T Mulchandani	Mr. Ashok Suri	Mrs. Satyawati Parashar	Mr. Sanjay Jadwani	Mr. Pawan Kumar Jha
DIN No.	00308616	01627359	01627408	02801146	00291897	00761009	05139093	06812944
Date of Birth	07.10.1962	01.03.1969	14.11.1985	01.10.1944	07.03.1953	31.12.1977	02.07.1969	08/02/1961
Type of appointment	Chairman & Managing Director	Whole-time Director	Whole-time Director	Independent Director	Independent Director	Independent Director	Independent Director	Additional Executive Director
Date of Appointment/ Reappointment	14 <sup>th</sup> September 2015	14 <sup>th</sup> September 2015	14 <sup>th</sup> September 2015	26 <sup>th</sup> September 2016	26 <sup>th</sup> September 2016	14 <sup>th</sup> September 2015	14 <sup>th</sup> September 2015	26 <sup>th</sup> September 2016
Areas of Specialization	Entrepreneur, Management, trading and marketing of sponge iron and steel billets/ingots	Management, trading and marketing of sponge iron and steel billets/ingots	Trading and marketing of sponge iron and steel billets/ingots	Businessperson	Businessperson	Businesswoman	Businessperson	Service
Qualifications	Commerce Graduate	Commerce Graduate	Under Commerce Graduate	Commerce Graduate	Science Graduate	MA (Hindi)	Commerce Graduate	Bcom & ICWA (Inter)
No. of Shares Held in the Company	3942300	3969860	2190840	Nil	Nil	Nil	Nil	Nil
Relation with Key Managerial Personnel and Directors	Brother of Mr. Pramod Vaswani & father of Mr. Yashwant Vaswani	Brother of Mr. Ravi Vaswani	Son of Mr. Ravi Vaswani	NIL	NIL	Nil	Nil	Nil
Remuneration	Rs. 11.40 Lacs	Rs. 7.60 Lacs	Rs. 4.56 lacs	NIL	NIL	NIL	NIL	Rs. 4.26 lacs

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

**Ravi Vaswani**  
(Chairman & Managing Director)

Place: Raipur (C.G.)  
Date: 29/08/2016

## **DIRECTORS' REPORT**

The Directors take pleasure in presenting the Thirteenth Annual Report on the business and operations of the company and its financial results for the year ended 31<sup>st</sup> March, 2016.

### **FINANCIAL RESULTS**

Financial Results of the Company for the financial year ending 31<sup>st</sup> March 2016 are summarized below for your consideration:

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
REVENUE FROM OPERATIONS	23750.89	25481.33
PROFIT BEFORE INTEREST AND DEPRECIATION	1668.91	1821.23
INTEREST	894.73	1063.77
DEPRECIATION	637.94	648.39
PROFIT BEFORE TAX & PRIOR PERIOD ADJ.	136.24	109.09
PRIOR PERIOD ADJUSTMENT	0	0.00
NET PROFIT BEFORE TAX	136.24	109.09
PROVISION FOR TAXES	20.71	(5.97)
NET PROFIT AFTER TAX	115.53	115.06
TRANSFER TO GENERAL RESERVE	11.55	11.51
TRANSFER TO PROFIT & LOSS ACCOUNT	103.97	103.55

### **PERFORMANCE REVIEW**

During the year under review, our Company has achieved sales revenue of Rs. 115.53 lacs as thereby registering a marginal increase of 0.41% over the previous year. However, the company has gained profit in the recent year due to increase in sales volume and minimized the cost of the raw material, stores and consumables, fuel and power cost. It is significant to note that the directors have fulfilled their assurance given in the last year's report of improving the situation and bring the profit in the current year.

### **FUTURE PROSPECTS**

Barring any unforeseen circumstances, the company hopes not only to maintain its current level of operations but to make a significant improvement thereon.

### **SAFETY**

The company continues to adopt safety measures to protect the health of workers. Company has complied with the measures to be taken regarding hazards or risks to safety and health from the production of iron and steel, including appropriate standards, codes and guidelines as prescribed, approved or recognized by the competent authority.

The Company is properly maintaining its workplaces, plant, equipment, tools and machinery, and also organizes work in such a manner so as to eliminate and control hazards and risks in the production of iron and steel, which is in consistent with national laws and regulations.

The Company in consultation with workers and their representatives, looks after:

- (i) assessment of the hazards and risks to the safety and health of workers arising from the production of iron and steel,
- (ii) effective use of the information provided by the supplier of equipment or materials and from other reasonably available sources; and
- (iii) measures to reduce exposure to eliminate or control risks to safety and health identified in the above risk assessment.

## **POLLUTION CONTROL MEASURES**

The company has installed Waste Heat Recovery Boilers (WHRB) equipped with 3 kilns 100 X 3 MT per day capacity, which helps to generate 11.5 Mw power/hour preventing the waste, heat and fumes to dilute in the atmosphere. Emission Stream Pre-treatment (ESP) machines are implemented to filter the gases from the all the chimneys of the industry. Plantation is a vivacious step taken by the company to cover most of the area near the industry.

## **DIVIDEND**

With a view to conserve the liquid resources and to strengthen the financial position of the Company, Board of Directors have decided not to recommend any dividend for the financial year ended 31<sup>st</sup> March 2016.

## **LISTING**

The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is duly complying with Listing Agreement from time to time.

## **CONSERVATION OF ENERGY & TECHNICAL ABSORPTION & FOREIGN EXCHANGE EARNING OUTGO**

In accordance with the requirements of section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, a statement showing the information relating to the Conservation of Energy, Research and Development, Technology absorption and foreign exchange earnings and is enclosed in Form- A and should be treated as a part of this report.

## **PROVISION FOR TAX**

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

## **PERSONNEL**

No employee was in receipts of remuneration exceeding the limits set out under Section 134 of the Companies Act, 2013.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Company has been practicing good Corporate Governance over the time. In addition to basic governance issue the board lays strong emphasis on transparency, accountability and integrity for building investor confidence, improving investor's protection and maximizing long-term shareholder value.

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the followings form part of this Annual Report:

- (i) Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management personnel;
- (ii) Management Discussion and Analysis;
- (iii) Report on the Corporate Governance;
- (iv) Auditors' Certificate regarding compliance of conditions of Corporate Governance.

## **INDUSTRIAL RELATIONS:**

Industrial relations in the company during the year were peaceful, cordial and healthy. Company had been able to maintain peaceful industrial atmosphere and mutual trust between the management and the employees.

## **PUBLIC DEPOSITS**

The Company has not accepted Public Deposit within the meaning of Section 73 of the Companies Act, 2013 after complying necessary formalities. There are no overdue or unclaimed deposits.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 134 (5) of the Companies Act 2013, with respect to Directors, Responsibility Statement, it is hereby confirmed that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had 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 the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **SECRETARIAL AUDIT**

Secretarial Audit Report as per Section 204 of Companies Act 2013 is placed as annexure to this report. No adverse comments have been made in the said report by the Practising Company Secretary.

## **ANNUAL RETURN**

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 duly certified by the Practising Company Secretary is annexed hereto and forms part of this report.

Further the Disclosure in the Board Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 is also annexed hereto and forms part of this report.

## **COST AUDIT COMPLIANCE**

Pursuant to Sec. 209 (1) (d) of the Companies Act, 1956, Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2015 was submitted to the Central Government on 29<sup>th</sup> January, 2016.

## **DECLARATION - INDEPENDENT DIRECTORS**

The Board of Directors declare that the Independent Directors Mr. Lekhu T Mulchandani, Mr. Ashok Suri, Mr. Sanjay Jadwani & Mrs. Satyawati Prashar are :

- (a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- (b) (i) who were or were not a promoter of the company or its holding, subsidiary or associate company
- (ii) who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- (c) Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) Who, neither himself nor any of his relatives -
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;
- (ii) is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
- (A) a firm of auditors/company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;



(iii) holds together with his relative two per cent, or more of the total voting power of the company; or  
(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;  
or  
(f) who possesses such other qualification as may be prescribed.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Your company has not directly or indirectly

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- b) given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

### **RELATED PARTY TRANSACTIONS**

A detailed report on contracts and arrangements made during the year 2015-16, being arm's length transactions have been mentioned in form AOC-2 annexed hereto in this report.

### **RISK MANAGEMENT POLICY IMPLEMENTATION**

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. The Risk Management Policy is being displayed on our website [www.vaswaniindustries.com](http://www.vaswaniindustries.com).

### **CORPORATE SOCIAL RESPONSIBILITY (CSR )**

Discharging Corporate Social Responsibility (CSR) is now statutorily recognized in India. Section 135 of companies Act, 2013 specifies that:

Every company having net worth of Rs 500 crore or more, or turnover of Rs 1000 crore or more, or net profit of Rs 5 crore or more during any of the three preceding financial years (as per circular no. 21/2014 dated June 18, 2014) should spend, in every financial year, at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years.

Here our company is not covered by the condition mentioned above.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE ( PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has been employing about 6 women employees in various cadres within the factory premises. The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman & Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

### **DIRECTORS**

In accordance with the Companies Act, 2013, Mr. Pramod Vaswani retires by rotation and being eligible offers himself for reappointment. Mr. Sanjay Jadwani, has been appointed as independent director till the conclusion of the annual general meeting for the year ended 2020. Mrs. Saraswati Prashar, has been appointed as independent director till the conclusion of the annual general meeting for the year ended 2017. Mr. Ashok Suri and Mr. Lekhuchand Mulchandani was appointed as Independent Directors as per provisions of Companies Act, 2013, their directorship has been extended for further two years. Mr. Ravi Vaswani , Managing Director and Mr. Yashwant Vaswani, Whole-time Director, will hold directorship till the conclusion of the annual general meeting for the year ended 2020. Mr. Pawan Kumar Jha, Aditonal Director appointed vide Board Resolution dated 31<sup>st</sup> March 2016, is being proposed for appointing his as Executive Director.

## **AUDITORS**

The Auditors, M/s Sunil Johri & Associates, Chartered Accountants, Raipur will retire at the conclusion of the ensuing Annual General Meeting and they being eligible, have offered themselves for reappointment. The Company has received letter from the auditor to the effect that their re-appointment, if made, would be within the prescribed limits under Section 139 & 142 of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

The Board had appointed M/s. Sanat Joshi & Associates, Raipur as Cost Auditors for the year 2016-2017 pursuant to Section 148 of the Companies Act 2013. The Company has received letter from the Cost Auditor to the effect that their appointment and re-appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 148 read with section 139 and section 141 of the said Act.

## **AUDITORS QUALIFYING REMARKS**

The notes to the accounts are self explanatory in respect of remarks of the auditors appearing in their report.

## **INTERNAL AUDITORS**

Under Section 138 read with the Rule 13 of the Companies (Accounts) Rule, 2014, M/s. A Siddiqui & Associates, Chartered Accountants is appointed as internal auditor of the company with effect from the date of ensuing Annual General Meeting.

## **ACKNOWLEDGEMENT**

The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/contractors, bankers, employees, government agencies, local authorities, and the immediate society for their un-stinted support and co-operation during the year.

For and on behalf of the Board of Directors

Raipur, 30<sup>th</sup> May 2016

**Ravi Vaswani**  
(Chairman & Managing Director)

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. I confirm that the Company has in respect of the financial year ended March 31, 2016, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them. The code of conduct is displayed in our website [www.vaswaniindustries.com](http://www.vaswaniindustries.com)

For and on behalf of the Board of Directors

Raipur, 30<sup>th</sup> May 2016

**Ravi Vaswani**  
(Chairman & Managing Director)

## **ANNEXURE TO THE DIRECTOR'S REPORT**

Statement as required under Section 134 of the companies Act, 2013 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988. As per Companies (Particulars of Employees) Amendment Rules, 2011 no employee is drawing Rs. 60 lacs p.a. or Rs. 5 lacs p.m. Information as per Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1988

### **A. CONSERVATION OF ENERGY**

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

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>I) POWER &amp; FUEL CONSUMPTION:</b>		
1. Electricity		
a. Purchased		
Total units	8999120	7611800
Total Amount (In Rs.)	33296744	28163660
Rate / Unit (In Rs.)	3.70	3.70
b. Own Generation		
Through Diesel Generation (Ltrs)	0	0
Unit per Ltrs of Diesel Oil	0	0
Rate / Unit per Ltrs (in Rs.)	0	0
<b>2. Coal (Specify quantity and where used)</b>		
Quantity (In MT)	98506.840	88985.876
Total Cost (In Rs.)	344440868	305393843
Average Rate (In Rs.)	3496.62	3431.94
<b>II) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production of Sponge Iron (In MT.)	71950.530	59943.090
Electricity (In Unit)	125.07	126.98
Coal (In MT)	1.37	1.48

### **B TECHNOLOGY ABSORPTION**

1.	Efforts made in brief towards Technology Absorption, Adaption and Innovation	Fully Indigenous
2.	Benefits derived as result of above efforts. eg: product development etc.	Quality improvement
3.	In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) Following information may be furnished: a) Technology imported b) Year of import c) Technology has been fully absorbed and if not absorbed areas where this has not taken place reasons thereof and future.	NIL } NOT APPLICABLE

### **C FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year 2011, the Company has acquired a Foreign Currency Term Loan of \$20 lacs on which interest of Rs. 7120480 is paid which is charged in Profit & Loss A/c.

For and on behalf of the Board of Directors

Raipur, 30<sup>th</sup> May 2016

**Ravi Vaswani**  
(Chairman & Managing Director)

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India's economic growth is contingent upon the growth of core sectors which include the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly used in engineering industries such as power generation, petrochemicals and fertilizers.

Our company is engaged in integrated business of manufacture of Sponge Iron, Steel Billets & Ingots and power generation, the production facilities are currently located in Sondra village, Raipur.

### OPPORTUNITIES AND THREATS

#### OPPORTUNITIES

Growth in the steel demand has strong correlation with growth in GDP of nation. The Indian economy was expected to grow at a spectacular growth rate of 9% of GDP; but unfortunately the same did not happen. As a result, the steel demand is unlikely to grow at the expected pace. The demand for sponge iron in medium term shall be at healthy level due to closure of many sponge iron plants for want of iron ore. Steel through induction furnace route is set to reduce. Consequently merchant sponge iron suppliers will be under pressure on account of market demand. The company therefore has vision to shift focus to steel making from present sponge making only.

