Kanishk Steel Industries Limited

BOARD OF DIRECTORS

Shri Ravi Gupta	Chairman & Managing Director
Shri Vishal Keyal	Whole Time Director
Shri K.S. Venkatagiri	Director
Dr. Pravin Kumar Aggarwal	Director

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 - 600 001.

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) Pazhavoor Tirunelveli
(iii) Kalavakurichi Tirunelveli
(iv) Manur Tirunelveli
(v) Veerakeralampudur Tirunelveli

BANKERS

State Bank of Indore, Broadway, Chennai - 108
State Bank of Patiala, Whites Road, Chennai - 6
Corporation Bank, G.T. Branch, Chennai - 1

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 TWENTIETH ANNUAL GENERAL MEETING of the Members of M/s. KANISHK STEEL INDUSTRIES LTD. will be held on Thursday, the 30th September, 2010, at 3.00 P.M. 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, 2010 together with the Profit and Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr.Pravin Kumar Aggarwal, 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 & Co., Chartered Accountants, Chennai, [firm Reg. No. : 302137E] 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."

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s) the following resolution as 'Special Resolution'.

   "RESOLVED that pursuant to Section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof) the relevant provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by the Securities and Exchange Board of India (SEBI) and subject to the approvals of Government of India, Reserve Bank of India, if any, and subject to the permissions, consents and sanctions, as may be necessary of other appropriate authorities, institutions or bodies, and further subject to such terms, conditions, alterations, modifications as may be prescribed and specified by them while granting such approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any committee(s) which the Board may constitute to exercise the power of the Board including the powers conferred by these resolutions) the consent, authority and approval of the Company be and is hereby accorded to the Board to issue/offer and allot in the course of offerings in one or more markets, equity shares, convertible bonds, securities partly or fully convertible into equity shares and /or securities linked to Equity Shares and/or any instruments or securities with or without detachable warrants or such other types of securities representing either equity shares or convertible securities including Foreign Currency Convertible Bonds, ADRs/GDRs (hereafter referred as Securities) as the Company may be advised to individuals, companies, financial institutions, mutual funds, foreign institutional investors, overseas

corporate bodies etc. in one or more tranches by preferential issues or public issues as may be deemed appropriate by the Board for an amount not exceeding Rs.200 Crores (Two Hundred Crores) on such terms and conditions as the Board may in its discretion think fit in consultation with the lead managers, including the form and the terms of the issue and the persons to whom such securities may be issued and all other terms and conditions and matters connected therewith and deemed appropriate by the Board."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an 'Ordinary Resolution'.

"RESOLVED that in accordance with provisions of sections 198,269, and 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, as may be necessary, approval of the Members of the Company be and is accorded to the appointment of Mr.Vishal Keyal as a Whole Time Director of the Company, for a term of Five Years with effect from 21.05.2010 on Gross Monthly Remuneration of Rs.25000/-(Rupees Twenty Five Thousand only) until further modified.

RESOLVED FURTHER that the said appointment of Mr. Vishal Keyal is made with a right to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Company and Mr. Vishal Keyal within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and if necessary, as may be stipulated by the Central Government as may be agreed to accordingly between the Company and Mr. Vishal keyal.

RESOLVED FURTHER that notwithstanding anything stated herein above in the event of absence or inadequacy of profits in any financial year during his term, Mr. Vishal Keyal shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), as may be applicable from time to time.

RESOLVED FURTHER that in the event of loss of his office as Whole-time Director, Mr.Vishal Keyal shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956.

RESOLVED FURTHER that Mr. Ravi Gupta, Chairman & Managing Director of the Company be and is/are hereby authorised to prepare, sign and file all required papers and forms / returns with the Registrar of Companies, Chennai and to do all other acts, deeds and things in connection therewith to give effect the above resolution."

