

KANISHK STEEL INDUSTRIES LIMITED



Twenty First Annual Report 2010 - 11

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KANISHK STEEL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Ravi Gupta

Mr. Vishal Keyal

Mr. K.S. Venkatagiri

Dr. Pravin Kumar Aggarwal

Chairman & Managing Director

Whole-time Director

Director

Director

COMPANY SECRETARY

Mr. M.K. Madhavan

REGISTERED OFFICE

B27(M) SIPCOT Industrial Complex
Gummidipoondi
Thiruvallur District
Tamilnadu - 601 201

ADMINISTRATIVE OFFICE

Old No. : 4, New No. : 7
Thiru-Vi-Ka 3rd Street
Royapettah High Road,
Mylapore
Chennai - 600 004

WEBSITE

www.kanishksteels.in

FACTORY

1. Rolling & Furnace Mills
B-27(M) & B-27(N), SIPCOT
Industrial Complex
Gummidipoondi
Thiruvallur District
2. Sponge Iron Plant
Obulapuram Village S.R. Kandigai
Gummidipoondi, Thiruvallur District
3. Wind Mills
 - (i) Palladam, Coimbatore
 - (ii) Pazhavor, Tirunelveli
 - (iii) Kalavakurichi, Tirunelveli
 - (iv) Manur, Tirunelveli
 - (v) Veerakeralampudur, Tirunelveli

BANKERS

State Bank of India
Industrial Financial Branch
155, Anna Salai
Chennai - 600 002

State Bank of Patiala
Whites Road
Chennai - 600 006

Corporation Bank
G.T. Branch
Chennai - 600 001

AUDITORS

M/s. Chaturvedi & Company
Chartered Accountants
Chennai - 600 017

SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited
No. 1, Club House Road
Chennai - 600 002

NOTICE

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Members of the company will be held on Friday, the 30th September, 2011, at 3.00 P.M. at the Registered office of the Company at B27 (M) SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu - 601201 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 together with the Profit and Loss account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.K.S.Venkatagiri, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration, in this connection to consider and if thought fit to pass the following resolution as an Ordinary Resolution.

“RESOLVED that M/s. Chaturvedi & Company, Chartered Accountants, Chennai, the retiring auditors of the company be and are hereby re-appointed as Auditors of the company to hold such office until the conclusion of the next Annual General Meeting at remuneration to be decided by the Board of Directors.”

By Order of the Board

Date: 10th August, 2011
Place: Chennai

M.K. MADHAVAN
Company Secretary

Notes:

1. ***A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself and the proxy need not be a member of the company. A blank form of proxy is enclosed and if intended to be used, it should be returned duly completed to the registered office of the company not less than forty-eight hours before the scheduled time of the annual general meeting.***
2. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
3. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for easy identification of attendance at the meeting.
4. The Register of Members of the Company and Share Transfer Books will remain closed from 23rd September 2011 to 30th September 2011 (both days inclusive).
5. Members holding shares in electronic form may please note that as per the regulations of the Depositories, NSDL and CDSL, the company is obliged to print the bank details on the dividend warrants as furnished



by these depositories to the company and the company cannot entertain any request for deletion/change of bank details already printed on the dividend warrants as per the information received from the concerned depositories. In this regard, the members should contact their Depository Participants and furnish the particulars of any changes desired by them.

6. Members who have not received their dividend paid by the Company in respect of earlier years are requested to check with the Company's Registrar and Transfer Agents M/s. Cameo Corporate Services Limited (Unit: Kanishk Steel Industries Ltd.) No. 1, Club House Road, Chennai - 600 002. Members are requested to note that in terms of Section 205C of the Companies Act, 1956, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment are required to be transferred to the Central Government to the credit of the Investor Education and Protection Fund. Thereafter no claim shall be entertained in respect of the dividend transferred to the Fund.
7. Disclosure as required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment/re-appointment at the Twenty First Annual General Meeting:

Mr. K.S. Venkatagiri

Date of Birth / Age	13.01.1951 (60 years)
Date of appointment	29.12.2005
Expertise in Specific functional areas	He is an advocate by profession and he has good expertise in the areas of taxation, indirect tax, customs, excise, service tax and sales tax. He has experience of over 25 years in the Central Government as a member of Indian Revenue Service (Customs and Excise).
Educational Qualifications	LL.B./ M.Sc.-Chemistry/ M.Sc.-Fiscal Studies, UK
Number of Shares held in the Equity Capital of the Company	Nil
Relationship with other Directors	He is not related to any other Directors
Directorship in other Companies	Nil
Committee/executive positions held in Other companies	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report, together with the Audited Accounts, for the financial year ended 31st March 2011.

FINANCIAL RESULTS:

The summarized Financial Results for the year ended 31st March, 2011 and for the previous financial year ended 31st March 2010 are as under: -

(Rs. In Lakhs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit after Interest & Depreciation	335.19	248.18
Provision for Tax	96.07	42.18
Deferred Tax	(82.96)	-
Fringe Benefit Tax	-	-
Profit after Tax	322.08	206.00
Add: Taxation Adjustments of Previous Years	0.13	-
Add: Balance of Profit brought from previous year	3,335.64	3,135.35
Profit available for Appropriation	3,657.59	3,335.64
APPROPRIATIONS		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	3,657.59	3,335.64

OPERATIONS:

During the year, the Company has undergone shrinkage in demand, causing downward trend in turnover. Having effective Cost control measures, the company maintained its Profit level.

The Current year turnover amounts to Rs. 44,504.54 Lakhs as against Rs. 45,270.98 Lakhs recorded in the previous year. The company earned a profit before tax of Rs. 335.19 Lakhs for the current year as against Rs. 248.18 Lakhs recorded in the previous year.

DIVIDEND:

During the year, the Board of Directors have not recommended any dividend.



CORPORATE RESTRUCTURING THROUGH SCHEME OF ARRANGEMENT:

The Company intends to unlock value in its power and sponge iron segment through DEMERGER of its power business into Gita Renewable Energy Limited ('Gita Energy') and sponge iron business into Chennai Ferrous Industries Limited ('Chennai Ferrous'), as a going concern.

The DEMERGER has been structured through a SCHEME OF ARRANGEMENT between Kanishk Steel Industries Limited ("Demerged Company"), Gita Renewable Energy Limited (" First Resulting Company ") and Chennai Ferrous Industries Limited ("Second Resulting Company") and their respective Shareholders under Section 391 to 394 of Companies Act, 1956 ("the Scheme").

The Company has filed its petition and looks forward to obtain the sanction of Hon'ble High Court of Judicature at Madras to the Scheme.

DIRECTORS:

Mr.K.S.Venkatagiri, Director, retire by rotation, under Article 89 of the Articles of Association of the Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-election at the said meeting.

AUDITORS REPORT:

The observations made in the Auditors' Report and Notes on accounts are self-explanatory and do not require any further explanations.

FIXED DEPOSITS:

The Company has not accepted any deposit during the year.

AUDITORS:

M/s.Chaturvedi & Company, Chartered Accountants, Chennai retire at the conclusion of the ensuing Annual General Meeting and they are eligible for reappointment.

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

Particulars with respect to Conservation of Energy; Technology absorption and Foreign Exchange Earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure-I.

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act,1956, the Report and accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (i) the applicable accounting standards have been followed in preparation of annual accounts for financial year ended 31st March, 2011 and proper explanations have been furnished relating to material departures;
- (ii) the accounting policies have been selected and applied consistently and reasonably and prudent judgments and estimates have been made so as to give a true and fair view of state of affairs of the Company at end of financial year and of profit of the Company for year under review;
- (iii) the proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts for financial year ended 31st March 2011 have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, the Reports on Corporate Governance; on Management Discussion and Analysis; and on code of conduct have been included in Annexure-II.

DEMATERIALISATION OF SHARES:

The company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dematerialization of the Company's shares. Members are requested to hold their shares in demat form since it will help in easy trading in shares even though they are informed that holding of shares in demat form is not compulsory but only optional.

PERSONNEL:

Personnel relations with all employees remained cordial & harmonious throughout the year. Your Directors wish to place on record their deep appreciation of the efficient and loyal services rendered by all staff and workforce of the company, without whose wholehearted efforts, such a good performance would not have been possible.

ACKNOWLEDGEMENT:

The Directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company which was instrumental in achieving improved profitable financial results in a difficult year. The Directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TNEB, State Bank of India, State Bank of Patiala, Corporation Bank and other commercial Banks, the Customers, Shareholders and investors for their unstinted support and assistance and look forward to their continuing support and encouragement, at all times.