The important policy measures which have been taken over the years for the growth and development of the Indian iron and steel sector are as under:-

(i) Currently, the import duty on steel items from existing 5% to 10%. The import duty on raw materials like melting scrap, coking coal, met coke is NIL and between 2 to 5 percent for other raw materials such as Zinc, Iron Ore and Ferro Alloys. There is no export duty on any steel item. However, Government has imposed ad-valorem export duty of 30 per cent on iron ore lumps in order to conserve the mineral for long term requirement of the domestic steel industry.

(i) Excise duty for steel is currently at 12 per cent.

(iii) To ensure sufficient domestic availability and curb the rising price of hot-rolled coils in the domestic market, its imports have been freed by the government.

(iv) The National Steel Policy 2005 is being updated to provide a roadmap for Indian Steel Industry's long term growth prospects in view of fast-changing nature of operations, structure and dynamics.

(v) For ensuring quality of steel several items have been brought under a quality control order issued by the Government. The matter to bring more steel items under this order is under examination.

(vi) In order to obtain full picture of the pattern of rural steel consumption in the country, an all India survey was commissioned by the Ministry of Steel. The survey work was coordinated by Joint Plant Committee, Kolkata and the field work was carried out by IMRB International, a leading market research organization. The study report was examined by a high-level Committee appointed by the Ministry of Steel for devising roadmap for implementation of the recommendations of the study, which have submitted its report to Ministry of Steel. Further action as per recommendations of this committee is being taken.

#### THREATS

Cost of Iron ore and coal i.e. the basic raw material has a direct impact on the profitability. Iron ore prices has increased substantially and availability of the required grade has suffered to a great extent due to

various restrictions imposed by the authorities. Coal India's new coal distribution policy and consequent Fuel Supply Agreement has disrupted coal linkages forcing producers to procure more e-auction coal. Coal India has also increased the price of coal substantially.

The cost of iron ore and coal constitute more than 80% of cost of production. Therefore the profitability of the company depends on market price of these raw materials vis-à-vis price of sponge iron. The only way to substantially reduce the cost of iron ore and coal is to have captive mines for these raw materials. The coal block which is under development will meet most of the coal requirements. Delay in starting the mining operations is only due to external factors. Further, the coal linkage has been discontinued forcing the company to procure the required coal through e-auctions of coal India and overseas markets at high cost. The company does not have any iron ore mine.

## **SEGMENT-WISE PERFORMANCE**

The company has three segment iron & steel, power and real estate. The necessary disclosures have been made as per accounting standard 17 on segment reporting in the notes to accounts.

## **OUTLOOK**

The outlook of the company is broadly described in Vision and Mission statements of the Company. Options of shifting focus to steel making, separate power plant at pit head of coal block etc. are being examined to optimize the revenue in future.

## **OVERVIEW OF THE COMPANY AND ITS PROJECT**

Vaswani Industries Ltd. was incorporated under the Companies Act, 1956 on July 22, 2003 with the Registrar of Companies, Madhya Pradesh and Chhattisgarh and obtained Certificate of Business Commencement on February 10, 2004. The company was established with the object of manufacturing of Sponge Iron, Steel Billets and captive Power Generation. We are presently engaged in integrated business of manufacturing Sponge Iron, Steel Billets & Ingots and power generation.

Our company belongs to Vaswani Group of companies which has interest in iron & steel since past two decades. The developments of the Company are as under:

(i) Our company has manufacturing facilities in an industrial area at Sondra village, 14 km from Raipur railway station. Our company installed first kiln of 1x100 TPD sponge iron in the year 2004-05 and over the period of time enhanced the total capacity of sponge iron to 3 x 100 TPD.

(ii) Has installed three Induction Furnaces with a capacity of 36000 MT for manufacturing of Steel Billets & Ingots utilizing in-house production of Sponge Iron.

(iii) Commenced power generation of 7.5 MW in the year 2007-08 (5 MW from Waste Heat Recovery Boiler (WHRB) and 2.5 MW from Coal) for captive consumption. Our power generation capacity was enhanced to 11.5 MW (9 MW from WHRB and 2.50 MW from Coal) during the year 2010-2011. In the year 2009, our company started selling surplus power generated to private power companies and others as well as State Electricity Board namely Chhattisgarh State Electricity Board.

Since inception, Vaswani Industries Limited, under the guidance of experienced Promoters and Directors, has responded to changing economic conditions and new market opportunities through vertical integration and periodic restructuring. Company's management firmly believes in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship. Company draw its strength from an age old tradition of reliable customer service and quality products.

## **FINANCIAL PERFORMANCE OF THE COMPANY**

- *Sales*  
The total sales of current year 2015 - 2016 is Rs. 23750.89 lacs as compared to Rs. 25481.33 lacs in previous year 2014 - 2015. The sales has showed a decline of 7.29%.

- *Consumed Material Cost*  
The material cost during the current year 2015 - 2016 is Rs 15087.66 Lacs as compared to Rs 16690.29 Lacs in previous year 2014 - 2015. The raw material consumption has decreased by 10.62%.
- *Manufacturing Expenses*  
Manufacturing expenses during the current year 2015 - 2016 is Rs. 3643.10 Lacs where as during the previous year 2014 - 2015 is Rs. 3120.44 Lacs. These expenses have increased by 16.75% as compared to last year.
- *Employees Remuneration & Benefits*  
Employees Remuneration & benefits during the current year 2015 - 2016 is Rs. 399.22 Lacs as compared to Rs. 334.96 Lacs in previous year 2014 - 2015. These expenses have increased by 19.18% as compared to last year.
- *Administrative & Other Expenses*  
Administrative & Other Expenses during the current year 2015 - 2016 is Rs. 202.60 Lacs as compared to Rs. 370.10 Lacs in previous year 2014 - 2015. These expenses have decreased by 82.67% as compared to last year.
- *Depreciation*  
Depreciation during the current year 2015 - 2016 was Rs.637.94 Lacs as compared to Rs.648.39 Lacs the previous year 2014 - 2015. During the current year it decreased by 1.64%.
- *Profit after tax*  
The current year has Profit after tax Rs. 115.53 Lacs as compared to previous year 2014 - 2015 was Rs. 115.06 Lacs. During the current year there is minimal growth in profit.

## **COMPETITION**

The Company faces stiff competition from medium and larger well-established players. The Company is smaller in size compared to the market leaders. However with capital expenditure in the project of the company it intends to make it good and face competition more confidently.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, applicable statutes, the Code of Conduct and Corporate policies are duly complied with. The Company has an Audit Committee with majority of Independent Directors as members to maintain the objectivity. The Internal Audit Program is designed in consultation with the Statutory Auditors to ensure accuracy and reliability of accounting data and is monitored by the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of the said recommendations. The Company's internal audit team also carries out extensive audits throughout the year, across all functional areas.

## **PERSONNEL**

Human wealth is the ultimate wealth in for any industry. The Company recognizes this fact and understands that employees are one of the most important sources for sustained growth of any business. Quality personnel delivering their optimum potential for the organization is the key differentiator. The Company maintained good relations with its employees and there was no unrest in the Company.

## **CAUTIONARY STATEMENT**

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, govt. regulations, economic development within/outside country etc.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2015-2016

### i) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations. We at Vaswani Industries Limited, are committed to good corporate governance and its adherence to the best practices of true spirits at all times.

### ii) BOARD OF DIRECTORS

As on 31st March, 2016, the Company's Board consists of Eight Directors having considerable professional experience in their respective fields. Out of them Four are Non- Executive Independent Directors which includes one Woman Director and other Four are Executive Directors including one Chairman and Managing Director , two Whole-time Directors who are the promoters of the Company and one Additional Executive Director appointed on 31.03.2016. The Composition of the Board is in Conformity with clause 49 of Listing Agreements with Stock Exchanges and as per Companies Act,2013 which is effective as on 31st March, 2016.

None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below in Table – 1, Table – 2, Table – 3 and Table – 4 :

TABLE 1  
As on March 31, 2016

SNo	NAME OF DIRECTOR	CATEGORY	Number of shares	NO. OF OTHER DIRECTORSHIP	NO. OF OTHER COMMITTEE MEMBERSHIP/ CHAIRMANSHIP HELD*
1	Mr. Ravi Vaswani	Chairman & Managing Director	3942300	9	4
2	Mr. Pramod Vaswani	Whole Time Director	3969860	5	1
3	Mr. Yashwant Vaswani	Whole Time Director	2190840	4	1
4	Mr. Lekhu Thadaram Mulchandani	Independent Director	Nil	1	3
5	Mr. Ashok Suri	Independent Director	Nil	1	3
6	Mr. Sanjay Jadwani	Independent Director	Nil	1	1
7	Mrs. Satyawati Parashar	Independent Director	Nil	2	-
8	Mr. Pawan Kumar Jha	Additional Director	Nil	2	1

TABLE  
As on March 31, 2016

Number of Board Meetings held

The dates on which Meetings of the Board of Directors were held and the number of Directors presents in each meeting are given in table below:

S. no.	Date of Meeting	Board Strength	No. of Directors present
1.	16.04.2015	7	7
2.	30.05.2015	7	7
3.	12.08.2015	7	7
4.	13.11.2015	7	7

5.	25.11.2015	7	5
6.	02.03.2016	7	7
7.	13.02.2016	7	6
8.	31.03.2016	8	8

The maximum time gap between any two meetings was not more than 3 (three) calendar months.

TABLE

As on March 31, 2016

3

Attendance of directors at (i) Board Meeting and (ii) Annual General Meeting

S. No.	Name Of Directors	No. Of Board Meetings Attended	Attendance At The Last AGM
1	Mr. Ravi Vaswani	7	YES
2	Mr. Pramod Vaswani	7	YES
3	Mr. Yashwant Vaswani	7	YES
4	Mr. Lekhu Thadaram Mulchandani	7	YES
5	Mr. Ashok Suri	6	YES
6	Mr. Sanjay Jadwani	6	YES
7	Mrs. Satyawati Prashar	6	YES
8.	Mr. Pawan Kumar Jha	1	NO

TABLE

As on March 31, 2016

4

Independent Directors Meeting

Sr.No.	Dates of Meeting	Committee Strength	No. of members Present
1	02.03.2016	4	4

iii) ROLE OF DIRECTORS

Your Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company and in the creating of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As part of its function, your Board periodically reviews all the relevant information which is required to be placed before it pursuant to Clause 49 of the Listing

Agreement and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board not only monitors the Company's overall corporate performance it also set standards of corporate behaviour, ensures transparency in corporate dealing and compliance with the laws and regulations.

Agenda of the Board Meeting and Notes on Agenda are circulated to the Directors as far as possible well in advance of each Board Meeting. At the Board meeting elaborate presentations are made to the Board. The members discuss each agenda item freely in detail.

iv) OTHER COMMITTEES AT BOARD LEVEL

a) Audit Risk Management & Vigil Committee

The Audit Committee at the Board level of your Company acts as a link between the Independent Auditors, Internal Auditors, the Management and the Board of Directors and oversees the financial reporting process. The Audit committee interacts with the Internal Auditors, Independent Auditors, Secretarial Auditors and Cost Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

In general the Audit Committee reviews the Audit and internal control procedures, accounting policies and the Company's financial reporting process and ensure that the financial statements are correct, sufficient and credible and exercises the powers as recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013. Further your Audit Committee also reviews the following information mandatorily:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses if any issued by the statutory auditors;



4. Internal Audit report relating to internal control weaknesses, if any and implementation of action points arising there from and
5. The appointment, removal and terms of remuneration of the Internal Auditors
6. Quarterly and annual financial statements and
7. Risk assessment and minimization procedures

Composition – The Audit Committee of the Board of Directors is presently comprised of one executive Director and three Independent Directors. The Audit Committee comprises of following Directors:

<b>Name of Members</b>	<b>Designation</b>	<b>Nature of directorship</b>
Mr. Lekhu T Mulchandani	Chairman Independent	Non-Executive Director
Mr. Sanjay Jadwani	Member Independent	Non-Executive Director
Mr. Ashok Suri	Member Independent	Non-Executive Director

The committee met four times during the year 2015-2016 and the attendance of the members at these meetings was as follows:

<b>SN</b>	<b>Date of Meeting</b>	<b>Committee Strength</b>	<b>No. of members present</b>
1	30.05.2015	3	3
2	12.08.2015	3	3
3	13.11.2015	3	3
4	13.02.2016	3	3

The Functioning and terms of reference of the Audit Committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and Listing Agreements with the Stock Exchanges as are in force/ applicable from time to time.

#### b) Nomination and Remuneration Committee

In compliance of Section 178 of Companies Act, 2013 the Board renamed the Remuneration committee as "Nomination and Remuneration Committee". Your Board has re-constituted the Nomination and Remuneration Committee which now comprises of Mr. Lekhu T Mulchandani, Independent Director as Chairman, Mr. Ashok Suri, Independent Director and Mr. Sanjay Jadwani, Independent Director as members. The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The Committee met on 13.11.2015, 13.02.2016 and 31.03.2016 and reviewed the performance of the Directors both Non- Executive and Executive Directors and also the senior managerial personnel including Key Managerial personnel during the year.

#### c) Stakeholders Relationship Committee

In compliance with the provisions of Listing agreement and Section 178 of Companies Act, 2013, your company re-constituted this committee as "Stakeholders Relationship Committee". This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization/rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggests measures for improvement from time to time.

The Committee comprises of Mr. Pramod Vaswani, Whole-time Director as Chairman and Mr. Ravi Vaswani, Chairman & Managing Director as member. During the year under review the committee met on 30.05.2015, 12.08.2015, 13.11.2015 and 31.03.2016 on various matters referred above. Ms. Ritu Hardeep Lamba,

Company Secretary, being Compliance Officer acts as Secretary to the Committee to discharge the function of the Committee and to place a report at each Board meeting on matters dealt by the committee each quarter. During the year three Complaints were received out of which all seven complaints were disposed off to the satisfaction of the Shareholders. As on 31st March, 2016 no complaints remained unattended/pending more than thirty days. The company has no share transfers/transmission pending as on 31st March, 2016.

#### d) Risk Management Committee

The Committee comprises of Mr. Ravi Vaswani, Managing Director, Mr.Pramod Vaswani, Whole-time Director and Mr. Yashwant Vaswani, Whole-time Director as member. During the year under review the committee met on 13.11.2015 and 31.03.2016 on various matters referred above. Evaluation of Business Risk and managing the risk has always been an ongoing process in your Company. The Company has set up a robust risk management framework to identify, monitor and minimize risk and also to identify business opportunities. The Audit Committee also functions as the Risk Management Committee. The objectives and scope of the BRM committee comprises of an oversight of risk management performed by the executive management, review BRM policy and framework in line with local legal frame work and SEBI guidelines and defining framework in identification, assessment, monitoring, mitigation and reporting risks.

#### REMUNERATION OF NON- EXECUTIVE / EXECUTIVE DIRECTORS

Name of the Director	Business relationship with the Company	Salary, benefits, bonus etc paid during the year 2015-16	Commission Due/ paid/payable for 2015-16	Sitting fess(for Board and its committees)
Ravi Vaswani	Chairman & Director	Rs. 11.40 Lacs	NIL	NIL
Pramod Vaswani	Whole-time Director	Rs. 7.60 Lacs	NIL	NIL
Yashwant Vaswani	Whole-time Director	Rs. 4.56 Lacs	NIL	NIL
Lekhu T Mulchandani	Independent Director	-	NIL	NIL
Ashok Suri	Independent Director	-	NIL	NIL
Sanjay Jadwani	Independent Director	-	NIL	NIL
Satyawati Prashar	Independent Director	-	NIL	NIL
Pawan Kumar Jha	Additional Director	Rs. 4.26 Lacs	NIL	NIL

#### v) CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all the members of the Board of Directors and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. The term senior management means personnel of the company who are members of its core management team excluding Board of Directors. Normally this would comprise all members of management one level below the executive directors, including all functional heads.

The code has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them. The code of conduct is uploaded in our website [vaswaniindustries.com](http://vaswaniindustries.com).

Mr. Ravi Vaswani, Chairman & Managing Director and Mr. Pramod Vaswani, Whole-time Director & CFO of the Company have certified to the Board that :

(a) They have reviewed the Financial Statements and the Cash Flow statement for the year and that to the best of their knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading; and
- ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to the financial report and they have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the auditors and the Audit Committee:

- i) significant changes in internal control over financial reporting during the year;

- ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and  
 iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

We hereby confirm that:

"The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2015-16"

**RAIPUR, 30<sup>th</sup> MAY 2016**

**RAVI VASWANI - MANAGING DIRECTOR**

**YASHWANT VASWANI - WHOLE TIME DIRECTOR**

**VI) GENERAL MEETINGS:**

Location, date, time & place of last three year Annual General Meeting and Extra Ordinary General Meeting are given below:

<b>Annual General Meeting (AGM):</b>				
For the year ended	Location	Date	Time	Details of Resolution passed
31.03.2015	MIG-4, Indrawati Colony, Raipur (C.G.)	14.09.2015	3.00 PM	Ordinary & Special
31.03.2014	MIG-4, Indrawati Colony, Raipur (C.G.)	12.09.2014	3.00 PM	Ordinary & Special
31.03.2013	MIG-4, Indrawati Colony, Raipur (C.G.)	26.08.2013	3.00 PM	Ordinary & Special
<b>Extra Ordinary General Meeting (EGM):</b>				
31.03.2016	MIG-4, Indrawati Colony, Raipur (C.G.)	30.03.2016	3.00 PM	Special
During the year ended on March 31,2016, there have been no resolutions passed by the Company's Shareholders by postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to pass by postal ballot.				

**VII) DISCLOSURES**

1. Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large. All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company. The details of related party transactions are disclosed in Note No. 32(b) attached to and forming part of the accounts. Details of RPT in form AOC 2 attached to Board Report may also be referred to.
2. Details of non-compliance by the company, penalties, structures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years. -- None
3. Compliance with Accounting Standards - In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.
4. Compliance Certificate from the auditors - Certificate from the auditors of the company confirming compliance with the mandatory requirements under clause 49 of the listing agreement is annexed to this report. This certificate has also been forwarded to the Stock Exchanges where the shares of company are listed.
5. Adoption of non mandatory requirements under clause 49 and as applicable under Companies Act, 2013 The company complies with the following non-mandatory requirements under clause 49 with reference to Companies Act, 2013 relating to Audit Committee.
6. The company has no subsidiaries.

7. Compliances: There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

8. No significant changes in Accounting Treatment.

9. Remuneration Committee

The Board has constituted a remuneration committee consisting of three director's majority of who are non executive independent directors, the chairman of the committee being an independent director. The remuneration committee recommends/reviews remuneration of the Directors. The Nomination & Remuneration Policy is uploaded in our website [vaswaniindustries.com](http://vaswaniindustries.com).

10. Whistle blower policy

The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect.

The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice. The Whistle Blower Policy is uploaded in our website [vaswaniindustries.com](http://vaswaniindustries.com).

11. Risk Management

Your Company has a comprehensive risk management policy. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through properly defined framework.

The Audit Committee, has been designated by the Board for reviewing the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures are taken in place to minimize the same and thereafter the details are presented to and discussed at the Board meeting. The Risk Management Policy is uploaded in our website [vaswaniindustries.com](http://vaswaniindustries.com).

12. Corporate Social Responsibility (CSR )

Discharging Corporate Social Responsibility (CSR) is now statutorily recognized in India. Section 135 of companies Act, 2013 specifies that - Every company having net worth of Rs 500 crore or more, or turnover of Rs 1000 crore or more, or net profit of Rs 5 crore or more during any of the three preceding financial years (as per circular no. 21/2014 dated June 18, 2014) should spend, in every financial year, at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years. Here our company does not satisfy the condition mentioned above hence CSR is not discharged.

13. Archival Policy

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") requires every Listed Company to make available an Archival policy on the website. In this context, the policy has been framed by the Board of Directors ("Board") of Vaswani Industries Limited ("VIL"/ "Company") and the same can be viewed on our website [vaswaniindustries.com](http://vaswaniindustries.com).

14. Policy on preservation of Documents

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require every Listed Company to formulate a policy on Preservation of Documents which has to be approved by the Board of Directors. In this context, the policy has been framed by the Board of Directors ("Board") of Vaswani Industries Limited ("VIL"/ "Company") and the same can be viewed on our website [vaswaniindustries.com](http://vaswaniindustries.com).

15. Familiarization Program For Independent Directors

VASWANI INDUSTRIES LIMITED has in place a system to familiarize its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. In addition, it also undertakes various measures to update the Independent Directors about the ongoing events and development relating to the Company the same is uploaded in our website [vaswaniindustries.com](http://vaswaniindustries.com).

#### VIII) MEANS OF COMMUNICATION:

a. Financial Results: The quarterly, half yearly and annual results are issued electronically in the stock exchange and posted in its website and are displayed on the website of the Company [www.vaswaniindustries.com](http://www.vaswaniindustries.com).

b. Website: The Company's website "[www.vaswaniindustries.com](http://www.vaswaniindustries.com)" contains sections for the policies, investors where shareholders interest related information is available, financial results/reports etc. The Annual Report of the Company is also available on the website in a downloadable form.

## IX) GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting Date	26 <sup>th</sup> September, 2016 at 3.00 p.m.				
Venue	MIG-4, Indrawati Colony, Raipur (C.G.) (492001)				
Financial Year	01 April 2015 to 31st March 2016				
Book Closure Date	Monday, 19 <sup>th</sup> September, 2016 to 26 <sup>th</sup> September, 2016 (both days inclusive)				
Listed on stock exchange	National Stock Exchange & Bombay Stock Exchange				
Listing Date & Commencement of Trading Date	20th September, 2011 & 24th October, 2011				
Annual Listing fees	Annual Listing fees for the year 2015-16 were duly paid to the above stock exchanges.				
Stock Code	NSE: VASWANI & BSE: 533576				
ISIN	INE590L01019				
Dividend	No dividend recommended by Board of Directors.				
Market price data and performance of the share price of the Company in comparison to BSE Sensex and NSE nifty. The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited	Month	BSE		NSE	
		High	Low	High	Low
	April, 2015	3.70	2.40	3.40	2.50
	May, 2015	3.48	2.31	3.20	2.30
	June, 2015	2.80	2.20	3.30	2.20
	July, 2015	2.90	2.30	2.65	2.20
	August, 2015	2.99	2.50	2.90	2.60
	September, 2015	2.71	2.15	2.65	2.35
	October, 2015	3.42	2.35	2.45	2.25
	November, 2015	4.97	3.30	4.10	2.55
	December, 2015	5.46	3.67	5.35	3.95
	January, 2016	8.40	5.45	8.30	5.20
	February, 2016	8.00	5.68	8.10	5.75
March, 2016	7.82	5.40	7.85	5.60	

X) PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES: NOT APPLICABLE

XI) SHARE TRANSFER PROCEDURE:

Shareholders / Investors Grievance & Share Transfer Committee is empowered to approve transfer. All the transactions related to share transfer, change of address, dividend, share certificate etc., should be addressed to R&T Agent of the Company at the address mentioned in this Annual Report. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company obtained a certificate from a Practicing Company Secretary on half yearly basis, for compliance of share transfer formalities.

XII) DISTRIBUTION OF SHAREHOLDING

i) Shareholding Pattern Category wise as on 31st March, 2016

Category	No. of Shares held	% of holding
Promoters	16154700	56.38
Individual Shareholding – Upto Rs. 2 Lakhs	3035558	10.59
Individual Shareholding – More than Rs. 2 Lakhs	5211613	18.19
Trusts	500	0.00
HUF	630510	2.20
Foreign Individuals or NRI	50086	0.17
Clearing Members	226004	0.79
Bodies Corporate	3345729	11.68
<b>Total</b>	<b>28654700</b>	<b>100.00</b>

ii) Distribution of Share-holding as on March 31, 2016

SHAREHOLDING CATEGORY			SHAREHOLDER	PERCENTAGE OF TOTAL	TOTALSHARES	PERCENTAGE OF TOTAL
1	to	500	2263	64.1076	403059	1.4066
501	to	1000	415	11.7564	359680	1.2552
1001	to	2000	307	8.6969	485309	1.6936
2001	to	3000	82	2.3229	215247	0.7512
3001	to	4000	158	4.4759	525229	1.8330
4001	to	5000	78	2.2096	371541	1.2966
5001	to	10000	86	2.4363	605451	2.1129
10001	&	Above	141	3.9943	25689184	89.6509
<b>Total</b>			<b>3530</b>	<b>100.000</b>	<b>28654700</b>	<b>100.00</b>

XIII) DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY:

The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Limited' in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.99% of the share capital are dematerialized as on 31st March, 2016.

XIV) REGISTRAR & TRANSFER AGENTS:

For transfer/dematerialization of shares, change of address of members and other queries.

**LINK INTIME INDIA PVT LTD** - C-13, Pannalal Silk Mills Compound L.B.S Marg Bhandup(W), Mumbai-400078 Phone: 022-2596 3838 Fax: 022-25946969 Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in) Website: [www.linkintime.co.in](http://www.linkintime.co.in)

XV) ADDRESS OF CORRESPONDENCE:

Company Secretary & Compliance Officer, Vaswani Industries Ltd., Regd. Off.: MIG-4, Indrawati Colony, Raipur (C.G.), Phone: 0771-4226000 Fax: 0771-4226000 , email: [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com), Website: [www.vaswaniindustries.com](http://www.vaswaniindustries.com)

XVI) REQUEST TO INVESTORS

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company. Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company. It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode. Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.

XVII) RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2016 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. No paid up equity capital have been dematerialized as on 31st March 2016.

XVIII) INFORMATION TO SHAREHOLDERS

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

**RAIPUR, 30<sup>th</sup> MAY 2016**

**RAVI VASWANI - MANAGING DIRECTOR**

**YASHWANT VASWANI - WHOLE TIME DIRECTOR**

## **INDEPENDENT STATUTORY AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of Vaswani Industries Limited  
MIG-4, INDRAVATI COLONY,  
RAIPUR, CG – 492001

1. We have examined the compliance of conditions of Corporate Governance by Vaswani Industries Limited for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges and SEBI (LODR) Regulations, 2015.

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 Clause 49 of the above mentioned Listing Agreement.

4. We further state that such compliance is neither an assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**SUMIT BANERJEE  
PARTNER  
MEMBERSHIP NO: 411114**

**PLACE: RAIPUR (C. G.)  
DATED: 30.05.2016**

## **INDEPENDENT SECRETARIAL AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by **Vaswani Industries Limited** for the year ended 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges and SEBI (LODR) Regulations, 2015.

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 the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**For Satish Kumar Batra & Associates,  
Company Secretaries,**

**Satish Kumar Batra  
Proprietor  
M. No. - FCS 1316  
C.P. No. 2875**

**PLACE: RAIPUR (C. G.)  
DATED: 30.05.2016**



## **CEO/CFO CERTIFICATION**

We, Ravi Vaswani, Managing Director, and Yashwant Vaswani, Whole-time Director of the Company do here by certify to the Board that:

a. They we have reviewed financial statements and the cash flow statement for the year ending 31<sup>st</sup> March, 2016 and that to the best of their knowledge and belief :

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**RAVI VASWANI - MANAGING DIRECTOR**

**YASHWANT VASWANI - WHOLE TIME DIRECTOR**

**PLACE: RAIPUR (C. G.)**

**DATED: 30.05.2016**

## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
VASWANI INDUSTRIES LIMITED,  
MIG-4, INDRAVATI COLONY,  
RAIPUR, CG - 492001

Dear Sir,

I undertake to comply with the conditions laid down in Sub-Clause of Clause 49 read with section 149 and schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, I did not have any material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/ transaction. However, if and when I intend to enter into any such relationships/ transactions, whether material or non-material I shall seek prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship / transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the board level or at one level below the board and also have not been an executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or an executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company, and (ii) the legal firm(s) and consulting firm(s) that have a material association with the Company.

(d) I have not been a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director; and was not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares.