For and on behalf of the Board of Directors
of Kanishk Steel Industries Limited

Date: 10th August, 2011
Place: Chennai

RAVI GUPTA
Chairman and Managing Director



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

A. Conservation of Energy

- (a) Energy conservation measures taken - NIL
- (b) Additional Investment and proposals if any, being implemented for reduction of consumption of energy - NIL
- (c) Impact of measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production of goods - NIL
- (d) Total Energy Consumption and energy consumption per unit of production as per Form A:

Form A

			Current Year ended 31.03.2011	Previous Year Ended 31.03.2010
A		POWER AND FUEL CONSUMPTION		
	1.	Electricity		
		Purchased Units	6,622,640	7,245,280
		Total Amount (Rs.)	42,601,481.00	39,910,288.00
		Rate per Unit (Rs.)	6.43	5.51
	2.	Furnace Oil		
		Quantity (kilo litres)	-	200
		Total Amount (Rs.)	-	5340,984.00
		Average Rate (Rs. Per Kl.)	-	26,705.00
	3.	Coal		
		Quantity (Metric Tonne)	5,910.86	5,116.21
		Total Amount (Rs.)	25,170,013.25	20,075,887.00
		Average Rate (Rs. Per MT.)	4,258.00	3,924.00
B.		CONSUMPTION PER UNIT OF PRODUCTION		
		Production(in Mts)	42,911.10	40165.32
		Electricity (Units per MT)	154.33	180.39
		Furnace Oil (Kl per MT)	-	0.0050
		Coal (Kgs per MT)	0.1377	0.1274

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption as per Form B:

Form B

Form of disclosure of particulars with respect to Technology absorption etc.,

I. Research and Development	Nil
II. Technology Absorption, adaption and innovation	Nil

The Technology required for manufacturing products of the Company is indigenous. This indigenous technology is being absorbed for the products of the Company. The Company has not imported any technology and process.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010-11 Rs. in Lakhs
1. Total Foreign Exchange earned	Nil
2. Total Foreign Exchange used	Nil

For and on behalf of the Board of Directors
of Kanishk Steel Industries Limited

Date: 10th August, 2011
Place: Chennai

RAVI GUPTA
Chairman and Managing Director



ANNEXURE - II A

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF KANISHK STEEL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Kanishk Steel Industries Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

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 the 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 and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the 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 **CHATURVEDI & COMPANY**

Chartered Accountants

Firm Reg No. 302137E

S GANESAN

Partner

(Membership No: 217119)

Place: Chennai

Date: 30th May 2011

REPORT ON CORPORATE GOVERNANCE
For the financial year 2010-11

1. Company's philosophy on Corporate Governance:

Corporate Governance at Kanishk Steel is based on the principles of equity, fairness, transparency, spirit of law and honest communication. We always believe that the good Corporate Governance through accountability, integrity and professionalism is the way to enhance the value of Shareholders and all other stakeholders which include Suppliers, Customers, Creditors, Bankers, Society and Employees of the Company. We follow the guidelines mandated in the Clause 49 of the Listing Agreement entered into with Stock Exchange from time to time and adopt the principles to suit the changing times and needs of the business, society and the nation.

2. I. Board of Directors**A. Board Composition:**

The Board has been constituted in such a way that it has an appropriate mix of executive and independent Directors. The Board as at 31.03.2011 has two independent directors and two executive directors one of whom is the Chairman & Managing Director.

The details are furnished hereunder:

Sl.No	Name of the Directors	Executive / Non Executive Director	Promoter / Independent
1.	Mr. Ravi Gupta	Chairman and Managing Director – Executive Director	Promoter Director
2.	Mr. Vishal Keyal	Executive Director	Whole-time Director
3.	Mr. K.S. Venkatagiri	Non Executive Director	Independent Director
4.	Dr. Pravin Kumar Aggarwal	Non Executive Director	Independent Director

As required by the Companies Act, 1956 and Clause 49 of the Listing Agreement, none of the directors hold directorship in more than 15 public companies, nor membership of board committees (audit/remuneration/ investors grievance committees) in excess of 10 and chairmanship of afore-mentioned board committees in excess of 5 as at 31.03.2011.

Sl.No	Name of the Directors	Number of directorships, Committee Memberships and Committee Chairmanship held in other Companies [#]		
		Directorships	Membership	Chairmanship
1.	Mr. Ravi Gupta	4	3	-
2.	Mr. Vishal Keyal	2	-	-
3.	Mr. K.S. Venkatagiri	-	-	-
4.	Dr. Pravin Kumar Aggarwal	-	-	-

[#] Only Public Companies



B. Board Meetings:

During the year 2010-11, seven Board meetings were held on 18.05.2010, 29.05.2010, 14.08.2010, 01.10.2010, 12.11.2010, 12.02.2011 and 18.03.2011. The Annual General Meeting (AGM) was held on 30.09.2010

Detailed agenda notes and the information required to be given in terms of business on the agenda were circulated in advance to the Directors and all matters with explanatory notes / reports relating to the respective Committees were circulated sufficiently in advance of their meetings.

The attendance records of all Directors are as under:

Name of the Directors	Board Meetings		Last AGM Attendance
	Held	Attended	
Mr. Ravi Gupta	7	6	Present
Mr. Alok Gupta [§]	7	2	-
Mr. Vishal Keyal [®]	7	5	Present
Mr. K.S. Venkatagiri	7	3	Present
Dr. Pravin Kumar Aggarwal	7	3	Present

[§] Resigned as Whole-time Director with effect from 29.05.2010

[®] Appointed as Whole-time Director with effect from 29.05.2010

II. COMMITTEES OF THE BOARD

Board has, from time to time, constituted various committees, details of which are given below:

A. Audit Committee:

The Audit Committee is vested with role and powers as mentioned in Para C & D respectively of Clause 49(II) of the Listing Agreement. The Audit Committee reviews the financial performance, accounting policies, major expenditure items, findings of various audits and also financial policies of the company.

The Audit Committee of the Company consists of two Independent Non Executive Directors, and one Non Independent Executive Director.

Attendance of each Member Director, at the Audit Committee Meetings held during the financial year 2010-11, is furnished hereunder :

Four Audit Committee meetings were held on 29.05.2010, 14.08.2010, 12.11.2010 and 12.02.2011 during the financial year 2010-11 and Attendance of each Member Director is given below:

Director	Independent / Non Independent	Position	Audit Committee Meetings	
			Held	Attended
Mr. K. S. Venkatagiri	Independent Director	Chairman	4	4
Dr. Pravin Kumar Aggarwal	Independent Director	Member	4	4
Mr. Ravi Gupta	Non Independent Director	Member	4	4

B. Remuneration Committee:

The Company has constituted a Remuneration Committee of the Board. The main objective of the committee is to formulate and review the overall monetary compensation and benefits for managerial personnel and also set criteria for reward vs. performance to determine variable component of compensation.

The committee currently consists of the following Directors as members and their attendance at the Remuneration Committee Meetings held during the financial year 2010-11:

Director	Remuneration Committee Meetings	
	Held	Attended
Mr. Alok Gupta [§]	1	–
Mr. K. S. Venkatagiri	1	1
Dr. Pravin Kumar Aggarwal	1	1
Mr. Vishal Keyal [@]	1	–

[§] Resigned with effect from 29.05.2010

[@] Appointed with effect from 29.05.2010

Details of Remuneration paid/payable to directors for the financial year 2010-11

Director	Remuneration Rs.	Perks	Total Rs.
Mr. Ravi Gupta	24,00,000	Nil	24,00,000
Mr. Alok Gupta	1,00,000	Nil	1,00,000
Mr. Vishal Keyal	2,50,000	Nil	2,50,000

Details of sitting fees paid to Directors for the financial year 2010-11

Except sitting fees, the Company has not paid any remuneration to the Non-Executive Directors.

Director	Details of Sitting Fees Paid			
	Board Meeting Rs.	Audit Committee Rs.	Remuneration Committee Rs.	Total Sitting Fees Rs.
Mr. K.S.Venkatagiri	6,000	4,000	1,000	11,000
Dr. Pravin Kumar Aggarwal	6,000	4,000	1,000	11,000
Grand Total	12,000	8,000	2,000	22,000

C. Share Transfers cum Share holder's/Investors' Grievance Committee

The committee authorizes the Share Transfers and looks into redressal of share holders and investors complaints on transfer of shares, non receipt of balance sheet, declared dividends and other matters pertaining to share holders and investors.



Composition of Committee

Director	Executive/ Non Executive	Position
Mr. Ravi Gupta	Executive Director	Chairman
Dr. Pravin Kumar Aggarwal	Non Executive Director	Member
Mr. Alok Gupta [Till 29.05.2010]	Executive Director	Member
Mr. Vishal Keyal [From 29.05.2010]	Executive Director	Member

Twelve Meetings were held during the financial year 2010-11 to look into the redressal of shareholder grievances.

Name and designation of compliance officer

Mr.M.K.Madhavan Company Secretary & Compliance Officer

No. of shareholders complaints received	Number of complaints not solved to the satisfaction of shareholders	Number of complaints pending as on 31.03.2011
Nil	Nil	Nil

3. Details of Annual General Meeting / Extra-ordinary General Meetings

I. Annual General Meetings:

Year	Date	Time	Venue
2007-2008	27/09/2008	2.30 P.M.	SF No.180, Near Nagaraja Kandigai, Periya Obulapuram Village, Gummidipoondi, Thiruvallur District, Tamil Nadu
2008-2009	30/09/2009	3.00 P.M.	B27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu – 601 201
2009-2010	30/09/2010	3.00 P.M.	B27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu – 601 201

II. Court Convened Meeting:

Pursuant to Rule 73 of the Companies (Court) Rules, 1959, a Meeting of the Equity Shareholders of the Company was held on 23rd February, 2011 at B-27 (M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur, Tamil Nadu – 601201 at 10.A.M in compliance of Order dated 24th January, 2011 of the Hon'ble High Court of Judicature at Madras, to seek their approval under Section 391 to Section 394 of the Companies Act, 1956 to the Scheme of Arrangement between Kanishk Steel Industries Limited (Demerged Company) and Gita Renewable Energy Limited (First Resulting Company) and Chennai Ferrous Industries Limited (Second Resulting Company) and their Respective Shareholders and the resolution was passed unanimously through voting as directed in the Order of the Hon'ble High Court of Judicature at Madras.