Independent Directors of Vaswani Industries Limited

Lekhu T Mulchandani – Independent Director DIN - 02801146 Date : 01/04/2016 Place : Raipur	Ashok Suri – Independent Director DIN - 00291897 Date : 01/04/2016 Place : Raipur	Sanjay Jadwani – Independent Director DIN - 05139093 Date : 01/04/2016 Place : Raipur	Satyawati Parashar – independent Director DIN – 00761009 Date: 01/04/2016 Place : Raipur
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**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2016**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the**  
**Company (Management & Administration) Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L28939CT2003PLC015964
ii	Registration Date	22/07/2003
iii	Name of the Company	VASWANI INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Public Company / Limited by shares
v	Address of the Registered office & contact details	MIG-4, Indravati Colony, Raipur
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (w) Mumbai - 78

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	SPONGE IRON	72011000	25.73%
2	MS BILLET	72011000	58.66%
3	POWER	82061000	10.83%
4	INGOTS	72011000	04.78%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	C G Ispat Pvt Ltd	U27104CT2004PTC016909	ASSOCIATE	43.50	2(6)
2	Cosmos Castings India Limited	U27106CT1995PLC009927	ASSOCIATE	NIL	2(6)
3	Kwality Iron Foundry India Ltd	U27100CT2010PLC021967	ASSOCIATE	NIL	2(6)
4	Vaswani Ispat Limited	U27100CT2008PLC020905	ASSOCIATE	10.00	2(6)
5	Vaswani Cement Limited	U26940CT2009PLC021069	ASSOCIATE	NIL	2(6)
6	Vaswani Energy Limited	U40100CT2008PLC020905	ASSOCIATE	NIL	2(6)

#### IV SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	161547 00	0	16154 700	56.38	161547 00	0	161547 00	56.38	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL:(A) (1)</b>	161547 00	0	16154 700	56.38	161547 00	0	161547 00	56.38	0
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	161547 00	0	16154 700	56.38	161547 00	0	161547 00	56.38	0
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
c) Central govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIS	0	0	0	0.00	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL (B)(1):</b>	0	0	0	0.00	0	0	0	0.00	0
<b>(2) Non Institutions</b>									
a) Bodies Corporate									
i) Indian	360678 1	0	36067 81	12.59	334572 9	0	334572 9	11.68	-0.91
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2684960	20	2684980	9.37	3035538	20	3035558	10.59	-1.22
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	6080810	0	6080810	21.22	5211613	0	5211613	18.18	-3.04
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
NRI	56730	0	56730	0.20	50086	0	50086	0.17	+0.03
HUF	0	0	0	0.00	630510	0	630510	0.20	+0.20
Clearing Member	63929	0	63929	0.22	226004	0	226004	0.79	+0.57
TRUSTS	500	0	500	0.00	500	0	500	0.00	0
<b>SUB TOTAL (B)(2):</b>	12494010	20	12494030	43.60	12494010	20	12494030	43.60	0
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	12499980	20	12500000	43.62	12499980	20	12500000	43.62	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+B+C)</b>	28654680	20	28654700	100.00	28654680	20	28654700	100.00	0

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	PRAMOD VASWANI	3969860	13.85	0	3969860	13.85	0	0
2	RAVI VASWANI	3942300	13.76	0	3942300	13.76	0	0
3	YASHWANT RAVI VASWANI	2190840	7.65	0	2190840	7.65	0	0
4	JUHI VASWANI	2108300	7.36	0	2108300	7.36	0	0
5	MANISHA VASWANI	1922175	6.71	0	1922175	6.71	0	0
6	SUDHA VASWANI	1855225	6.47	0	1855225	6.47	0	0
7	KRIKA VASWANI	105000	0.37	0	105000	0.37	0	0
8	RAVI KUMAR VASWANI	60000	0.21	0	60000	0.21	0	0
9	SATISH KUMAR VASWANI	1000	0.00	0	1000	0.00	0	0
	<b>Total</b>	<b>16154700</b>	<b>56.38</b>	<b>0</b>	<b>16154700</b>	<b>56.38</b>	<b>0</b>	<b>0</b>

iii( **CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	16154700	56.38	16154700	56.38
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
3	At the end of the year	16154700	56.38	16154700	56.38

**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

(iv)

Sl No.	For Each of the Top 10 Shareholders Particulars	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1)	AMRIT SALES PROMOTION PVT LTD				
1	At the beginning of the year	1250000	4.36%	Nil	Nil
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year (or on the date of separation, if separated during the year)	1250000	4.36%	Nil	Nil
2)	Narendrakumar L Shah				
1	At the beginning of the year	338520	1.18%	Nil	Nil
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year (or on the date of separation, if separated during the year)	338520	1.18%	Nil	Nil
3)	BRIJDHARA DEVELOPERS PRIVATE LIMITED	279388	0.98%	Nil	Nil
3)	PRADIPKUMAR L. SHAH - No change	256912	0.89%	Nil	Nil
4)	KHERA MOTOR FINANCE PVT LTD - No change	250000	0.87%	Nil	Nil
5)	RAGA TRADECON PRIVATE LIMITED - No change	250000	0.87%	Nil	Nil
6)	ASHOK INVESTORS TRUST LIMITED - No change	250000	0.87%	Nil	Nil
7)	DISHA VINTRADE PRIVATE LIMITED - No change	236250	0.82%	Nil	Nil
8)	GANESHVANI INFRABUILD PRIVATE LIMITED - No change	234500	0.81%	Nil	Nil
9)	AJAY PAREKH - No change	217446	0.76%	Nil	Nil
10)	PRITI PAREKH - No change	214656	0.75%	Nil	Nil

l)					
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(v) **Shareholding of Directors & KMP – NO CHANGE**

S N	For each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	11958225	41.73	11958225	41.73
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
	At the end of the year	11958225	41.73	11958225	41.73

V. **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	364235928	28501000	0	392736928
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	364235928	28501000		392736928
Change in Indebtedness during the financial year				
Additions	0	0	0	0
Reduction	15333533	0	0	15333533
Net Change	(15333533)	0	0	(15333533)
Indebtedness at the end of the financial year				
i) Principal Amount	348902395	28501000	0	377403395
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Remuneration to Managing Director, Whole time director, Executive**

A. **Director and/or Manager:**

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total
		Ravi Vaswani	Pramod Vaswani	Yashwant Vaswani	Pawan Kumar Jha	
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	900000	600000	360000	426000	2286000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	239976	159984	95988	0	495948
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission as % of profit	0	0	0	0	0
	others (specify)	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	<b>Total (A)</b>	1139976	759984	455988	426000	2781948
	<b>Ceiling as per the Act</b>					<b>4200000</b>

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	NONE	NIL
	(a) Fee for attending board committee meetings	0	0
	(b) Commission	0	0
	(c) Others, please specify	0	0
	<b>Total (1)</b>	0	0
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	0	0
	(b) Commission	0	0
	(c) Others, please specify.	0	0
	<b>Total (2)</b>	0	0
	<b>Total (B)=(1+2)</b>	0	0
	<b>Total Managerial Remuneration</b>	0	0

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD****C.**

Sl. No.	Gross Salary	Key Managerial Personnel			Total
		CEO	CS	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	414000	0	414000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
	Stock Option	0	0	0	0
	Sweat Equity		0		0
	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total</b>	0	0	0	0

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
NOT APPLICABLE					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
NOT APPLICABLE					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
NOT APPLICABLE					
Penalty					
Punishment					
Compounding					

**RAVI VASWANI - MANAGING DIRECTOR****YASHWANT VASWANI - WHOLE TIME DIRECTOR****RAIPUR, 30<sup>th</sup> MAY 2016**



**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Vaswani	Mr. Ravi Pramod Vaswani	Mr. Yashwant Vaswani
	5.64	3.76	2.26
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Less than 5%		
(iii) the percentage increase in the median remuneration of employees in the financial year;	2%		
(iv) the number of permanent employees on the rolls of company;	159		
(v) the explanation on the relationship between average increase in remuneration and company performance;	The average increase in median remuneration was in line with the performance of the Company		
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration was in line with the performance of the Company		
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Market capitalization for the financial year 2015-2016 is Rs 20,00,09,806 and for the financial year 2014-2015 is Rs. 20,00,09,806. Price earning ratio for the financial year 2015-2016 is 0.40 and for the financial year 2014-2015 is 0.40. Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- The Company had come out with initial public offer (IPO) in 2011. An amount of Rs. 49 price per share including Rs.39 as premium & there is decrease of 85.76% i.e. Rs.6.98 based on the market closing price as on 31 <sup>st</sup> March, 2016.		
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There is no increment in Managerial remuneration.		
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 4.66 %.		
(x) the key parameters for any variable component of remuneration availed by the directors;	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.		
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	None		
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.		

**STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY: Employed throughout the Financial Year 2015-16**

**DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013**

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The board's report shall include a statement showing the name of every employee of the company, who-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;	NOT APPLICABLE
(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;	NOT APPLICABLE
(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	<p>The employee whose remuneration is in excess of one of Whole-time Director i.e Mr. Yashwant Vaswani is as under and none owns 2% of the equity shares of the company;</p> <p>Mr. M.Rama Rao - Gen. Mngr Exp - 35 y SPA 719000 Q - Dip.in Mechanical Engg DOJ-26.06.2010 PE- M/s Popuri Plant Tech(p) Ltd.Hyderabad N - Permanent,</p> <p>Mr. H. K. Suryavanshi - Sr. Mang. Exp - 18 y SPA 628487 Q - BE( Mech) BOE DOJ - 01.06.2012 PE - M/s INDSYNERGY LIMITED, Raigarh N - Permanent,</p> <p>Mr. Ashwini Kumar Sahu - DMG exp - 21 y SPA 710000 Q - Dip. In Electrical Engg. DOJ 01.06.2012 PE - HEG Ltd. (Bhilwara Group) Durg N - Permanent,</p> <p>Mrs.M.Sai Kumari - Admin exp - 25y SPA 494000 Q - 8th Pass DOJ - 01.12.2010 PQ - None N - Permanent</p> <p>Mr. Mahesh Prasad Tiwari - DGM SMS exp - 25y SPA 612400 Q - BSC DOJ - 10.07.2011 PE - M/S Om Kiran Ispat Udyog, Raipur N - Permanent</p> <p>Mr. V.N.Nadendla - Mech.Incharge exp - 28 y SPA 456000 Q - BE DOJ - PE - Singhal Enterprises Ltd,Hyderabad N - Permanent</p>

\* Exp - experience, SPA - Salary per annum, Q - Qualification, DOJ - Date of Joining PE - Previous Employer  
N = Nature of employment

**RAVI VASWANI - MANAGING DIRECTOR**

**YASHWANT VASWANI - WHOLE TIME DIRECTOR**

**RAIPUR, 30<sup>th</sup> MAY 2016**

**FORM NO. AOC.2 – FOR FINANCIAL YEAR 2015-2016**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto  
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

1. Details of contracts or arrangements or transactions not at arm's length basis – NOT APPLICABLE  
2. Details of material contracts or arrangement or transactions at arm's length basis –

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Ravi Vaswani	Remuneration	5 years	On prevailing cash prices as per Contract u/s 196, 269, 309 of companies Act 1956 read with sch XIII value pertaining Rs. 11.40 Lacs	14 <sup>th</sup> September 2016	Nil
	Unsecured Loan received	-	Rs.60 lacs	-	Nil
	Amount received for Share application		Rs. 58 Lacs	BOD Approval – 02.03.2016 Members approval – 30.03.2016	Nil
Pramod Vaswani	Remuneration	5 years	On prevailing cash prices as per Contract u/s 196, 269, 309 of companies Act 1956 read with sch XIII value pertaining Rs. 7.60 lacs	14 <sup>th</sup> September 2016	Nil
Yashwant Vaswani	Remuneration	5 years	On prevailing cash prices as per Contract u/s 196, 269, 309 of companies Act 1956 read with sch XIII value pertaining Rs. 4.56 lacs	14 <sup>th</sup> September 2016	Nil
	Amount received for Share application		Rs. 72 Lacs	BOD Approval – 02.03.2016 Members approval – 30.03.2016	Nil
Kwality Foundry Industries	Sale of goods	-	On prevailing cash prices Rs.69.09 lacs	30 <sup>th</sup> May 2014	Nil
	Purchase of Goods	-	On prevailing cash prices Rs.275.98 lacs	30 <sup>th</sup> May 2014	Nil
	Rent Received	-	On prevailing cash prices Rs. 0.60 lacs	30 <sup>th</sup> May 2014	Nil
C G Ispat Pvt Ltd	Sale of goods	-	On prevailing cash prices Rs.7873.19 lacs	30 <sup>th</sup> May 2014	Nil
	Purchase of Goods	-	On prevailing cash prices Rs. 1061.49 lacs	30 <sup>th</sup> May 2014	Nil
	Rent Received	-	On prevailing cash prices Rs. 1.20 lacs	30 <sup>th</sup> May 2014	Nil
Sudha Vaswani	Amount received for Share application		Rs. 4.53 Lacs	BOD Approval – 02.03.2016 Members approval – 30.03.2016	Nil
Kushal Vaswani	Remuneration	-	Rs. 6.75 lacs	Members approval -12.09.2014	Nil
Shubh Infrastructure ltd	Loan Given ( Railway Siding)	-	Rs. 4.75 lacs	30 <sup>th</sup> May 2014	Nil

**RAVI VASWANI - MANAGING DIRECTOR**

**RAIPUR, 30<sup>th</sup> MAY 2016**

**YASHWANT VASWANI - WHOLE TIME DIRECTOR**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members,  
Vaswani Industries Limited  
MIG-4, Indravati Colony,  
Raipur, CG

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vaswani Industries Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made there under as well the Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.
- (iii) SEBI (LODR) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above with the following observations that the company has also complied with the following:

- Chapter VII of SEBI (Issue of Capital and Disclosure Requirement), Regulation 2009 ("the Regulations")
- Section 42 & 61 of the Companies Act, 2013

- SEBI (ICDR) Regulations 2009
- SEBI (LODR) Regulations, 2015

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has issued 13,45,300 Equity Shares of Rs.10.00 each at par on preferential basis subject to the approval from stock exchange and / or other appropriate authorities.

We have relied on the representation made by the Company and its officers for systems and mechanism framed by the Company for Compliances under other Acts, Laws and regulations applicable to the Company as listed in Annexure-1

**For, Satish Kumar Batra & Associates  
Company Secretaries**

**(Satish Kumar Batra)  
FCS No: 1316  
C P No.: 2875**

Place: Raipur Date: 30th May, 2016

**ANNEXURE-1**

The Contract Act, 1972 The SEBI Act, aforementioned The Companies Act, 1956 The Companies Act, 2013 The Industrial Dispute Act, The Securities Contract Regulation Act The Air (Prevention and Control of Pollution) Act, 1981 The Water (Prevention and Control of Pollution) Act, 1974 The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	The Environment (Protection) Act, 1986 The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 The Employees' State Insurance Act, 1948 The Factories Act, 1948 The Industrial Employment (Standing Orders) Act, 1946 The Minimum Wages Act, 1948 The Payment of Wages Act, 1936 The Negotiable Instruments Act, 1881
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**For, Satish Kumar Batra & Associates  
Company Secretaries**

**(Satish Kumar Batra)  
FCS No: 1316  
C P No.: 2875**

Place: Raipur Date: 30th May, 2016

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF VASWANI INDUSTRIES LIMITED Report on the Standalone Financial Statements**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of VASWANI INDUSTRIES LTD. ("The Company"), which comprise Balance Sheet as at March 31st 2016, Statement of Profit & Loss & Cash flow statement for the year ended then and a summary of Significant Accounting Policies and other Explanatory Information, which we have signed under reference to this report.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, an audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its Profit and its cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought & obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with this report are in agreement with the books of accounts;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the Basis of written representations received from the Directors as on March 31st, 2016, and taken on record by Board of Directors, none of the Directors is disqualified as on March 31st, 2016, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note No.29 to the financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

**(SUMIT BANERJEE)**  
PARTNER  
Membership No. 411114

RAIPUR, 30<sup>th</sup> May, 2016

## ANNEXURE TO THE AUDITORS' REPORT

**[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of VASWANI INDUSTRIES LTD. on the accounts of the company for the year ended 31st March, 2016]**

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The major assets have been physically verified by the management on a sample basis during the year and in our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies noticed on such verification.
  - c) We have inspected the original title deeds of immovable properties of the company held as fixed assets which are in the custody of the company. We have obtained third party confirmations in respect of immovable properties of the company held as fixed assets which are in the custody of third parties such as mortgages. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.
- (ii) As explained to us and according to the information provided by the management, the inventory has been physically verified at reasonable interval during the year by the management. The discrepancies noticed on verification between physical stock and book stocks, wherever ascertained were not significant and have been properly dealt in the books of the accounts.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the act, with respect to the loans and investments made .The company has neither issued any guarantee nor has provided any security on behalf of any party.
- (v) In our opinion and according to the information and explanation given to us, the Company did not receive any deposits covered under section 73 to 76 of the company Act and rules framed there under with regards to deposits accepted from the public during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these accounts & records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, Employee State Insurance, income tax, sales tax, service tax, duty of Excise, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. According to the



information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable except wealth tax amounting to Rs 0.20 Lacs.

- b) However as per records and according to the information and explanation given to us, the following dues of sales tax, wealth tax, custom duty, excise duty, vat have not been deposited by the company with the concerned authorities on account of dispute :-

Name of the statute	Nature of the dues	Amount (Rs. In Lacs)	Period to which the amounts relate	Forum where pending
Central Excise Laws	Excise Duty	139.64	2005-06 & 2006-07	Appellate Tribunal Delhi (CESTAT)
Central Excise Laws	Excise Duty	49.72	2004-09	Appellate Tribunal Delhi (CESTAT)
Central Excise Laws	Excise Duty	2.58	2008-09 & 2009-10	Appellate Tribunal Delhi (CESTAT)
Central Custom Laws	Custom Duty	86.02	2012-13	Appellate Tribunal Bangalore (CESTAT)
Sales tax	Entry tax, CST,& VAT	0.57 42.72 6.30	2007-08	Commissioner Appeal Sales tax Raipur.
Sales tax	Entry tax, CST,& VAT	9.71 16.23	2008-09	Commissioner Appeal Sales tax Raipur
Sales tax	Entry tax, CST,& VAT	Nil 13.21	2009-10	Commissioner Appeal Sales tax Raipur
Sales tax	Entry tax, CST,& VAT	8.85 62.31	2010-11	Commissioner Appeal Sales tax Raipur

- (viii) According to the information & explanations given to us, the Company has not defaulted in repayment of the dues to financial institutions or banks or debenture holders.
- (ix) Based on the information and explanations given to us and records of the company examined by us, the company has raise money by way of further public offer (including debt instruments) and term loans during the year. Since the funds so received are pending for share allotment for want of approvals from exchanges, therefore utilization of same cannot be commented.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, the transactions with the related parties are in compliance with Section 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by applicable accounting standards wherever required.

- (xiv) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of the shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

**SUMIT BANERJEE  
PARTNER  
MEMBERSHIP NO: 411114**

**PLACE: RAIPUR (C.G.)  
DATED: 30.05.2016**

**BALANCE SHEET & PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>AS AT 31.03.2016</b>	<b>AS AT 31.03.2015</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2865.47	2865.47
(b) Reserves and Surplus	2	5524.81	5409.29
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
		134.53	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term Borrowings	3	684.92	762.06
(b) Deferred tax liabilities (Net)	4	296.12	275.41
(c) Other Long term liabilities		0.00	0.00
(d) Long term provisions	5	39.38	7.90
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	3489.02	3642.36
(b) Trade payables	7	2453.58	2534.74
(c) Other current liabilities	8	722.91	584.56
(d) Short-term provisions	9	65.99	60.06
<b>TOTAL- EQUITY AND LIABILITIES</b>		<b>16276.73</b>	<b>16141.85</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	6724.41	6585.54
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	740.46	740.46
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	654.28	552.24
(e) Other non-current assets	13	229.93	282.81
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	14	3696.98	2733.20
(c) Trade receivables	15	2194.19	2868.54
(d) Cash and Bank Balances	16	518.87	438.10
(e) Short-term loans and advances	17	1472.30	1912.10
(f) Other current assets	18	45.31	28.86
<b>TOTAL- ASSETS</b>		<b>16276.73</b>	<b>16141.85</b>

THE NOTES AS REFERRED ABOVE FORM AN INTEGRAL PART OF BALANCE SHEET. THIS IS THE BALANCE SHEET REFERRED TO IN OUR REPORT OF EVEN DATE.

AS PER OUR REPORT OF EVEN DATE  
FOR **SUNIL JOHRI AND ASSOCIATES**  
CHARTERED ACCOUNTANTS

FOR **VASWANI INDUSTRIES LIMITED**  
CIN:L28939CT2003PLC015964

**SUMIT BANERJEE**  
PARTNER  
M.No. 411114

**(RAVI VASWANI) (PRAMOD VASWANI) (YASHWANT VASWANI)**  
MANAGING DIRECTOR    WHOLE TIME DIRECTOR    WHOLE TIME DIRECTOR  
DIN:00308616                      DIN:01627359                      DIN: 01627408

RAIPUR, 30<sup>th</sup> May'2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Rs. in Lacs)

Particulars	NOTE NO.	AS AT 31.03.2016	AS AT 31.03.2015
I. Revenue from operations (gross)	19	2610067464	28038.87
Less:- Excise Duty		(2349.78)	(2557.54)
		23750.89	25481.33
II. Other Income	20	59.58	53.56
III. Total Revenue (I +II)		23810.47	25534.89
IV. Expenses:			
Cost of materials consumed	21	15087.66	16690.29
Cost of Purchase		2658.02	2651.44
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	150.97	546.44
Employee benefit expense	23	399.21	334.96
Financial costs	24	894.73	1053.77
Depreciation and amortization expense		637.94	648.39
Other expenses	25	3845.70	3500.49
Total Expenses		23674.23	25425.80
V. Profit before exceptional items and tax (III - IV)		136.24	109.10
VI. Exceptional Items		0.00	0.00
VII. Prior Period Items		0.00	0.00
VIII. Profit before tax (V - VI)		136.24	109.10
IX. Tax expense:			
(1) Current tax		34.20	21.46
Less :- MAT Credit		-34.20	-21.46
(2) Deferred tax		20.71	-5.97
(3) Tax in respect of earlier years		-	-
		20.71	-5.97
X. Profit(Loss) for the year	(VII-VIII)	115.53	115.06
XI. Transfer to General Reserve (10%)		11.55	11.50
XII. Transfer to Profit & Loss A/c.		103.97	103.55
XIII. Earning per equity share of Rs.10 Each			
Basic & Diluted	26	0.41	0.41
Weighted average no. of equity share outstanding		28654700	28654700

NOTES TO THE ACCOUNTS

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THE NOTES AS REFERRED ABOVE FORM AN INTEGRAL PART OF BALANCE SHEET. THIS IS THE BALANCE SHEETREFERRED TO IN OUR REPORT OF EVEN DATE.

AS PER OUR REPORT OF EVEN DATE  
FOR **SUNIL JOHRI AND ASSOCIATES**  
CHARTERED ACCOUNTANTS

FOR **VASWANI INDUSTRIES LIMITED**  
CIN:L28939CT2003PLC015964

**SUMIT BANERJEE**  
PARTNER  
M.No. 411114

**(RAVI VASWANI) (PRAMOD VASWANI) (YASHWANT VASWANI)**  
MANAGING DIRECTOR WHOLE TIME DIRECTOR WHOLE TIME DIRECTOR  
DIN:00308616 DIN:01627359 DIN: 01627408

RAIPUR, 30<sup>th</sup> May'2016

## CASH FLOWS FOR THE FINANCIAL YEAR 2015-2016

(Rs. in Lacs)

Particulars	Year 2015-2016	Year 2014-15	
<b>A) Cash Flow From Operating Activities :-</b>			
1. Net Profit/(Loss) before Taxes and Exceptional Items	136.24		109.09
<u>Adjustments for:-</u>			
Depreciation	637.94		648.39
Interest Charged to P & L A/c	894.73		1053.76
(Profit)/Loss on sale of Fixed assets (net)	0.00		1.11
Other Non Cash Charges/ Preliminary Expenses written off	198.59		121.14
2. Operating Profit before Working Capital Changes	186750.261		1933.51
<b>Adjustments for:-</b>			
Trade & other Receivable	1013.40		378.96
Inventories	(963.74)		392.57
Trade Payables & other Liabilities	(68.85)		(261.14)
Cash generated from Operations	<b>1848.26</b>		<b>2443.91</b>
Direct Taxes Paid			
Net Cash from Operating Activity (A)		<b>1848.26</b>	<b>2443.91</b>
<b>B) Cash Flow From Investing Activities :-</b>			
Purchase of Fixed Assets	(776.82)		(243.63)
Sale of Fixed Assets	0.00		19.36
Sale of Investment	0.00		0.00
Net Cash from Investing Activity (B)		<b>(776.82)</b>	<b>(224.27)</b>
<b>C) Cash Flow From Investing Activities :-</b>			
Proceeds from Unsecured Loans ( Net)	-		(38.39)
Proceed from Bank Borrowing (Net)	(230.48)		(1069.28)
Monies received towards Share Capital & application	134.53		0.00
Interest Paid	(894.73)		(1053.78)
Net Cash From Financing Activities (C)		<b>(990.68)</b>	<b>(2161.45)</b>
<b>D) Net Increase / (Decrease) in Cash &amp; Cash Equivalents ( (A)+(B)+( C ) )</b>		80.77	<b>58.20</b>
<b>E) Cash and Cash Equivalent at beginning of the Year</b>	438.10		379.90
<b>F) Cash and Cash Equivalent at end of the Year (D+E)</b>	518.87		438.10

Note: 1. The above cash flows statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3.

2. Previous year figures have been re-grouped / recast wherever necessary.

**NOTE ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Rs. in Lacs)

<b>NOTE-1</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>AUTHORISED SHARE CAPITAL</b>		
34750000 EQUITY SHARES OF 10 EACH (29750000)	3,475.00	2,975.00
250000 NON CUMMULATIVE PREFERENCE SHARES OF Rs. 10/- EACH (250000)	25.00	25.00
	3,500.00	3,000.00
<b>ISSUED SHARE CAPITAL</b>		
30000000 EQUITY SHARES OF 10 EACH (28654700)	3000.00	2865.47
<b>SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
28654700 (P.Y. 28654700) EQUITY SHARES OF Rs.10/- EACH	2865.47	2865.47
<b>TOTAL</b>	<b>2865.47</b>	<b>2865.47</b>

The Company has only one class of equity shares having a par value of Rs.10 Each. Each shareholder is eligible for 1 vote per share. Out of Issued, Subscribed and Paid Up Capital 2500000 shares is issued as bonus share in the year 2011-12.