Special Resolution:

- i) At the Annual General Meeting held on 27th September 2008 Special Resolution —
 - under Section 81(1A) was passed for preferential or public issue of an amount not exceeding Rs.200 crores,

- for re-appointment of Mr. Ravi Gupta as the Managing Director for 5 years,
 - for maintenance of members registers in a place other than the Registered office and
 - also for alteration of Articles.
- ii) At the Annual General Meeting held on 30th September 2009, Special Resolution under Section 81(1A) was passed for preferential or public issue of an amount not exceeding Rs.200 crores.
- iii) At the Annual General Meeting held on 30th September 2010, Special Resolution under Section 81(1A) was passed for preferential or public issue of an amount not exceeding Rs. 200 crores.

Postal Ballot

During the Year, No Special Resolution was passed through Postal Ballot under section 192A of the Companies Act, 1956.

7. Disclosures

Related Party Transactions:

There are no materially significant related party transactions, which may have potential conflict with the interest of the company at large.

Statutory Compliance:

The company has complied with the requirements of Stock Exchanges, SEBI, and Statutory Authorities on all matters related to Capital Markets during the last three years. No penalties or strictures have been imposed on the company by these authorities.

Whistle Blower Policy Access of personnel to Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the company's personnel have access to the chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

Mandatory and Non-mandatory requirements:

The company has complied with the mandatory requirements of the Corporate Governance Clause of the Listing Agreement. The company has not implemented the non-mandatory requirements enlisted by way of Annexure to Clause 49 of the listing agreement except the constitution of Remuneration Committee.

During the financial year 2010-2011 there is no audit qualification in the Company's financial statements.

CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, the Managing Director and the Head of Finance Function have furnished necessary certificate to the Board on the financial statements presented.

8. Means of Communication

The Quarterly/Half-Yearly/Annual financial results of the Company were published in "Trinity Mirror" – the English Daily and "Makkal Kural" – Tamil Newspaper. The Quarterly/Half-Yearly/Annual financial results and the shareholding pattern were properly reported with Stock Exchanges and are available in the Website stock Exchange and the Company's website namely www.kanishksteels.in.



Annual reports and balance sheets are sent to all the shareholders by Registered Post or through e-mail System or both at the desire of Shareholders.

Further to our compliance of Clause 54 to the Listing Agreement all basic information about the company is made available in the Company's website at all times at no cost for the benefit of all stakeholders concerned.

9. General shareholder information:

Dates of Book closure	:	23 rd September, 2011 to 30 th September, 2011 (Both days inclusive)
Date, time and venue of Annual General Meeting	:	30 th September, 2011 at 3.00 p.m. at B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Tamilnadu – 601201
Financial Calendar	:	Financial Reporting for the quarter ending 30 th June 2011 - Latest by 10 th of Aug 2011 30 th Sept 2011 - Latest by 14 th of Nov 2011 31 st Dec 2011 - Latest by 14 th of Feb 2012 31 st Mar 2012 - Latest by 30 th May 2012
Dividend Payment	:	NA
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd.
Depository Participant	:	National Securities Depository Limited Central Depository Services Limited
Stock Code	:	Mumbai Stock Scrip Code no: 513456
Demat ISIN Number In NSDL	:	INE 791E01018
CDSL	:	INE 791E01018
Listing on Stock Exchange (overseas)	—	Nil

Stock market price data

High/Low of monthly Market Price of the Company's Equity Shares traded on the Bombay Stock Exchange; Mumbai during the financial year 2010-11 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume Traded (No of shares)
April 2010	23.45	18.05	49889
May 2010	28.30	18.70	1470117
June 2010	21.50	18.20	21807
July 2010	21.40	17.00	31920
August 2010	19.80	16.55	21049
September 2010	20.15	15.30	34269
October 2010	21.85	16.35	28394
November 2010	18.90	14.70	39544
December 2010	19.05	13.55	14259
January 2011	16.85	12.40	14905
February 2011	15.65	11.60	17106
March 2011	16.10	12.50	50974

Share transfer system

Share transfers are registered and returned to the transferee within 30 days from the date of receipt, if the documents are in order in all respects.

The share transfer committee has met 12 times during the year.

No. of shares received for transfer upto 31-3-2011 is 3200 Shares and shares pending for transfer as on 31.03.2011 is nil.

Registrar and Transfer Agents

Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai - 600 002
Ph : 28460390 (6 lines)
email : cameo@cameoindia.com

Distribution of share holding

Share holding of Nominal Value of	Share Holders		Share Holdings	
	Rs. Rs.	Number	% to Total	Shares
(1)	(2)	(3)	(4)	(5)
10-5000	4855	91.2593	7869160	2.7673
5001-10000	230	4.3233	1816780	0.6388
10001-20000	85	1.5977	1216710	0.4278
20001-30000	25	0.4699	656730	0.2309
30001-40000	13	0.2443	470440	0.1654
40001-50000	12	0.2255	571080	0.2008
50001-100000	21	0.3947	1560300	0.5487
100001 & Above	79	1.4849	270199540	95.0199
Total	5320	100.0000	284360740	100.0000

Share holding pattern as on 31st March 2011

	Category	No. of Shares Held	Percentage of Share holding
A	Shareholding of Promoter & Promoter Group:		
1	Indian		
	- Individuals / Hindu Undivided Family	10933141	38.45
	- Bodies Corporate	5010450	17.62
	Sub Total	15943591	56.07
	[A] [1]		
2	Foreign		
	- Bodies Corporate	2000000	7.03
	- Any other Directors/Relative NRI	2000000	7.03
	Sub Total	4000000	14.06
	[A] [2]		
	Total Share Holding of Promoter & Promoter Group {A= [A] [1] +[A] [2]}	19943591	70.13



	Category	No. of Shares Held	Percentage of Share holding
B	Public Shareholding		
1	Institutions	0	0.00
2	Non-Institutions		
a.	Bodies Corporate	4535705	15.95
b.	Individuals		
	I. Individual Shareholders Holding Nominal Share Capital upto Rs 1 Lakh	1215347	4.27
	II Individual Shareholders Holding Nominal Share Capital in excess of Rs 1 Lakh	1281514	4.51
c.	Any Other.		
	Clearing Members	2	0.00
	HUF	349052	1.23
	Non Resident Indians	110863	0.39
	Overseas Corporate Bodies	1000000	3.52
	Sub Total [B] [2]	8492483	29.87
	Total Public Shareholding [B] [1]+[B] [2]	8492483	29.87
	TOTAL (A+B)	28436074	100.00
C	Shares held by Custodians and against which Depository Receipts have been issued		
	1) Promoter and Promoter Group	0	0.00
	2) Public	0	0.00
	Total (A) + (B) + (C)	28,436,074	100.00

	No. of Holders	No. of Shares	%
NSDL:	1640	10841923	38.13
CDSL:	559	718618	2.53
Physical:	3121	16875533	59.34

Demat of shares:

As per the directives of Securities & Exchange Board of India, the equity shares of the company are being traded in electronic form from 18.02.2002. The physical form of trading is also available to the shareholders. Electronic Holding by Members comprises of 40.52 % (as on 31-3-2011) of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Services Limited. The company has entered into an agreement with Cameo Corporate Services Limited, Chennai, as depository registrar.

Investor query/address for correspondence:

Company Secretary
Kanishk Steel Industries Limited,
Old No: 4 New No: 7, Thiru-Vi-Ka 3rd Street,
Royapettah High Road,
Mylpore, Chennai- 600 004
Ph: 044 42919700 Fax: 044 42919719
E-mail: company.secretary@kanishksteels.in

Shareholders holding shares in electronic mode should address all their correspondence to:

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai- 600 002
Ph : 28460390 (6 lines)
email : cameo@cameoindia.com

Plant Location:

- (1) Rolling & Furnace Mills :** B-27 (M), B-27 (N) SIPCOT Industrial Complex
Gummudipoondi, Thiruvallur District, Tamilandu - 601 201.
- (2) Windmills :**
- i) Kanishk Steel Industries Ltd.,
Windfarm Vadamacherry Site
Palladam T.K.
Coimbatore District.
 - ii) Kanishk Steel Industries Ltd.
Windfarm Pazhavor Site
Tirunelveli District.
 - iii) Kanishk Steel Industries Ltd.
Windfarm, Kavalakurichi Village
Tirunelveli District.
 - iv) Kanishk Steel Industries Ltd
Wind Farm, Manur Tirunelveli
 - v) Kanishk Steel Industries Ltd
Veerakeralampudur Tirunelveli
- (3) Sponge Iron :** Kanishk Steel Industries Ltd.,
Obulapuram Village,
S.R.Kandigai,
Gummudipoondi,
Chennai - 600 201



ANNEXURE - II C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Steel occupies a prominent place in the manufacturing industry in India. Development of Steel Industry in India covers the Refractory Industry, Cold Rolling Industry, Sponge Iron Industry and reserves, with special attention to the export prospects, global competitiveness and Research & Development. Due to current global financial crisis there is sharp fall in demand leaving impact on Profit. Most steel companies avoided huge inventory by cutting down production

Strengths: Sponge Iron and the Wind Energy generators ensure continuous supply of raw materials and power, and continue to be the major strength of the company.

Weaknesses: Continuous rise in crude oil prices would result in escalation in transport cost. There is geographical limitation of markets due to the weight of the finished goods.

Opportunities: Demand is expected to rise in future with economic and industrial growth. Growing Indian automobile industry will lead to a strong steel demand in future.

Threats: The high cost of electricity in India may hamper the steel industry's production level.

ANNEXURE - II D

CODE OF CONDUCT

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This code is a comprehensive code applicable to all Directors, Executives as well as Non- Executives and members of the Senior Management.

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2010-11.

Date: 30.05.2011
Place: Chennai

RAVI GUPTA
Chairman & Managing Director"

AUDITORS' REPORT

TO THE MEMBERS OF KANISHK STEEL INDUSTRIES LIMITED

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

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Govt. of India in terms of sub-section (4A) of Sec.227 of the Companies Act, 1956, we report on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year which could affect the going concern status of the Company.
- (ii) (a) Inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between the physical stock and book records which were not material having regard to the size of the company and nature of its business have been properly dealt with in the books of account.
- (iii) (a) As per the information and explanation given to us and as per the records produced to us, the company has granted unsecured loans to a company covered in the register maintained under section 301 of the Companies Act, 1956. Aggregate of opening balance is Rs.10.01 Crores (Previous year: Rs.Nil), maximum outstanding during the year is Rs.10.01 Crores (Previous year: Rs.10.01 Crores), repayment during the year is Rs.10.50 Crores (Previous year: Rs.Nil) and closing balance is Rs. Nil (Previous year: Rs.10.01 Crores). The company has not granted any other loans to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.



- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) The receipts of principal amounts and interest have been as per stipulations.
 - (d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of CARO are not applicable to the Company.
 - (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of CARO are not applicable to the Company.
 - (f) The terms and conditions of loans taken by the Company, are prima facie not prejudicial to the interest of the Company; and
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal controls system.
- (v) (a) We are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under the said section;
 - (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion, the company's in-house internal audit system is commensurate with the size and nature of its business.
- (viii) The Central Government under Section 209(1)(d) of the Companies Act, 1956 has not prescribed the maintenance of cost records in respect of the activities of the company.
- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, wherever applicable and no dues are pending for a period of more than six months from the date they become payable.
 - (b) According to the information and explanations given to us and the records of the Company, there were no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except as follows: (also refer Note:No:4 of Schedule N, Notes to the Accounts).

Statute Name	Nature of dues	Amount Rs.in lacs	Forum where dispute is pending
Central Excise Law (SCN no. 2268/95 dated 25.07.1995)	Dispute relating to deemed Credit	2.34	Commissioner of Central Excise (Appeals) Chennai.
Central Excise Law	Dispute relating to refixation of Annual capacity of erstwhile OP Steels Limited	35.66 Plus equal amount of penalty	Hon'ble High Court of Madras.
Central Excise Law (SCN No. 2/06 dt 17.1.2006)	Dispute relating to differential duty on depot sales.	52.38	Hon'ble High Court of Madras.
Central Excise Law	Dispute relating to refixation of Annual capacity	9.00 Plus equal amount of penalty plus Interest thereon.	Hon'ble High Court of Madras

- (x) The Company has no accumulated losses. The Company has also not incurred cash losses during this financial year and the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of loans availed from Banks. The company has no borrowings from financial institution and has not issued debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chitfund, nidhi, mutual benefit fund or society and therefore the requirements pertaining to such class of companies is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. The Investments in shares has been held by the company in its own name.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions the terms and conditions whereof are prejudicial to the interest of the Company.
- (xvi) On the basis of review of utilization of funds on an overall basis, in our opinion, the term loans taken by the company during the year were applied for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we are of the opinion that there are no funds raised on short-term basis which have been used for long term investment by the Company.



- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Further to our comments above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (ii) In the case of the Profit and Loss Account, of the PROFIT of the company for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For **CHATURVEDI & COMPANY**
Chartered Accountants
Firm Reg No. 302137E

PLACE : Chennai
DATE: 30th May 2011

S. GANESAN
Partner
Membership No.217119

KANISHK STEEL INDUSTRIES LIMITED
BALANCE SHEET AS ON 31ST MARCH 2011

	Schedule	AS AT 31.03.2011 (Amount in Rs.)	AS AT 31.03.2010 (Amount in Rs.)
SOURCES OF FUNDS			
A. SHAREHOLDERS FUNDS			
Share Capital	A	284,656,570	284,656,570
Reserves & Surplus	B	564,763,346	537,408,052
B. LOAN FUNDS			
Secured Loans	C	366,376,716	336,279,753
Unsecured Loans		334,770,000	239,770,000
C. DEFERRED TAX LIABILITY (NET)			
		185,049,394	193,345,781
		1,735,616,026	1,591,460,156
APPLICATION OF FUNDS			
D. FIXED ASSETS			
Gross Block	D	1,321,885,208	1,286,196,071
Less : Depreciation		376,062,397	315,490,812
Net Block		945,822,811	970,705,259
Capital Work In Progress		7,688,892	4,725,831
E. INVESTMENTS			
	E	44,324,331	21,502,385
F. CURRENT ASSETS, LOANS AND ADVANCES:			
Inventories	F	682,647,489	427,580,273
Sundry Debtors		444,765,325	308,991,849
Cash & Bank Balances		53,929,750	35,860,031
Loans & Advances		503,686,802	534,001,170
		1,685,029,366	1,306,433,323
G. LESS : CURRENT LIABILITES & PROVISIONS			
Current Liabilities	G	937,642,700	707,688,780
Provisions		9,606,674	4,217,861
		947,249,374	711,906,642
NET CURRENT ASSETS			
		737,779,992	594,526,681
		1,735,616,026	1,591,460,156

As per the report of even date annexed

For **CHATURVEDI & COMPANY**

Chartered Accountants

Firm Reg No. 302137E

RAVI GUPTA
 Chairman & Managing Director

VISHAL KEYAL
 Whole-time Director
S GANESAN

Partner (Memb.No: 217119)

Chennai, 30th May 2011

M.K. MADHAVAN
 Company Secretary



KANISHK STEEL INDUSTRIES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	YEAR ENDED 31.03.2011 (Amount in Rs.)	YEAR ENDED 31.03.2010 (Amount in Rs.)
I. INCOME			
Sales (Gross)	H	4,450,454,351	4,527,097,714
Less: Excise Duty		224,356,651	158,799,514
Sales (Net)		4,226,097,700	4,368,298,200
Other Income		27,517,971	31,608,168
TOTAL		4,253,615,671	4,399,906,368
II. EXPENDITURE			
Material and Manufacturing Expenses	I	4,062,699,863	4,231,613,486
Payment & Provisions to Employees	J	8,640,123	7,108,176
Repairs and Maintenance	K	16,302,930	22,831,784
Financial Expenses	L	44,698,912	25,881,478
Administrative Expenses	M	27,735,115	30,137,740
Directors' Remuneration		2,750,000	3,096,000
Total		4,162,826,943	4,320,668,665
Profit before Depreciation		90,788,728	79,237,703
Less : Depreciation		57,270,124	54,419,455
Profit after Depreciation before tax		33,518,604	24,818,249
Taxation for the Year Current Tax		9,606,674	4,217,861
Deferred tax		(8,296,385)	-
Profit after tax		32,208,315	20,600,387
Taxation adjustments of previous years		(12,847)	-
Reversal of excess provision of earlier year		-	571,586
Balance Brought Forward from last year		333,563,582	313,534,779
		365,759,050	333,563,581
Proposed Dividend & Interim Dividend Paid		-	-
Dividend Tax		-	-
Transfer to General Reserve		-	-
Balance carried forward to Balance Sheet		365,759,050	333,563,581
Earnings Per Share (Basic and Diluted)		1.13	0.72
NOTES ON ACCOUNTS	N		

As per the report of even date annexed

For CHATURVEDI & COMPANY

Chartered Accountants
 Firm Reg No. 302137E

RAVI GUPTA
 Chairman & Managing Director

VISHAL KEYAL
 Whole-time Director

S GANESAN

Partner (Memb.No: 217119)
 Chennai, 30th May 2011

M.K. MADHAVAN
 Company Secretary

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011 AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	AS AT 31.03.2011 (Amount in Rs.)	AS AT 31.03.2010 (Amount in Rs.)
SCHEDULE A : SHARE CAPITAL		
Authorised Capital		
29,800,000 Equity Shares of Rs.10 each	298,000,000	298,000,000
20,000 15% Cumulative Redeemable Preference Shares of Rs.100 each	2,000,000	2,000,000
	300,000,000	300,000,000
Issued & Subscribed Capital:		
2,84,36,074 Equity shares of Rs.10 each	284,360,740	284,360,740
	284,360,740	284,360,740
Called up & Paid-up capital:		
2,84,36,074 Equity shares of Rs.10 each	284,360,740	284,360,740
	284,360,740	284,360,740
Add: Forfeited Shares	295,830	295,830
	284,656,570	284,656,570
SCHEDULE B : RESERVES & SURPLUS		
a) Capital Reserve	8,732,431	8,732,431
b) Capital Redempiton Reserve	300,000	300,000
c) Securities Premium Account	71,639,025	71,639,025
d) General Reserve	23,007,619	23,007,619
e) Profit & Loss Account Balance Carried Forward	365,759,050	333,563,581
f) Revaluation Reserve	95,325,221	100,165,396
	564,763,345	537,408,051