Details of Shares held by shareholders holding more than 5% of the in aggregate shares the company-

<b>Name of the Shareholder</b>	<b>31.03.2016</b>		<b>31.03.2015</b>	
	No. of Shares	%	No. of Shares	%
PRAMOD VASWANI	3969860	13.85	3969860	13.85
RAVI VASWANI	3942300	13.76	3942300	13.76
YASHWANT RAVI VASWANI	2190840	7.65	2190840	7.65
MANISHA VASWANI	1922175	6.71	1922175	6.71
JUHI VASWANI	2108300	7.36	2108300	7.36
SUDHA VASWANI	1855225	6.47	1855225	6.47

The Reconciliation of the no. of shares outstanding is said below:-

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the year	28654700	27290200
Add:- Shares Issued during the year as Public Issue	-	-
Add:- shares issued to promoter during the year	-	1364500
Add:- Shares Issued as Bonus Shares	-	-
Equity Shares at the end of the year	28654700	28654700

<b>Note - 2</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>RESERVE AND SURPLUS</b>		
<b>SECURITIES PREMIUM</b>		
Opening Balance	4864.77	4864.77
Add: Received From General Public	-	-
Add: Received From Promoter	-	-
Less: Utilised for Bonus Issue	-	-
Less: Adjusted for IPO expenses	-	-
<b>GENERAL RESERVE</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Opening Balance	27.78	27.78
Less: Dep. On Nil Life	-	-
Add:- 10% out of C.Y Profit	11.50	0

Closing Balance	39.33	27.78
PROFIT AND LOSS A/C		
Opening Balance	516.73	413.18
Add:- Transfer from P&L Account	103.97	103.55
Closing Balance	620.71	516.73
<b>TOTAL</b>	<b>5524.81</b>	<b>5409.29</b>

<b>NOTE-3</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>LONG TERM BORROWINGS SECURED</b>		
TERM LOAN FROM BANK	382.61	460.43
INDUSIND BANK LTD (WHEEL LOADER)	17.30	16.62
<b>TOTAL</b>	<b>399.91</b>	<b>477.05</b>
<b>UNSECURED LOAN</b>		
Pramod Vaswani	11.48	11.48
Ravi Vaswani	154.65	154.65
Yashwant Vaswani	118.88	118.88
<b>TOTAL</b>	<b>285.01</b>	<b>285.01</b>
<b>TOTAL</b>	<b>684.92</b>	<b>762.07</b>

Nature of Security and Terms of Repayment for Long Term Secured Borrowings :-

Nature of Security

Terms of Repayment

SBI Working Capital Loan amounting to Rs. 1770.23 lacs (March 31'2015: Rs. 1887.42 lacs) is secured by Hypothecation charge on Company's entire stocks i.e. raw material, stocks in progress, finished goods and receivables at Company's premises located at Sondra, Tehsil-Siltara and Bahesar, Raipur including stocks-in-transit, book debts, including those purchase / discounted with other consortium member banks, securing Working Capital Limits.	Repayable on Demand. Interest Rate SBAR i.e. 11.75% per annum subject to changes as prescribed by SBI/ RBI from time to time
IDBI Working Capital Loan amounting to Rs. 1010.91 lacs (March 31'2015: Rs. 1043.29 lacs) is secured by all current assets of the company.	Repayable on Demand. Interest rate is BBR + 3% (i.e. present effective 11.50% per annum) payable monthly.
BOB Working Capital Loan amounting to Rs. 707.89 lacs (March 31'2015: Rs. 711.65 lacs) is secured by 1st pari passu charge on entire current assets of the company.	Repayable on Demand. Interest rate is Base Rate + 3.25% with monthly rest. Margin 25% RM& FG, 40% of book debts and advance to RM.

<b>NOTE-4</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
DEFERRED TAX LIABILITIES		
DEFERRED TAX LIABILITY ON ACCOUNT OF DEPRECIATION AND REVERSAL OF ASSETS	921.42	932.69
DEFERRED TAX ASSETS ON ACCOUNT OF UNABSORBED DEP./LOSS AND DISALLOWANCES UNDER INCOME TAX ACT'1961	(625.29)	(657.28)
<b>TOTAL</b>	<b>296.11</b>	<b>275.41</b>

<b>NOTE-5</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
LONG TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFITS	39.38	7.90
<b>TOTAL</b>	<b>39.38</b>	<b>7.90</b>

<b>NOTE-6</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<u>SHORT TERM BORROWINGS</u>		
<u>SECURED</u>		

WORKING CAPITAL LOAN FROM BANK	3489.02	3642.36
	3489.02	3642.36
<u>UNSECURED</u>		
WORKING CAPITAL LOAN FROM BANK	0.00	0.00
	0.00	0.00
<b>TOTAL</b>	<b>3489.02</b>	<b>3642.36</b>

Nature of Security and Terms of Repayment for Short Term Secured Borrowings:-

Nature of Security

Terms of Repayment

SBI Working Capital Loan amounting to Rs. 1770.23 lacs (March 31'2015: Rs. 1887.42 lacs) is secured by Hypothecation charge on Company's entire stocks i.e. raw material, stocks in progress, finished goods and receivables at Company's premises located at Sondra, Tehsil-Siltara and Bahesar, Raipur including stocks-in-transit, book debts, including those purchase / discounted with other consortium member banks, securing Working Capital Limits.	Repayable on Demand. Interest Rate SBAR i.e. 11.75% per annum subject to changes as prescribed by SBI/ RBI from time to time
IDBI Working Capital Loan amounting to Rs. 1010.91 lacs (March 31'2015: Rs. 1043.29 lacs) is secured by all current assets of the company.	Repayable on Demand. Interest rate is BBR + 3% (i.e. present effective 11.50% per annum) payable monthly.
BOB Working Capital Loan amounting to Rs. 707.89 lacs (March 31'2015: Rs. 711.65 lacs) is secured by 1st pari passu charge on entire current assets of the company.	Repayable on Demand. Interest rate is Base Rate + 3.25% with monthly rest. Margin 25% RM& FG, 40% of book debts and advance to RM.

<b>NOTE-7</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
TRADE PAYABLES		
CREDITOR FOR RAW MATERIAL	2040.56	2150.22
CREDITOR FOR EXPENSES & SERVICES	184.82	179.68
CREDITOR FOR CAPITAL GOODS	0.00	0.00
CREDITOR FOR STEEL DIVISION	186.41	150.89
CREDITOR FOR POWER DIVISION	41.78	53.95
CREDITOR FOR KILN-03	0.00	0.00
CREDITOR FOR OFFICE BUILDING	0.00	0.00
<b>TOTAL</b>	<b>2453.57</b>	<b>2534.74</b>

<b>Note - 8</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
OTHER CURRENT LIABILITIES		
CURRENT MATURITIES OF LONG TERM DEBT	350.00	324.00
PAYABLES	289.02	230.07
ADVANCE FROM CUSTOMERS	83.89	30.50
<b>TOTAL</b>	<b>722.91</b>	<b>584.57</b>

<b>NOTE-9</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
SHORT TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFITS	31.79	38.59
OTHER PROVISIONS	34.19	21.46
<b>TOTAL</b>	<b>65.98</b>	<b>60.05</b>



<b>NOTE-11</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
NON CURRENT INVESTMENTS		
QUOTED TRADE		
26 (17+9) EQUITY SHARES OF RELIANCE POWER LTD (MARKET VALUE AS ON 30.03.2012 WAS RS. 116.90 PER SHARE)	0.07	0.07
UNQUOTED TRADE		
VASWANI ISPAT LTD ( 5000 EQUITY SHARES OF RS.10 EACH)	0.50	0.50
VIMLA INFRASTRUCTURE (I) PVT LTD (510 EQUITY SHARES OF RS.100 EACH)	0.51	0.51
SHUBH INFRASTRUCTURES LTD (7134 EQUITY SHARES OF RS.10 EACH)	0.71	0.71
CG SPONGE MFG CONSORTIUM COAL FIELDS PVT LTD (10691 EQUITY SHARES OF RS.10 EACH)	117.55	78.13
CG SPONGE MFG CONSORTIUM COAL FIELDS PVT LTD (SHARE APPLICATION MONEY PENDING ALLOTMENT)	-	39.41
CG ISPAT PRIVATE LIMITED (2077250 EQ. SHARES OF RS.10 EACH)	621.11	621.11
<b>TOTAL</b>	<b>740.46</b>	<b>740.46</b>

<b>NOTE-12</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
LONG TERM LOANS & ADVANCES UNSECURED, CONSIDERED GOOD		
LOANS & ADVANCES TO RELATED PARTIES	4.75	4.75
DEPOSITS	306.88	239.04
MAT CREDIT AVAILABLE	342.65	308.45
<b>TOTAL</b>	<b>654.28</b>	<b>552.24</b>

<b>NOTE-13</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
OTHER NON CURRENT ASSETS		
PRELIMINARY & PREOPERATIVE EXP.	105.70	140.85
TRADE RECEIVABLES MORE THAN 1YEAR		
UNSECURED CONSIDERED GOOD	74.28	92.02
UNSECURED CONSIDERED DOUBTFUL	49.94	49.95
<b>TOTAL</b>	<b>229.92</b>	<b>282.81</b>

**Note - 10**

Name of Assets	Gross Block				Depreciation			Net Block		
	Opening balance as on 01.04.2015	Addition during the year	Deduction/adjustment during the year	Total as on 31.03.2016	Dep. Opening as on 01.04.2015	Dep during the period	Dep chargeable during the period	Total as on 31.03.2016	Balance as on 31.03.2016	Balance as on 31.03.2015
<b>Sponge Division</b>										
Freehold Land	12228635	-	-	12228635	-	-	-	-	12228635	12228635
Garden	111169	-	-	111169	111169	-	-	111169	-	-
Site Development & Borewell	2549436	-	-	2549436	2549436	-	-	2549436	-	-
Building & Civil Work	52845029	-	-	52845029	12057666	1907180	1907180	13964846	38880183	40787363
Plant & Machinery K-1	79538883	-	-	79538883	40023952	2671827	2671827	42695779	36843104	39514931
Plant & Machinery K-2	70091840	-	-	70091840	31641642	2599835	2599835	34241477	35850363	38450198
Plant & Machinery K-3	80361934	-	-	80361934	20065553	3173494	3173494	23239047	57122887	60296381
Plant & Machinery (Crusher Division)	35481414	-	-	35481414	3147736	2442399	2442399	5590135	29891279	32333678
Jaw Crusher	716674	-	-	716674	390020	76622	76622	466642	250032	326654
Tools & Equipments	55508	-	-	55508	31770	5568	5568	37338	18170	23738
Pollution Control Equipment	30348267	-	-	30348267	13457454	2991763	2991763	16449217	13899050	16890813
<b>Commercial Vehicle</b>										
Vehicle - JCB Loader	7964486	2504323	-	10468809	4694376	1143971	1143971	5838347	4630462.16	3270110.16
Truck	880000	-	-	880000	231786	101786	101786	33572	546428	648214
Mini Bus	860716	-	-	860716	860716	-	-	860716	-	-
Tempo	452430	-	-	452430	444311	8119	8119	452430	-	8119
Electrical Installation K-1	7959294	-	-	7959294	7959294	-	-	7959294	-	-
Electrical Installation K-2	8396093	-	-	8396093	8396093	-	-	8396093	-	-
Electrical Installation K-3	13503821	-	-	13503821	6118778	2300259	2300259	8419037	5084784	7385043
Generator Set	2250000	-	-	2250000	920212	39416	39416	959628	1290372	1329788
Office Equipment	981565	-	-	981565	830702	150863	150863	981565	-	150863
Computer & Software	3341893	-	-	3341893	2905220	252405	252405	3157625	184268	436673
Furniture & Fixtures	702467	3240	-	705887	621718	24552.25	24552	646270	59616.75	80749
Lab Equipment	576474	-	-	576474	485234	82193	82193	567427	9047	91240
Hero Motorcycle	43700	-	-	43700	5931	5931	5931	11862	31838	37769
Motorcycle	18500	-	-	18500	8107	2438	2438	10545	7955	10393
Hero Honda	39315	-	-	39315	11967	4294	4294	16261	23054	27348
<b>Four wheeler</b>										
Maruti Van	82000	-	-	82000	16863	12253	12253	29116	52884	65137
Audi Q 5	4983466	-	-	4983466	2846433	990332	990332	3836765	1146701	2137033
Weighing Machine	910443	-	-	910443	238698	70515	70515	309213	601230	671745
<b>TOTAL</b>	<b>396623463</b>	<b>23056962</b>	<b>1404973</b>	<b>418275452</b>	<b>128368760</b>	<b>20911375</b>	<b>13752</b>	<b>161072837</b>	<b>257202615</b>	<b>268254703</b>
<b>PREVIOUS YR TOTAL</b>	<b>374921000</b>	<b>21930986</b>	<b>228523</b>	<b>396623463</b>	<b>108018643</b>	<b>20463960</b>	<b>113843</b>	<b>128368760</b>	<b>268254703</b>	<b>266902357</b>

<b>Power Plant division</b>										
Building & Civil Work	15759556	-	-	15759556	3452705	555416	555416	4008121	11751435	12306951
Electrical Installation	72891727	-	-	72891727	47589740	22892272	22892272	70482012	2409714	25301986.50
Plant & Machinery	359296732	-	-	359296732	112830575	7540833	7540833	120371408	238925324	246466157
Site Development	3922878	72264622	-	76187500	3922878	-	-	3922878	72264622	-
Hero Honda	68315	-	-	68315	57327	10988	10988	68315	-	10988
Generator 400KVA	2304443	-	-	2304443	1159484	36197	36197	1195681	1108762	1144959
Generator 500KVA	2326500	-	-	2326500	703226	45290	45290	748516	1577984	1623274
Generator 08MW	10989975	-	-	10989975	5251836	181406	181406	5433242	5556733	5738139
Office Equipment	458405	-	-	458405	449633	8772	8772	458405	-	8772
Computer & Software	326827	1434897	-	1761724	325765	240211	240212	565977	1195747.50	1062
Furniture & Fixtures	704582	-	-	704582	478820	104483.50	104484	583304	121278	225762
Hydraulic Crane	654601	-	-	654601	288430	57498	57498	345928	308673	366171
Crane 10MT	4649350	-	-	4649350	1806431	386737	386737	2193168	2456182	2842919
Crane 25MT	4190701	-	-	4190701	1881417	362614	362614	2244031	1946670	2309284
Mobile Crane	716914	-	-	716914	223265	58621	-	281886	435028	493649
Tipper	2850576	-	-	2850576	2602270	228208	228208	2830478	20098	248306
Loader AL 170	3974065	-	-	3974065	3534598	439467	439467	3974065	-	435028
<b>TOTAL</b>	<b>486086146</b>	<b>73699519</b>	<b>-</b>	<b>559785665.50</b>	<b>186617021</b>	<b>33149014</b>	<b>33149014</b>	<b>219766035</b>	<b>340019630.50</b>	<b>299469125.50</b>
<b>PREVIOUS YR TOTAL</b>	<b>487550884</b>	<b>10262</b>	<b>1475000</b>	<b>486086146</b>	<b>149641546</b>	<b>34452658</b>	<b>34417366</b>	<b>186617021</b>	<b>299469125</b>	<b>337909338.50</b>
<b>Steel Division</b>										
Plant & Machinery	108567522	707941	-	109275462	31472840.56	6654952	6654952	38127792.56	71147670.69	77094681.44
Building & Civil Work	13327838	-	-	13327838	3265941.37	451665	451665	3717606.37	9610231.63	10061896.63
Electrical Installation	3341315	-	-	3341315	2151776	811348	811348	2963124	378191	1189539
Loader 770 new	1573121	-	-	1573121	1134428	396913	396913	1531341	41780	438693
Site Development	52640	-	-	52640	11371	-	-	52640	-	41269
Computer & Software	120181	-	-	120181	120181	-	-	120181	-	-
CAR										
Alto Car 1	314994	-	-	314994	148766	51776	51776	200542	114452	166228
Alto Car 2	314995	-	-	314995	148767	51776	51776	200543	114452	166228
Office Equipment	29131	-	-	29131	28269	269	269	28538	593	862
<b>TOTAL</b>	<b>127641737</b>	<b>707941</b>	<b>-</b>	<b>128349678.25</b>	<b>38523608.93</b>	<b>8418699</b>	<b>8418699</b>	<b>46942307.93</b>	<b>81407370.32</b>	<b>89118128.07</b>
<b>PREVIOUS YR TOTAL</b>	<b>126380850</b>	<b>1260887</b>	<b>-</b>	<b>127641737</b>	<b>30055804</b>	<b>8391797.27</b>	<b>8391797</b>	<b>38523609</b>	<b>89118128.07</b>	<b>96325046.34</b>
Office Building										
Building & Civil Work	11728392	-	-	11728392	1783494	392834	392834	2176328	9552064	9944898
Electrical Installation	1874744	-	-	1874744	739464	266300	266300	1005764	868980	1135280
Office Equipment	1893453	-	-	1893453	1858096	35357	35357	1893453	-	35357
Furniture & Fixtures	2589145	-	-	2589145	940995	382718	382718	1323713	1265432	1648150.19
CAR	-	766470	-	766470	-	91018	91018	91018	-	675452
<b>TOTAL</b>	<b>18085734</b>	<b>766470</b>	<b>-</b>	<b>18852204.43</b>	<b>5322049</b>	<b>1168227</b>	<b>1168227</b>	<b>6490276</b>	<b>12361928.19</b>	<b>12763685.19</b>
<b>PREVIOUS YR TOTAL</b>	<b>18050699</b>	<b>35035</b>	<b>-</b>	<b>18050734</b>	<b>2907432</b>	<b>1118576</b>	<b>1118576</b>	<b>5322049</b>	<b>12763685.19</b>	<b>15143267.19</b>
<b>GRAND TOTAL</b>	<b>1050089070</b>	<b>77681673</b>	<b>-</b>	<b>1127770743.34</b>	<b>391535516</b>	<b>63793955.25</b>	<b>63793955</b>	<b>455329471.18</b>	<b>672441271.92</b>	<b>658553553.92</b>
<b>PREVIOUS YR GRAND TOTAL</b>	<b>1028605897</b>	<b>24363146</b>	<b>2879973</b>	<b>1050089070</b>	<b>310973542</b>	<b>64874433.27</b>	<b>64839114</b>	<b>391535516</b>	<b>658553553.92</b>	<b>717632355.03</b>

<b>NOTE-14</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
INVENTORY		
RAW MATERIAL	1965.29	1092.06
RAW MATERIAL IN TRANSIT	42.32	42.91
FINISHED GOODS	227.57	248.54
STOCK IN TRADE	933.97	1063.97
STORES & SPARES	527.82	285.72
<b>TOTAL</b>	<b>3696.97</b>	<b>2733.20</b>

<b>NOTE-15</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
TRADE RECEIVABLES		
OVER SIX MONTHS		
UNSECURED, CONSIDERED GOOD	00.00	00.00
UNSECURED, CONSIDERED DOUBTFUL	0.00	0.00
LESS THAN SIX MONTHS		
UNSECURED, CONSIDERED GOOD	2194.19	2868.54
UNSECURED, CONSIDERED DOUBTFUL	0.00	0.00
<b>TOTAL</b>	<b>2194.19</b>	<b>2868.54</b>

<b>NOTE-16</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
A. CASH AND CASH EQUIVALENTS		
CASH IN HAND	10.44	10.44
BALANCES WITH BANKS CURRENT ACCOUNT	138.73	105.39
<b>TOTAL A</b>	<b>149.17</b>	<b>115.83</b>
B. OTHER BANK BALANCES		
BALANCES WITH BANK TO EXTENT HELD AS MARGIN MONEY		
FIXED DEPOSIT WITH ORIGINAL MATURITY UPTO 3 MONTHS	0.00	0.00
FIXED DEPOSIT WITH ORIGINAL MATURITY MORE THAN 3 MONTHS BUT LESS THAN 12 MONTHS	369.69	322.27
<b>TOTAL B</b>	<b>369.69</b>	<b>322.27</b>
<b>TOTAL</b>	<b>518.86</b>	<b>438.10</b>

<b>NOTE-17</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
SHORT TERM LOANS AND ADVANCES		
UNSECURED, CONSIDERED GOOD		
SECURITY DEPOSITS	34.00	28.00
ADVANCES TO EMPLOYEES	15.64	15.05
SUPPLIER ADVANCES (CONSIDERED GOOD)	975.72	1296.13
PREPAID EXPENSES	27.26	1.88
BALANCES WITH GOVT. AUTHORITIES	419.68	571.05
<b>TOTAL</b>	<b>1472.30</b>	<b>1912.10</b>

<b>NOTE-18</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
OTHER CURRENT ASSETS		
INTEREST ACCURED BUT NOT DUE	10.13	15.66
TCS RECEIVABLE	6.45	0.87
TDS RECEIVABLE	13.73	12.33
Advance Payments Income Tax AY 16-17	15.00	0.00
<b>TOTAL</b>	<b>45.31</b>	<b>28.86</b>

<b>NOTE-19</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
MANUFACTURED GOODS	20110.89	21624.51
TRADED GOODS	3506.85	3786.76

OTHER OPERATING REVENUES	74.25	62.24
ADD :- EXCISE DUTY	2349.78	2557.54
CONTRACT RECEIPTS	58.90	7.82
<b>TOTAL</b>	<b>26100.67</b>	<b>28038.87</b>

<b>NOTE-19.1</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
MANUFACTURED GOODS		
SPONGE IRON	5176.00	5139.64
LESS:QUALITY DIFFERENCE	2.27	0.00
LESS: SALES RETURN	0.00	0.00
	<b>5173.73</b>	<b>5139.64</b>
BILLET	11796.15	13203.90
LESS:- DISCOUNT	0.00	0.00
LESS:- QUALITY DIFF. & OTHERS	0.00	0.00
	<b>11796.15</b>	<b>13203.90</b>
INGOTS SALES	<b>962.93</b>	<b>1352.45</b>
POWER	2178.08	1928.52
LESS:- REBATE (CSEB)	0.00	0.00
SALE OF MANUFACTURED GOODS TOTAL	<b>20110.89</b>	<b>21624.51</b>
TRADED GOODS		
IRON ORE FINES	638.99	1186.76
COAL	927.21	337.34
SCRAP	478.33	335.57
PIG IRON	49.32	308.28
SILICO MANGNESE	6.45	8.79
FERRO SILICON	0.05	0.03
ESP DUST SALES	0	0.10
OTHERS	0	357.28
TRADING DIVISION SALES	43.67	21.61
SALES FROM BRANCH	1362.82	1231.00
<b>TRADED GOODS TOTAL</b>	<b>3506.85</b>	<b>3786.76</b>

<b>OTHER OPERATING REVENUES</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
CHAR & DOLOCHAR (NET OF RATE DIFF.)	6.67	19.28
SLAGE	19.62	24.70
B.F DUST	0.24	0.00
MILL SCALE	41.38	11.46
END CUTTING	0.00	0.00
FLY ASH	6.34	6.78
<b>TOTAL</b>	<b>74.25</b>	<b>62.24</b>

<b>NOTE-20</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
OTHER INCOME		
INTEREST INCOME	46.28	47.45
RENT INCOME	7.63	5.94
OTHER MISC. INCOME	5.66	0.18
<b>TOTAL</b>	<b>59.57</b>	<b>53.57</b>

<b>NOTE-21</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
COST OF MATERIALS CONSUMED		
OPENING STOCK	137.78	957.61
PURCHASE & INCIDENTAL EXPENSES & OTHERS	18955.23	20213.00
TOTAL	20333.01	21170.61
LESS: COST OF TRADING PURCHASE / TRANSFER	2752.24	3102.54
LESS: CLOSING STOCK	2493.12	1377.78
TOTAL	<b>15087.66</b>	<b>16690.29</b>
IMPORTED AND INDIGENOUS MATERIALS		

CONSUMED		
IMPORTED	0.00	0.00
INDIGENOUS	0.00	0.00
TOTAL	0.00	0.00
DETAILS OF MATERIALS CONSUMED		
IRON ORE	5234.15	6668.38
COAL	4090.66	4162.23
DOLOMITE	76.53	47.39
MS SCRAP	2203.18	2222.92
PIG IRON	1832.19	1928.47
FERRO SILICON	10.83	22.65
SPONGE IRON	319.42	418.02
SILICO MAGNESE	357.21	373.75
PETRO COKE	30.20	42.73
STORES & SPARES	933.29	797.44
<b>TOTAL</b>	<b>15087.66</b>	<b>16690.29</b>

<b>NOTE -22</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
CHANGE IN FINISHED GOODS /TRADED GOODS		
OPENING STOCK		
FINISHED GOODS	348.54	384.39
TRADED GOODS	1063.97	1474.56
	<b>1312.51</b>	<b>1858.95</b>
CLOSING STOCK		
FINISHED GOODS	227.57	248.54
TRADED GOODS	933.97	1063.97
	<b>1161.54</b>	<b>1312.51</b>
<b>TOTAL</b>	<b>150.97</b>	<b>546.44</b>

<b>NOTE - 23</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
EMPLOYEE BENEFITS EXPENSES (REFER NOTE NO. 32)		
SALARIES	341.99	311.53
CONTRIBUTION TO PF, ESIC AND OTHERS	47.93	14.91
STAFF WELFARE EXP.	9.35	8.51
<b>TOTAL</b>	<b>399.22</b>	<b>334.96</b>

<b>NOTE -24</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
FINANCIAL COSTS		
INTEREST EXPENSE	789.02	922.11
OTHER BORROWING COST	105.71	131.67
<b>TOTAL</b>	<b>894.73</b>	<b>1053.78</b>

<b>NOTE -25</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
ELECTRIC POWER, FUEL AND WATER	3172.15	2682.68
FREIGHT	21.96	13.54
REPAIRS & MAINTENANCE	179.28	168.80
LABOUR CHARGES	253.25	241.50
OTHER MANUFACTURING EXPENSES	16.46	13.91
<b>TOTAL</b>	<b>3643.10</b>	<b>3120.44</b>
ADMINISTRATIVE EXPENSES		
COMMISSION	20.74	33.65
TRAVELLING & CONVEYANCE EXPENSES	18.57	16.93
RENT, RATES & TAXES	14.89	14.49
INSURANCE	8.12	8.91
LEGAL & PROFESSIONAL CHARGES	25.40	16.80
REPAIR & MAINTENANCE	1.78	1.60
TELEPHONE, PRINTING & STATIONARY AND POSTAGE	10.02	9.32

FREIGHT	14.11	30.34
MISC. EXPENSES	62.55	33.68
SUNDRY BALANCES W/F	26.18	213.02
ADVERTISEMENT & PUBLICITY	0.24	0.00
LOSS ON SALE OF FIXED ASSETS	0.00	1.11
CHARITY AND DONATION	0.00	0.21
	202.60	380.06
<b>TOTAL</b>	<b>384.58</b>	<b>3500.50</b>

<b>NOTE -25.1</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
PAYMENT TO AUDITORS (INCLUDED IN LEGAL & PROFESSIONAL CHARGES)		
STATUTORY AUDIT FEES	4.50	4.50
TAX AUDIT FEES	0.50	0.50
COMPANY LAW MATTERS/CERTIFICATION FEES/IT CONSULTANCY	0.00	0.09
<b>TOTAL</b>	<b>5.00</b>	<b>5.09</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

26. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

27. In the Opinion of the Board of directors, the loans, advances and other current & non-current assets have a value on realization in the ordinary course of business, at least equal to the amounts of which these are stated and that the provisions for the known liabilities are adequate and not in excess of the amount reasonably necessary.

28. The outstanding balance at the yearend in respect of Sundry Creditors, Loans and Advances, Deposits and certain Bank Accounts are subject to confirmation / reconciliation from the respective parties and the same have been reckoned in these accounts as per the balances appearing in the books. Any further adjustments arising out of reconciliation will be accounted for as and when such reconciliation is completed. The company however does not expect any material effect in a particular year or in future years.

29. In the opinion of the Management, Current Assets, Loans & Advances have the value at which they are stated in the balance sheet if realized in the ordinary course of the business except the balance of "**Suvikash Alloys And Steel Pvt Ltd, Cement Corporation Of India Ltd and Bhadramaruti Concast Private Limited**". No Provision has been made as matter is under court proceedings.

30. In the opinion of the management there is no such events occurred after the date of Balance sheet, which needs disclosure in these accounts.

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

### **Defined Contribution Plans:**

During the year the company has recognized the following amount in the statement of profit & loss:

(Rs. in Lacs)

Particulars	31-03-2016	31-03-2015
Contribution to Provident fund	11.28	8.42
Contribution to ESIC	5.18	5.47

### b) **Defined Benefit Plans**

The Company has made provision with respect to terminal Benefits of Employees in accordance with AS -15, which is as follows:-

(Rs. in Lacs)

<b>Particulars</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
Provision for Terminal Benefits	39.38	7.90

32. There were no employees at any time during the year drawing Rs.500000/- per month or more.

33. Contingent liabilities & Commitments not provided for in respect of:

(a) Claims against the Company not acknowledged as debt: - (Rs. in Lacs)

<b>Particular</b>	<b>2015-16</b>	<b>2014-15</b>
- Sales Tax	159.90	75.53
- Excise Duty	191.94	294.55
- Customs Duty	86.02	86.02

(b) Guarantees:- (Rs. in Lacs)

<b>Particular</b>	<b>2015-16</b>	<b>2014-15</b>
Letter of Credit	2951.26	2572.93

(c) Law Suit: South Eastern Coalfields Ltd has lodged case against the company of which outcome of law suit is unquantifiable, hence no provision accounted in books.