	AS AT 31.03.2011 (Amount in Rs.)	AS AT 31.03.2010 (Amount in Rs.)
SCHEDULE C : SECURED LOAN		
I. From Banks -		
STATE BANK OF INDIA		
a) Working Capital Demand Loan	-	-
b) Working Capital Demand Loan Sponge Project	-	-
c) Cash Credit	108,332,634	39,306,573
d) Term Loans:		
For Sponge Iron Project	-	10,129,775
As Corporate Loan	-	-
For Power Project	207,610,204	240,006,951
STATE BANK OF PATIALA - TERM LOAN	-	12,142,397
STATE BANK OF PATIALA WCDL A/C	29,595,928	31,528,785
CORPORATION BANK - Cash Credit	16,194,196	-
(All the above loans are secured by equitable mortgage of land and building including Plant and Machinery and also by hypothecation of Raw Materials, Stock-in-Process and Finished Goods, Corporate guarantee by M/s. Tamilnadu Property Developers Ltd. Also personally guaranteed by the CMD of the company)		
II. From Institutions/others -		
Hire Purchase Loans		
(Secured against assets purchased under HP Scheme)	4,643,754	3,165,273
	366,376,716	336,279,753
SCHEDULE E: INVESTMENTS		
UNQUOTED :		
1882020 "C" class Equity shares of Rs.10 each in OPG Energy Private Limited		
	18,820,200	18,820,200
10000 "A" class Equity shares of Rs.10 each in OPG Energy Private Limited		
	100,000	100,000
190000 "A" class Equity shares (Previous year 170000 "A" class Equity shares) of Rs.10 each in OPG Renewable Energy Private Limited		
	1,900,000	1,700,000
30000 Equity shares of Rs.10 each in - OPG Windfarm Private Limited		
	3,000,000	-
SBI Mutual Fund		
	20,504,131	-
Investment in Derivatives -		
Held for Sale 30MT Steel Long (Date of purchase 31-03-2010)		
	-	882,185
	44,324,331	21,502,385

SCHEDULE D : FIXED ASSETS

PARTICULARS	ASAT 01.04.2010	GROSS BLOCK		DEPRECIATION		NETBLOCK				
		ASAT 01.04.2011	ADDI- TIONS	Deletions/ Refund	ASAT 01.04.2010	FOR THE PERIOD	WITH- DRAWN	UPTO 31.03.2011	ASAT 31.03.2011	ASAT 31.03.2010
LAND	33,418,256	-	-	-	-	-	-	-	33,418,256	-
LAND LEASE HOLD	-	-	-	-	-	-	-	-	-	-
FACTORY BUILDINGS	160,935,171	-	6,698,976	-	167,634,147	5,463,834	27,365,891	140,268,256	139,033,115	
BUILDINGS	301,200	-	-	-	301,200	4,910	29,685	271,515	276,424	
PLANT & MACHINERY	733,526,479	-	21,599,243	-	755,125,722	38,208,897	281,041,722	474,084,000	490,693,654	
6MW PLANT & MACHINERY	254,488,945	-	4,609,620	-	259,098,565	12,118,689	30,077,452	229,021,113	236,530,182	
6MW POLLUTION CONTROL EQUIPMENT	5,387,922	-	-	-	5,387,922	255,926	645,776	4,742,146	4,998,073	
ELECTRICAL INSTALLATION	34,862,508	-	135,529	-	34,998,037	1,659,829	15,951,079	19,046,958	20,571,257	
CRANE	34,325,863	-	892,427	-	35,218,290	1,645,764	8,668,716	26,549,574	27,302,912	
OFFICE EQUIPMENTS	4,871,524	-	58,864	-	4,930,388	233,440	1,999,466	2,930,922	3,105,496	
FURNITURE & FITTINGS	4,420,082	-	34,900	-	4,454,982	281,425	1,611,209	2,843,773	3,090,300	
VEHICLES	19,658,121	-	5,434,342	3,774,764	21,317,699	2,237,583	8,671,402	12,646,297	11,685,589	
TOTAL	1,286,196,071	-	39,463,901	3,774,764	1,321,885,208	62,110,299	376,062,397	945,822,811	970,705,259	
PREVIOUS YEAR	926,673,569	-	338,852,170	-	1,265,525,739	53,247,617	204,009,528	1,008,268,594	722,664,041	



	AS AT 31.03.2011 (Amount in Rs.)	AS AT 31.03.2010 (Amount in Rs.)
SCHEDULE F : CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
I. Inventories (as valued and certified by the management)		
a) Raw Materials	586,612,266	257,813,115
b) Finished Goods	80,023,470	164,370,976
c) Stores and Spares	16,011,753	5,396,183
	682,647,489	427,580,273
II. Sundry Debtors (Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months	7,297,591	16,036,079
Other Debts	437,467,734	292,955,770
	444,765,325	308,991,849
III. Cash & Bank Balances		
a) Cash on Hand	3,294,411	2,457,618
b) Cash at Bank		
in Current Account	5,583,466	2,484,124
in Deposit Account	45,051,873	30,918,290
	53,929,750	35,860,031
B. LOANS AND ADVANCES (Unsecured, Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	397,028,950	434,788,563
b) Deposit with TNEB, Telephone, ST & others	54,772,779	54,294,254
c) Cenvat, Cess & PLA balances	37,082,119	34,685,665
d) Advance Tax & TDS balances	14,802,954	10,232,688
	503,686,802	534,001,170
SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
a) Sundry Creditors	914,600,288	686,523,420
b) Other Liabilities	23,042,412	21,165,360
	937,642,700	707,688,780
B. PROVISIONS		
Taxation	9,606,674	4,217,861
	9,606,674	4,217,861

	YEAR ENDED 31.03.2011 (Amount in Rs.)	YEAR ENDED 31.03.2010 (Amount in Rs.)
SCHEDULE H : SALES & OTHER INCOME		
A. SALES		
Sale of Products	3,629,690,489	3,971,781,073
Sale of Raw Materials	748,430,082	492,900,535
Conversion charges received	-	35,954
Sale of Power Generated	72,333,780	62,380,152
	4,450,454,351	4,527,097,714
B. OTHER INCOME		
Rent Received	849,180	605,856
Income Received on Ware Housing	10,685,617	19,084,681
Dividend	4,131	-
Sales Commission	1,336,551	118,735
Insurance claim received	1,086,076	3,838,250
Interest Received	4,914,301	1,197,361
Income Accrued on EPGC	-	2,359,098
Foreign exchange Fluctuation Gain	1,704,160	3,989,223
Profit & Loss from Derivatives	-	414,965
Forwarding Charges	6,571,867	-
Rebate & discount / Liabilities no longer required	366,088	-
	27,517,971	31,608,168



	YEAR ENDED 31.03.2011 (Amount in Rs.)	YEAR ENDED 31.03.2010 (Amount in Rs.)
SCHEDULE I: MATERIAL & MANUFACTURING EXPENSES		
Cost of material consumed & sold	3,475,512,074	3,838,740,072
Customs Duty paid	79,900,396	65,240,684
Stores and Spares consumed	20,565,582	37,755,478
Increase / Decrease in Stock (FG)	103,378,869	(5,318,900)
Lease Rent Paid	-	828,000
Power and Fuel	161,036,638	157,922,592
Freight Charges	213,306,360	128,103,660
RM / FG Cutting & Handling Expenses	6,112,906	4,687,561
Gas	2,887,038	3,654,340
	4,062,699,863	4,231,613,486
SCHEDULE J: PAYMENT & PROVISION TO EMPLOYEES		
Salaries, Wages and Bonus	7,483,679	5,516,591
Staff and Labour Welfare	70,185	170,290
Contribution to Provident & other funds	1,086,259	1,421,295
	8,640,123	7,108,176
SCHEDULE K: REPAIRS & MAINTENANCE		
Machinery Repairs	8,457,145	7,809,484
Factory maintenance	621,639	4,851,219
Electrical Repairs	1,710,996	2,353,569
Building Repairs & maintenance	945,107	1,711,856
Equipment maintenance		112,450
Vehicle Maintenance - Car	296,809	24,039
Windmill Repairs & Maintenance	4,271,234	4,521,960
Windmill Wheeling Expenses	-	1,447,208
	16,302,930	22,831,784
SCHEDULE L: FINANCIAL EXPENSES		
Interest paid to Banks	31,817,554	17,181,347
Interest - Others	5,320,993	471,278
Bank charges	7,560,365	8,228,853
	44,698,912	25,881,478