34. **Deferred Tax** : In accordance with the Accounting Standard - 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, which has become mandatory from 1st April' 2002 for listed companies, the company has accounted for deferred tax during the year. Consequently, the cumulative net deferred tax assets of Rs. 29611816/- as on 31st March' 2016 has been recognized and adjusted from Statement of Profit & Loss.

The deferred tax liability/(asset) of the year amounting to Rs 2071237/- has been charged in profit and loss a/c

<b>PARTICULARS</b>	<b>31-03-2016</b>	<b>31-03-2015</b>
<b>Deferred Tax Liabilities:-</b> Difference in WDV as per Books of Accounts & WDV under Income Tax Act	271084832	272853702
<b>Deferred Tax Assets:-</b> Unabsorbed Depreciation and Business Loss and Expenses allowed on payment basis	183965632	191828168
<b>Net Timing Difference</b>	87119200	
<b>Total deferred tax Assets to be recognized</b>	29611816	27540579
Deferred Tax Assets previously recognized	27540579	28137394
<b>Net deferred tax assets/Liability created during the year</b>	2071237	(596815)

35. Segment Reporting

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

(A) Business Segment:- (Rs. In Lacs)

<b>PARTICULARS</b>	<b>Current year (2015-16)</b>	<b>Previous year (2014-15)</b>
<b>1. Segment Revenue</b>		
Iron & Steel	20261.80	22009.87
Power	2185.86	1936.74
Real Estate	-	357.28
Fabrics	1362.82	1231.00
Sub - total	23810.47	25534.89
Less: Inter- Segment Revenue	2173.71	1866.78
Net Segment Revenue	<b>21636.76</b>	<b>23668.11</b>
<b>2. Segment Result ( Profit /Loss before Tax and</b>		



<b>interest from each segment )</b>		
Iron & Steel	680.83	935.90
Power	(220.57)	(699.73)
Real Estate	-	216.69
Fabrics	567.03	710.01
Sub - total	1027.30	1162.87
Less: Financial Costs	891.06	1053.78
Profit before Tax	136.24	109.09
Provision For Tax		
-- Income tax ( net )	-	-
-- Deferred Tax	20.71	5.97
<b>Profit After Tax</b>	<b>115.53</b>	<b>115.06</b>
<b>3. Other Information</b>		
<b>I Segment Assets</b>		
Iron & Steel	9572.87	9775.41
Power	3877.41	3189.42
Real Estate Division	933.97	1081.63
Fabrics Division	567.03	712.65
Un- allocated Assets	1325.45	1382.73
<b>Total Assets</b>	<b>16276.73</b>	<b>16141.85</b>
<b>II Segment Liabilities</b>		
Iron & Steel	2901.19	3295.72
Power	44.12	58.95
Real Estate Division	-	-
Fabrics Division	-	-
Un- allocated Liabilities	4470.72	4210.98
<b>Total Liabilities</b>	<b>7416.03</b>	<b>7565.66</b>
<b>III Capital Expenditure</b> ( Including work In progress )		
Iron & Steel	32.16	243.18
Power	744.66	0.45
<b>Total</b>	<b>776.82</b>	<b>243.63</b>
<b>IV Depreciation</b>		
Iron & Steel	294.77	293.03
Power	343.17	355.36
<b>Total</b>	<b>637.94</b>	<b>648.39</b>
<b>V Non Cash Expenditure other than depreciation</b>		
Other (Preliminary Exp. W/o)	35.14	35.14
<b>Total</b>	<b>35.14</b>	<b>35.14</b>

(B) Geographical Segment: - The Company sale its products within India. The condition prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

36. Earning per share

Particulars	31-03-2016	31-03-2015
<b>Net Profit/(Loss) for the year</b>	11552750	11506070
<b>Weighted Average No. of Equity Shares</b>	28654700	28654700
<b>Earnings per share</b>	0.40	0.40

37. Foreign Exchange Earning and Outgo :

S.No.	Particulars	2015-16	2014-15
1	CIF Value of Import (Rs in Lacs)	1709.54	1275.47
2	Expenditure in foreign exchange (No direct payment by company in foreign currency)	Nil	Nil
3	Earning in foreign exchange	Nil	Nil
4	Remittance in foreign currency for dividend	Nil	Nil

38. **Related Party Disclosures** :

Disclosures as required by accounting standard 18 (AS-18) related party disclosures issued by the Institute of Chartered Accountants of India are as follows and description of relationship.

a. Name of the related parties -

Group Companies/ Associates	Key Management Personnel	Relatives of Key management Personnel
M/S Kwaliti Foundry Industries C.G.Ispat Pvt. Ltd. Cosmos Castings (India) Limited Vaswani Ispat Ltd. Vaswani Cement Ltd. Vaswani Energy Ltd. Shubh Infrastructure Ltd.	Shri Ravi Vaswani Shri Pramod Vaswani Shri Yaswant Vaswani	1.Smt. Sudha Vaswani 2.Smt. Juhi Vaswani 3.Smt. Manisha Vaswani

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

Name	Relationship	Nature of Transaction	Amount of transaction in 2015-16 (2014-15)	Amount Outstanding as at 31/03/2016 (31/03/2015)
Ravi Vaswani	Chairman & M.D.	Remuneration	11.40 (11.40)	4.82 (4.82)
		Unsecured loan received	Nil (60.00)	154.65 (156.65)
		Amount for Preferential allotment /promoter contribution	58.00 (Nil)	58.00 (Nil)
Pramod Vaswani	Whole Time Director	Remuneration	7.60 (7.60)	1.52 (1.52)
		Unsecured loan received	Nil (124.50)	11.48 (11.48)
Yashwant Vaswani	Whole Time Director	Remuneration	4.56 (4.56)	3.95 (3.95)
		Amount for Preferential allotment /promoter contribution	72.00 (Nil)	72.00 (Nil)
		Unsecured loan received	Nil (144.40)	118.80 (118.80)
M/s Kwaliti Foundry Industries	Proprietorship Firm in which Director has Significant influence	Sale of Goods	69.09 (416.68)	Nil (Nil)
		Purchase of Goods	275.98 (569.54)	
		Rent Received	0.60 (0.60)	Nil (Nil)
		Sale of Goods	Nil (Nil)	5.18 (5.18)

Cosmos Castings (India) Limited	Group Companies	Purchase of Goods	Nil (Nil)	
		Rent Received	Nil (Nil)	Nil Nil
C.G. Ispat Private Limited	Group Companies	Sale of Goods	7873.19 (8339.14)	1625.92 (1625.92)
		Purchase /Services	1061.49 (892.93)	
		Interest Received	Nil (Nil)	
		Rent Received	1.20 (1.20)	Nil Nil
		Investment made	Nil (Nil)	621.11 Dr. (621.11 Dr.)
Sudha Vaswani	Relative of KMP	Amount for Preferential allotment /promoter contribution	4.53 (Nil)	Nil (Nil)
		Unsecured loan received	NIL (93.00)	Nil (Nil)
Shubh Infrastructure Ltd.	Related Concern	Loan Given (for railway siding)	Nil (Nil)	4.75 (4.75)
Kushal Vaswani	Relative of KMP	Salary	6.75 (Nil)	4.95 (Nil)

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

Signature to Note 1 to 38

As Per Our Report of even date Attached

<p><b>For SUNIL JOHRI &amp; ASSOCIATES CHARTERED ACCOUNTANTS FIRM REG. NO. 005960C</b></p> <p><b>SUMIT BANERJEE PARTNER M.No. 411114</b></p> <p><b>RAIPUR, 30<sup>th</sup> MAY 2016</b></p>	<p><b>For and on behalf of the Board of Directors</b></p> <p><b>RAVI VASWANI - MANAGING DIRECTOR PRAMOD VASWANI - WHOLE-TIME DIRECTOR YASHWANT VASWANI - WHOLE TIME DIRECTOR</b></p> <p><b>RAIPUR, 30<sup>th</sup> MAY 2016</b></p>
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## **ANNEXURE -1**

### **SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31.03.2016**

#### **a. Basis of Accounting**

This financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies At 2013 ("The Act") read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Act to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

#### **b. Use of Estimates**

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

#### **c. Fixed Assets**

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

#### **d. Capital Work- in- progress**

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

#### **e. Depreciation**

a) Depreciation on fixed assets has been provided on Straight Line Method Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

b) Depreciation on addition to / deduction from fixed assets is being provided on pro-rata basis from/ to the date of acquisition/ disposal.

#### **f. Inventories**

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

#### **g. Revenue Recognition**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services and excise duty.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

However, where the amount is immaterial / negligible and/or establishment of accruals / determination of amount are not possible no entries are made for the accrual.

#### **h. Impairment of Assets**

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

#### **i. Investment**

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

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

#### **j. Other income**

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

#### **k. Borrowing Cost**

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

#### **l. Accounting for Taxes on Income**

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

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

The taxable income of the company being lower than the book profits under the provision of the income tax act 1961. The company is liable to pay Minimum Alternate tax (MAT) on its income.

Considering the future profitability & taxable position in the subsequent years the company has recognized MAT Credit as an assets by crediting the provision for income tax & including the same under Loans & advances in accordance with the Guidance note on "Accounting for Credit available in respect of MAT under Income Tax Act 1961" issued by the Institute of Chartered Accountant of India.

#### **m. Cash Flow Statement**

Cash flows are reported using the indirect method prescribed under "Accounting Standard – 3" Cash Flow Statement issued by the Institute of Chartered Accountants of India, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **n. Foreign Currency Transaction**

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

**o. Provision and Contingencies**

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

**p. Employee Benefits**

a. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss A/c of the year when the contributions to the Government Funds is due.

b. Gratuity Liability is defined benefit obligations and is provided for on the basis of following formula:-  
= Last drawn Salary \* 15/26 \* No. of Completed year of Services

The above calculation is done only for those employees who have completed continuous five year of services. However, the above calculation of Gratuity is not as per Actuary Valuation.

c. Short Term Compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.

d. Actuarial gains / losses are immediate taken to the profit & loss account and are not deferred.

**q. Segment Reporting**

Business Segment: - The accounting policies adopted for segment reporting are in the line with the accounting policies of the company. Segment Revenue, Segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, Expenses, Assets, Liabilities which relates to the company as whole and not allocable to segment on reasonable basis have been included under "Unallocated revenue/ expenses/ assets/ liabilities".

Geographical Segment: - The Company sells its products within India. The condition prevailing in India being uniform. So no separate geographical segment disclosure is considered necessary.

**r. Research & Development Expenditure**

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement unless a product's technological feasibility has been established, in which case such expenditure is capitalized.

**s. Intangible assets**

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

**t. Events Occurring After the Balance Sheet Date**

Events occurring after the balance sheet date and related to circumstances existing on the Balance Sheet are accounted for. Events not related to circumstances existing on the Balance Sheet date are disclosed by way note to accounts.







# Vaswani Industries Limited

CIN No. L28920CT2803PL01964

## Compliance under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

### FORM-A [ For Audit Report with unmodified opinion]

1	Name of the Company	VASWANI INDUSTRIES LIMITED
2	Annual Financial Statement for the year ended	31 <sup>st</sup> March 2015
3	Type of Audit Observation	Un-modified
4	Frequency of Observation	Not applicable
5	To be signed by	
a	Ravi Vaswani (Managing Director) DIN: 00308316	
b	Lekhchand T Mulchandani (Audit Committee Chairman) DIN: 02801148	
c	Yashwant Vaswani (Whole-time Director) DIN: D1627408	
d	Sunil Johari Partner Sunil Johri & Associates Chartered Accountants FRNo: 005960C MNO 074654	

REGISTERED OFFICE: MG-4, Ashwari Colony, Rajm, Chhattisgarh

All us at: [www.vaswanilimites.com](http://www.vaswanilimites.com) | e-mail: [info@vaswanilimites.com](mailto:info@vaswanilimites.com) | Tel: +91 771 4226000 | Fax: +91 771 4226000

**ATTENDANCE SLIP**

Annual General Meeting – 26<sup>th</sup> September, 2016 (To be handed over at the entrance of the meeting hall)

I hereby record my presence at the Annual General Meeting of the Vaswani Industries Limited held at 3.00 p.m on Monday, the 26<sup>th</sup> September, 2016 at MIG-4, Indrawati Colony, Raipur- 492 001

Full Name of Member / Proxy (In Block Letters)

\_\_\_\_\_

DP ID/Client ID/Folio

No.: \_\_\_\_\_

No. of Shares held:

\_\_\_\_\_

Voted for Resolution:

Resolutions (as above mentioned)	For	Against	Abstain
Resolution – 1 - To receive, consider and adopt audited Statement of Profit and Loss & Balance Sheet for the year 2015-16			
Resolution – 2 - To re-appoint Shri Pramod Vaswani, Whole-time Director of the Company			
Resolution – 3 - To re-appoint M/s Sunil Johri & Associates, Chartered Accountants as statutory auditors for FY 16-17			
Resolution – 4 - To appoint Mr. Lekhuchand Mulchandani (DIN NO.02801146) as Non-executive Independent Director			
Resolution – 5 - To appoint Mr. Ajay Suri (DIN NO.00291897) as Non-executive Independent director			
Resolution – 6 - To appoint Mr. Pawan Kumar Jha (DIN NO.06812944) as Director			
Resolution – 7 - To appoint Mr. Pawan Kumar Jha (DIN NO.06812944) as Executive Director			
Resolution – 8 - To appoint Sanat Joshi & Associates Cost Accountants as cost auditors for FY 16-17			
Resolution – 9 - To appoint A Siddique & Associates as Internal Auditor for financial year 2016-2017			

I hereby certify that I am a member / proxy of the company.

Affix Rs.1/-

Revenue

Member's/Proxy's Signature

NOTE:

1. Member/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting.
2. Member/ Proxy holder wishing to attend the meeting should bring his copy of the notice for reference at the meeting.
3. This form in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the company, not less than 48 hours before the meeting.
4. It is optional to indicate your preference, if you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.