	YEAR ENDED 31.03.2011 (Amount in Rs.)	YEAR ENDED 31.03.2010 (Amount in Rs.)
SCHEDULE M: ADMINISTRATIVE EXPENSES		
Printing and Stationery	232,851	260,625
Advertisement	68,925	2,222,110
Baddebts W/o	-	1,488,135
Sales Promotion Expenditure	1,245,156	-
Commission paid	545,053	434,004
Rent & Amenities	1,002,643	280,500
Rates & Taxes	1,747,469	3,466,836
Postage	104,816	108,438
Travelling & Conveyance	1,614,878	1,348,882
Insurance	4,428,768	5,454,811
Donation	167,500	68,000
Directors - Sitting Fees	22,000	30,000
Medical expenses	197,162	171,333
Payment to Auditors		
- As Audit Fees	110,300	110,300
- As Tax Audit Fees	55,150	55,150
- As Certification Fees	11,582	52,395
Professional & Consultancy	310,303	1,364,434
Telephone Charges	1,339,199	2,298,133
Office Maintenance	37,677	38,873
Vehicle Maintenance	110,299	99,851
Loss on Sale of Assets	2,018,235	300,152
Rebate & Discount	1,896,476	5,388,494
General Expenses	2,806,985	286,786
Club Membership	-	2,535
Membership & Subscription	1,187,862	703,325
Service Tax Paid	5,952,264	3,592,230
Security Charges	458,571	452,166
Share Transfer Charges	62,992	59,242
	27,735,115	30,137,740



SCHEDULE N :

NOTES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

A. Significant Accounting Policies:

1. Accounting Convention:

- (a) The company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention (except so far as they relate to revaluation of certain fixed assets and providing for depreciation on revalued amounts) and accounting principles generally accepted in India as a going concern.
- (b) The preparation of financial statements requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as of the date of financial statements and the reported amounts of income and expenses during the reporting period. The Company believes that the estimates used in the preparation of the financial statements as prudent and reasonable. Future results could differ from these estimates.

2. Revenue Recognition:

Sale is recognized on dispatch of goods. Sale is net of trade discount, includes excise duty and excludes sales tax recovered. Power generated at the Insurance claim is accounted in the year of receipt.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition as adjusted by revaluation and related expenditure less accumulated depreciation.

4. Depreciation:

Depreciation is provided on straight-line method as per the rates specified under Schedule XIV of the Companies Act, 1956 on pro-rata basis.

5. Investments:

Current Investments are carried at lower of cost or fair value. Long-term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS 13 – Accounting for Investments if the decline/diminution is other than temporary.

6. Inventories:

Inventories are valued as under:

1. Raw Materials, Consumables and Stores & Spares are valued at lower of cost and net realizable value. Cost of inventories is generally ascertained on the weighted average basis.
2. Finished Goods are valued at lower of cost and net realizable value. Cost for this purpose means full absorption cost basis which includes direct materials, direct labour, excise duty, related depreciation and appropriate production overheads.
3. Materials-in-Transit are valued at Cost including Freight & Insurance.

7. Employee Benefits:

1. Defined contribution plan:

Contribution to defined contribution plans are recognized as expense on accrual basis.

2. Defined Benefit Plan:

The present value of Gratuity obligation is determined based on actuarial valuation using the projected unit credit method and is recognized as expenses on accrual basis. Actuarial gains / losses arising during the year are recognized in the profit & Loss account.

8. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. In respect of the transactions covered by Forward Exchange Contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as Income or Expense over the life of the Contract. Transactions not covered by forward exchange rates and outstanding at year end are translated at exchange rates prevailing at the year end and the profit/loss so determined and also the realized exchange gain/losses are recognized in the Profit & Loss Account.

9. Borrowing Cost:

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets, which are capitalized. During the year under review, there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalized.

10. Segment Accounting:

Segments are identified based on the types of products and the internal organization. The company has identified business segments as its primary reporting segment. The company's primary segments consist of Steel and Power. Unallocated corporate expense (net of other income) represents expense which relates to the enterprise as a whole and are not allocable to segments.

11. Taxes on Income:

1. Provision for current tax is made in accordance with the Income Tax Act, 1961.
2. In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years (Also refer point 8 of Notes on Accounts). However, Deferred Tax Assets are recognized only if there is a reasonable / virtual certainty of realization thereof.

12. Provisions and Contingencies:

Provisions involving a 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 accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

B. Notes on Accounts:

1. Contingent liability not provided for:
 - (a) Counter Guarantees furnished to the bank Rs. 61.46 Lakhs (Previous year Rs. 56.74 Lakhs)
 - (b) Towards outstanding Letter of Credit Rs.2,159.27 Lakhs (Previous year Rs. 2,804.90 Lakhs) on account of import of raw materials.
2. Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.1,288 Lakhs. (Previous year: Rs.1,359 Lakhs).



3. Claims against the company not acknowledged as debt:

- a) towards the disallowance of deemed Credit to extent of Rs.2,34,094/- under Rule 57-I of the Central Excise Rules, 1944 read with Section 11-A of Central Excise Act, 1944 made on the erstwhile Avanti Oil and Steel Industries Private Limited, the transferor company. Matter under appeal before Commissioner of Central Excise (Appeals) Chennai.
- b) towards the demand of Rs.35.66 lakhs plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise on the erstwhile OP Steels Limited, the transferor company. Company has filed stay petition. This matter is pending before Hon'ble High Court of Madras.
- c) towards the demand of differential duty of Rs.52.38 lakhs (Rs.87.25 lakhs less Rs.34.87 lakhs already paid) plus interest and penalty as per the provisions of the Central Excise Act, 1944 as per the show cause notice no:2/06 dated 17-1-2006 issued by the Commissioner of Central Excise, Chennai claiming wrong adoption of assessable value for the excisable goods cleared from factory to depots. Company has won during the year its appeal before the settlement commission and the matter has been referred to Hon'ble High Court of Madras by the Commissioner of Central Excise.
- d) - towards the demand of Rs. 9.00 lakhs plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise. The Department has filed its appeal against this Company. This matter is pending before Hon'ble High Court of Madras.

4. **Revaluation of Fixed Assets:**

Fixed Assets pertaining to Rolling Division of the Company have been revalued on 31.03.2008, corresponding credit given to the Revaluation Reserve as per AS 10. Depreciation to the extent of Rs. 48.40 Lakhs has been adjusted against revaluation reserve during the current year.

5. **Remuneration to the Directors:**

(Amount in Rs.)

Mr. Ravi Gupta	Chairman and Managing Director	24,00,000
Mr. Alok Gupta*	Whole-time Director	1,00,000
Mr. Vishal Keyal	Whole-time Director	2,50,000
Total		27,50,000

*Resigned on 29-05-2010

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

(Amount in Rs.)

	2010-11	2009-10
Net Profit before taxation	3,35,18,603	2,48,18,249
Add: Directors Remuneration	27,50,000	30,96,000
	<u>3,62,68,603</u>	<u>2,79,14,249</u>
Add: Loss on sale of assets	20,18,235	3,00,152
Net Profit	<u>3,82,86,838</u>	<u>2,82,14,401</u>

6. License Agreement:

Company has entered into a License Agreement on 26th April 2008 to give on License the 10MW Power Plant to OPG Renewable Energy Private Limited (OPGREPL) on the understanding that OPGREPL shall provide power to the Company upto 9 million units every year. It has also been undertaken that in the event of shortfall, OPGREPL shall compensate the company by an amount equal to the value of such shortfall calculated by applying the rate of power charged by TNEB in that financial year. This commitment was reduced to 4.5 million units a year w.e.f. 1-4-09 by taking an Interest free deposit of Rs.23.98 Crores from OPGREPL during 2008-09 which has been further increased by Rs.9.50 Cr. during the year 2010-11.

7. Employee Benefits

Disclosures in terms of AS-15 are under:

a. Defined contribution plan:

Contribution to defined contribution plan recognized as expenses for the financial year 2010-11 is Employers contribution to Provident Fund and ESI Rs.10.86 Lakhs.

b. Defined Benefit Plan:

As per the explanations given by the management of the company except for Gratuity, there are no other benefit plans for the employees of the company. The present value of Gratuity obligation is determined during the financial year 2010-11 based on actuarial valuation using the projected unit credit method. Accordingly provision of Rs.7.09 Lakhs has been made in the financial year 2010-11. (Previous year Rs.1.57 Lakhs)

	(Rs. in 000's)	
	2010-11	2009-10
I Expenses recognized in the statement of Profit and Loss for the year ended		
1. Current Service Cost	709	157
2. Interest Cost	158	286
3. Expected Return on Plan Assets	148	136
4. Net Actuarial (Gains) / Losses	-	-
5. Total Expenses	403	(265)
	709	157
II Net Asset/(Liability) recognized in the Balance Sheet as on 31-03-2011		
1. Present value of Defined Benefit Obligation	2560	1851
2. Fair Value of Plan Assets as at 31-03-2011	-	-
3. Funded Status (Surplus/ Deficit)	-	-
4. Net Liability as at 31-03-2011 (No Fund is maintained)	2560	1851
III Change in obligation during the year ended		
1. Present value of Defined Benefit Obligation at the beginning of the year	1851	1694
2. Current Service Cost	158	286
3. Interest Cost	148	136
4. Actuarial (Gains) / Losses	403	(265)



(Rs. in 000's)

	2010-11	2009-10
5. Benefit Payments	-	-
6. Present value of Defined Benefit Obligation at the end of the year	2560	1851
IV Changes in Assets during the year ended		
1. Plan assets at the beginning of the year	-	-
2. Expected return on plan assets	-	-
3. Contributed by Employer	-	-
4. Actual Benefits paid	-	-
5. Actuarial Gains/ (Losses)	-	-
6. Plan assets at the end of the year (No Fund is being maintained)	-	-
V Actuarial Assumptions		
1. Discount Rate		8%
2. Expected rate of return on plan assets		NA
3. Mortality	LIC (1994-96)	
4. Turnover rates		10%
5. Salary Escalator		15%

8. Deferred Taxes:

Based on the petition filed by the company on 21st April 2008, the Hon'ble High Court of Madras has vide its order dated 19th August 2008 allowed the company to utilize the Securities Premium Account towards the Deferred Tax Liability computed as per Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

Deferred Tax Liability / (Asset) for the year	(Rs 8,296,385)
Deferred Tax Liability adjusted against the Securities Premium Account as per the orders of Hon'ble High Court Madras	Rs. Nil
Balance Deferred Tax Liability / (Asset) taken to P&L Account	(Rs 8,296,385)

9. Details of TDS deducted on Other Income :

(Rs. in Lakhs)

Particulars	Amount	TDS
Interest	49.14	5.13
Rent	8.49	0.89
Sales Commission	13.37	1.28
Forwarding Charges	65.71	0.02

10. There were no amounts overdue (above Rs.1 lakh) to Small Scale and/or Ancillary Industrial Suppliers on account of Principal and/or Interest as at 31.03.2011. This disclosure is based on the information available with the Company regarding the status of the suppliers.

11. Company has circularized/sought confirmation of balance letters to/from sundry debtors & advance parties / sundry creditors. In the absence of negation, the balances appearing the books are taken as confirmed.
12. Sundry creditors include an amount of Rs. 78.05 lakhs being the value of the surety given by the company to the Customs Authorities on behalf of M/s OPG Energy Private Ltd. ("OPGEL") to the extent of Rs.461.41 lakhs with a commitment of Export obligation for US\$ 79,63,973.76 within 8 years from 3.11.2003 for OPGEL to avail concessional customs duty for import of capital equipment. As per the arrangement, OPGEL will compensate the company with a total amount of Rs.386.41 lakhs towards the saving based on progress achieved in the export obligations guaranteed by the Company and the joint venture partners on behalf of OPGEL within the stipulated period, out of which Rs. Nil income received during the year.
13. Additional information pursuant to the provisions of paragraphs 3, 4-C, 4-D of Part II of Schedule VI of the Companies Act, 1956.

Licensed and Installed capacity (As certified by the Management)	
Name of the Products manufactured:	i) Tor Steel & Profiles ii) Windmill Power Generation. iii) Sponge Iron
Licensed Capacity	Not applicable.
Installed Capacity	1) Tor Steel and Profiles: 60,000 MT / pa 2) Wind Power: 7.610 MW 3) Sponge Iron: 60,000 MT / pa

a) Actual Production

(Quantity in Metric Tonnes)

		For the year ended 31.03.2011	For the year ended 31.03.2010
Tor Steel & Profiles	- Own	42,305.691	40,165.320
	- Conversion	605.410	-
Sponge Iron	- Own	22,322.350	31,994.700
	Total	65,233.451	72,160.020

b) Quantitative Details of Finished Goods

1. Steel Rolled Products	Year ended 31.03.2011	Value (Rs.in lakhs)	Year ended 31.03.2010	Value (Rs.in lakhs)
	Qty. in MTs.	Qty. in MTs.		
Opening Stock	3,058.955	922.45	2,944.664	831.17
Production	42,305.691		40,165.320	
Received on Consignment	-	-	685.505	-
Received after conversion	605.410			
Purchases/ Receipts	46,171.981		78,009.321	
Sales (Net of Return)	87,928.801	33,147.74	116,444.565	34,861.67



	Year ended 31.03.2011	Value (Rs.in lakhs)	Year ended 31.03.2010	Value (Rs.in lakhs)
	Qty. in MTs.	Qty. in MTs.		
STA	1,286.630		1,615.785	
Sold on Consignment	-		685.505	
Closing Stock				
- At own premises	2,926.606	883.54	3,058.955	922.45
2. Sponge Iron Products				
Opening Stock	3,370.270	457.82	1,661.670	190.61
Production	11,899.100		31,994.700	
Received on Consignment	-		-	
Purchases/ Receipts	-		-	
Goods Sent for conversion	-		-	
Stock Transferred to Rolling Division	-		-	
Stock Transferred to Furnace Division	-		-	
Goods Sent on Consignment	-		-	
Sales (Net of Return)	14,624.200	3,149.16	30,286.10	4,208.01
Closing Stock				
- At own Premises	645.170	134.50	3,370.270	457.82

Raw Materials consumed	For the year ended 31.03.2011	For the year ended 31.03.2010
c) M.S. Re-rollables (in Metric Tonnes)	45,917.951	43,016.73
d) Stores and Spares Consumed (100% Indigenous) (Rs. in Lakhs)	205.66	377.55
e) Earnings in Foreign Currency (Rs.Lakhs)	-	-
f) C.I.F. Value of Imports (Rs. Lakhs)		
Raw Materials	5,752.11	4,778.03
Components and Spares Parts	--	--
Capital Goods	--	--

14. Previous year figures are regrouped / rearranged wherever necessary.

15. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2011.**Business Segment:** The two identified segments are Steel and Power Generation.

(Rs. Lakhs)

Particulars	Steel	Power	Elimination	Total
REVENUE				
External Revenue	41,537.64	-	-	41,537.64
Internal Revenue	-	723.34	(723.34)	-
Total	41,537.64	723.34	(723.34)	41,537.64
RESULT				
Segment Result	726.07	85.78	-	811.85
Unallocated corporate expenditure (net of other income)				(476.67)
Tax expense				(13.10)
Profit after Taxes				322.08
OTHER INFORMATION				
Segment Assets	20,572.25	6,179.52	-	26,751.77
Segment Liabilities	11,060.16	5,423.80	-	16,483.96
Capital Expenditure (current year)	345.02	49.62	-	394.64
Capital WIP	76.89	-	-	76.89
Depreciation	238.87	333.84	-	572.70
Non cash expense (other than depreciation)	20.18	-	-	20.18

Type of products and services in each business segment:

Steel – Manufacture and Trading of rolled steel products.

Power – Generation and captive consumption of power.

16. Related Party Disclosures:

Related Parties

Enterprises

1. OPG Energy Private Limited (OPGEL)
2. South India Steel Industries
3. OPG Renewable Energy Private Limited (OPGREPL)
4. OM Energy Generation Private Limited
5. OPG Infotech Private Limited
6. Sonal Vyapar Limited
7. Salem Food Products limited
8. South India Steel & Starch Industries
9. Durga Rubber Works
10. ICBC Holding

Relationship: Enterprises in which key management personnel are having significant influence.**Key Management Personnel:**

Mr. Ravi Gupta

Chairman & Managing Director

Mr. Alok Gupta*

Whole Time Director.

Mr. Vishal Keyal

Whole Time Director.

* Resigned on 29.05.2010



Related Party Transactions

	Key Management Personnel	(Rs. in lakhs) Companies under Key Management Personnel
During the year transactions:		
Purchase of Goods		734.82
Sale of Goods		760.42
Purchase of Power		879.51
Investments made		2.00
Receiving Services		—
Remuneration Paid	27.50	
Given Services		—
Interest Received		27.75
Lease Rent Paid		1.08
Advances Given		480.81
Advances / Deposits Received		1,364.55
Amount outstanding as on 31.3.11 (Cr Balance)		1,187.36

Notes:

1. Remuneration to key management personnel is disclosed in the notes attached to and forming part of accounts.
2. Sitting Fees to Directors Rs.22,000/-

17. Remittance in foreign currency towards Dividend	2010-11	2009-10
Number of Non-resident shareholders:	2	2
Number of Shares held	30,00,000	30,00,000
Amount remitted	—	—
18. Earning Per Share:	2010-11	2009-10
a) Weighted Average No. of Equity Shares of Rs.10/- each		
I. No. of Shares at the beginning of the year	28436074	28436074
II. No. of Shares at the end of the year	28436074	28436074
Weighted average number of equity shares outstanding during the year	28436074	28436074
b) Net profit after tax available for equity shareholders (Rs. in Lakhs)	322.08	206.00
c) Basic and diluted earning per share (Rs.)	1.13	0.72

As per the report of even date annexed

For **CHATURVEDI & COMPANY**

Chartered Accountants
Firm Reg No. 302137E

RAVI GUPTA
Chairman & Managing Director

VISHAL KEYAL
Whole-time Director

S GANESAN

Partner (Memb.No: 217119)

Chennai, 30th May 2011

M.K. MADHAVAN
Company Secretary

KANISHK STEEL INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in Lakhs)

	For The Year Ended 31.03.2011		For The Year Ended 31.03.2010	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax And Extraordinary Items		335.19		248.18
Add:				
Depreciation	572.10		544.19	
Foreign Exchange loss / (Gain)	(17.04)		(39.89)	
Excess provision of earlier year written off	0.00		(5.72)	
Loss on Sale of Assets	20.18		3.00	
Bad Debts	0.00		14.88	
Tax adjustments of previous year	(0.13)		-	
Rent Received	(8.49)		(6.06)	
Interest /Rebate/Discount Income	(49.14)		(11.97)	
Interest /Discount Paid	371.39	889.46	176.53	674.96
		1224.65		923.14
Less: Adjustments for:				
(Increase)/Decrease in Inventories	(2550.67)		1008.38	
(Increase)/Decrease in Receivables	(1340.69)		(1494.99)	
(Increase)/Decrease in Loans & Advance	389.15	(3502.21)	(3164.90)	(3651.52)
		(2277.56)		(2728.38)
Add: Increase/(Decrease) in Current Liabilities & Provisions		2257.36		2411.85
		(20.20)		(316.53)
Less: Taxes Paid		(86.01)		(52.27)
Net Cash Flow from operating activities (A)		(106.21)		(368.79)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(374.46)		(222.31)	
Sale of Fixed Asset	2.18		5.35	



(Rs. in Lakhs)

	For The Year Ended 31.03.2011		For The Year Ended 31.03.2010	
Increase in Capital Work In Progress	(29.63)		(47.26)	
Interest Received	49.14		11.97	
Rent Received	8.49		6.06	
Purchase/ Sale of Investments	(228.22)		(10.32)	
Profit / (Loss) from sale of Fixed Assets	(20.18)		(3.00)	
Net Cash Flow from Investing activities (B)		(592.68)		(259.51)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest paid	(371.39)		(176.53)	
Movement in Unsecured Loan (Net)	950.00		-	
Movement in Term Loan (Net)	300.97		1101.28	
Net Cash Flow from Financing activities (C)		879.58		924.75
Net Increase in cash Equivalents (A)+(B)+(C)		180.70		296.45
Cash & Cash Equivalents (Opening Balance)	358.60		62.15	
Cash & Cash Equivalents (Closing Balance)	539.30		358.60	
Net Increase/(Decrease) in Cash & Cash Equivalents		180.70		296.45

As per the report of even date annexed

For **CHATURVEDI & COMPANY**

Chartered Accountants

Firm Reg No. 302137E

S GANESAN

Partner (Memb.No: 217119)

Chennai, 30th May 2011

RAVI GUPTA

Chairman & Managing Director

VISHAL KEYAL

Whole-time Director

M.K. MADHAVAN

Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS

State Code			1	8
Registration/CIN No.	L27109TN1995PLC067863			
Balance Sheet Date	31.03.2011			

II. CAPITAL RAISED DURING THE YEAR

(Rs.in Lacs)

Public Issue	Nil
Rights Issue (Preferential) including premium	Nil
Bonus Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets	1	7	3	5	6	Total Liabilities	1	7	3	5	6
--------------	---	---	---	---	---	-------------------	---	---	---	---	---

Sources of Funds

Paid up Capital	2847
Reserves & Surplus	5648
Secured Loans	3664
Unsecured Loan	3348
Deferred Tax	1851

Application of Funds

Net Fixed Assets	9535
Investments	443
Net Current Assets	7378

IV. PERFORMANCE OF THE COMPANY

Turnover	42536
Total Expenditure	41628
Profit / (Loss) before Tax	908
Profit / (Loss) after Tax	322
Earnings Per Share in Rupees.	1.13
Dividend Rate (%)	0.00

V. GENERIC NAMES OF THE PRINCIPAL PRODUCT / SERVICES OF COMPANY AS PER MONETARY TERMS

Product Description	Tor Steel and Profiles
ITC Code No.	721490

As per the report of even date annexed

For **CHATURVEDI & COMPANY**

Chartered Accountants
Firm Reg No. 302137E

RAVI GUPTA
Chairman & Managing Director

VISHAL KEYAL
Whole-time Director

S GANESAN

Partner (Memb.No: 217119)
Chennai, 30th May 2011

M.K. MADHAVAN
Company Secretary



KANISHK STEEL INDUSTRIES LIMITED

August 10, 2011

Dear Shareholder,

Sub: Green Initiative in Corporate Governance - Electronic Mode of Service of Documents

1. Ministry of Corporate Affairs, Government of India (MCA) vide its Circular Nos. 17 & 18 dated 21st April, 2011 and 29th April, 2011 respectively, has clarified that the company would be in compliance of the provisions of the Companies Act, 1956, if the company serves the Notice of General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its shareholders through electronic mode, at the e-mail address provided by them to the company.
2. **Shareholders holding shares in demat (electronic) form**
 - (a) In case you are holding shares of the Company in demat (electronic) form, the Company proposes to send the aforesaid documents to you in electronic form, at the e-mail address provided by you and which will be made available to us by your Depository Participant (DP).
 - (b) In case of any change in your e-mail address, we request you to inform the said change to your Depository Participant (DP) to enable them to update their record.
 - (c) As such, the email address registered by you with your DP will henceforth be used by the Company for service of the said documents, including those covered under Section 219 of the Companies Act, 1956.
 - (d) If, however you wish to continue to receive the said documents in physical mode, please send us an email at company.secretary@kanishksteels.in or write to the Secretarial Department of the Company at Old # 4, New # 7, Thiru-Vi-Ka 3rd Street, Royapettah High Road, Mylapore, Chennai - 600 004 quoting reference of your DP ID & Client ID and name of the 1st Registered Shareholder.
3. **Shareholders holding shares in physical form**
 - (a) In case you are holding shares of the Company in physical form, please register your email address with the Company at company.secretary@kanishksteels.in mentioning your Folio Number, name of 1st Registered Holder' and the email - id, so that all such documents can be served upon you henceforth in electronic mode at the said email address.
 - (b) For the sake of your convenience, we are attaching herewith a Format letter. All you have to do is post this Format letter, duly filled in & signed, at our Secretarial Department at the earliest.
 - (c) Please note that the said documents will be made available by the Company on its website, www.kanishksteels.in and Physical copies of the same shall be made available for inspection, during office hours, at our Registered Office at B-27 (M) SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur-District, Tamilnadu – 601 201
4. Upon receipt of a request from you, your Company shall also send you the physical copy of the above documents free of cost.

Thanking you,
Yours faithfully,

For **Kanishk Steel Industries Limited**,

M.K.Madhavan
Company Secretary

Format of Letter

Company Secretary,
"Kanishk Steel Industries Limited"
Old no:4, New no:7, Thiru-Vi-Ka 3rd Street,
Royapettah High Road,
Mylapore, Chennai - 600 004

I hereby request **Kanishk Steel Industries Limited** to register my following email address for service of the Notice of General Meeting(s), Audited Financial Statements, Directors' Report, Auditors' Report and other documents to me in electronic mode instead of in physical mode:-

Ledger Folio No. / DP 1D & Client ID * _____

Full Name of 1st Registered Holder * _____

Email ID (to be registered for above purpose) * _____

Mobile/Phone No. _____

Date*: -----

Signature:* -----

* Mandatory fields

Note:

- Shareholders are requested to keep the Company / their DP, as the case may be, informed of any Change in their Email ID.

KANISHK STEEL INDUSTRIES LIMITED

Registered Office: B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu - 601 201
Share Transfer Agents: M/s. Cameo Corporate Services Limited, (Unit: Kanishk Steel Industries Ltd.),
No.1, Club House Road, Chennai - 600 002

ATTENDANCE SLIP

21st ANNUAL GENERAL MEETING

Date : Friday the 30th September 2011
Time : 3.00 P.M.
Place : B-27 (M), SIPCOT Industrial Complex,
Gummidipoondi, Thiruvallur District,
Tamilnadu - 601 201

FOLIO No. / DP ID No:

Name of the Member/Proxy :

I hereby record my presence at the Twenty First Annual General Meeting of the Company.

Note:

1. This slip may please be handed over at the entrance of the Meeting Hall.
2. Joint Holder(s) intending to attend the meeting are requested to obtain additional admission slip(s) from the Registered Office of the Company.

Signature of Member/proxy

KANISHK STEEL INDUSTRIES LIMITED

CHANGE OF ADDRESS FORM

Share Transfer Agents: M/s. Cameo Corporate Services Limited. (Unit Kanishk Steel Industries Ltd.),
No.1, Club House Road, Chennai - 600 002

Name of the Member :

Folio Number :

New Address :

E-mail ID :

Signature of Member

KANISHK STEEL INDUSTRIES LIMITED

PROXY FORM

I/We of
..... being
a Member / Members of the above-named company, hereby appoint
..... of as
my / our proxy to vote for me / us and on my/ our behalf at the Twenty First Annual General Meeting of the Company
to be held at 3.00 P.M. on Friday the 30th September 2011 and at any adjournment thereof.

Signed this day of 2011.

Affix
Revenue
Stamp

.....

Signature of Member

Note: The form of Proxy should be deposited at the
Office of the Company not less than 48 hours
before the time for holding the above meeting

Book - post

KANISHK STEELS

Quality in Every Inch

If undelivered Please return to :

M/s. Kanishk Steel Industries Limited
Old No. 4, New No. 7, Thiru-Vi-Ka 3rd Street,
Royapettah High Road, Mylapore,
Chennai - 600 004.