By Order of the Board

Date: 14th August 2010
Place: Chennai

RAVI GUPTA
CHAIRMAN AND MANAGING DIRECTOR

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 at the registered office of the company not less than forty-eight hours before the scheduled time of the annual general meeting.
2. The relative Explanatory Statement, pursuant to section 173(2) of the Companies act, 1956, in respect of Special Business set out under items 4 and 5 is annexed hereto.
3. For appointment of Directors, disclosure, as required under Clause 49 of the Listing Agreement is annexed hereto.
4. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the company at the Registered Office so as to reach at least seven days before the date of the meeting so that the required information can be made available at the meeting.
5. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
6. The Register of Members of the Company and Share Transfer Books will remain closed from 23rd September 2010 to 30th September 2010 (both days inclusive).
7. 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 Depositroy Participants and furnish the particulars of any changes desired by them.
8. 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.
9. All communications and correspondence including transfer of shares and change of address to be sent to the below mentioned address:

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

By Order of the Board

Date: 14th August 2010
Place: Chennai

RAVI GUPTA
CHAIRMAN AND MANAGING DIRECTOR

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

Item No: 4

Steel sector continues to be good and the future outlook appears prosperous since the market is expected to grow exponentially in the years to come. In order to beneficially convert the opportunities and for implementing the company's growth plans, large quantum of resources will be required. Accordingly, the Indian and /or International capital markets will have to be tapped for raising resources for the Company. Since, this would require issue of Foreign Currency Convertible Bonds, American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) or any other form of Receipts or Bonds and other Securities through public offerings or on private placement basis, to individuals, corporates, financial institutions, mutual funds, foreign institutional investors, overseas corporate bodies etc. in one or more tranches, as may be required for which section 81(1A) approval is required to be passed and accordingly the resolution is proposed and recommended.

None of the Directors are concerned or interested in the resolution.

Item No: 5

Mr. Vishal Keyal was appointed as additional Director at the Board of directors meeting held on 29.05.2010 in terms of section 260 of the companies Act, 1956. Later on, he was proposed to be appointed as whole-Time Director and the same was approved by Board of Directors in the same meeting subject to the approval by the members in the General meeting and necessary filings of returns were carried out.

Accordingly his appointment comes up for approval by the members of the company in accordance with the provision of companies Act, 1956 on terms and conditions set out in the Resolution(s).

The remuneration package is well within the Overall Limit prescribed under XIII to the Companies Act, 1956.

In terms of Part III of Schedule XIII to the Companies act, 1956, the appointment of Mr. Vishal Keyal and remuneration as prescribed shall be subject to the approval by Members of the Company in General Meeting and accordingly, the subject is placed before the Members for their approval.

A copy of the Board resolution in this regard is available for inspection by the Members of the Company during Business hours on any working day prior to the date of Meeting.

No Director, other than Mr.Vishal Keyal is concerned or interested in the said Resolution relating to his appointment as Whole Time Director.

The foregoing may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to section 302 of the Companies Act, 1956.

By Order of the Board

Date: 14th August 2010
Place: Chennai

RAVI GUPTA
CHAIRMAN AND MANAGING DIRECTOR

Appointment of Directors:

Disclosure required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment/ re-appointment at the Twentieth Annual General Meeting:

Mr.Vishal Keyal

Date of Birth/ Age	25.04.1974 (36 Years)
Date of appointment	29.05.2010
Expertise in Specific functional areas	He is Graduate in Physics having Good experience in the Steel and Power Sector. His rich performance in other Group Companies of OPG is appreciable and the Company stands to benefit significantly from his experience.
Educational Qualifications	B.Sc (Physics).
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	Dhanvarsha Enterprises & Investments Private Limited Indian Corporate Business Centre Limited Tamilnadu Enterprises & Investments Private Limited Tamilnadu Property Developers Limited OM Energy Generation Private Limited
Committee/executive positions held in Other companies	Nil

Dr. Pravin Kumar Aggarvwal

Date of Birth/ Age	06.08.1955 (55 years)
Date of appointment	26.06.2006
Expertise in Specific functional areas	Dr. Pravin Kumar Aggarwal has been on the Board since June 2006. His Contribution to the company has been invaluable. Dr. Pravin Kumar Aggarwal brings his rich experience to the Board and the Company stands to benefit significantly from his experience.
Educational Qualifications	M.B.B.S., M.D (Internal medicine).
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 20th Annual Report, together with the Audited Accounts, for the financial year ended 31st March 2010.

FINANCIAL RESULTS :

The summarized Financial Results for the year ended 31st March, 2010 and for the previous financial year ended 31st March 2009 are as under: -

(Rs. In Lakhs)

	Year Ended 31.03.2010	**Year Ended 31.03.2009**
Profit after Interest & Depreciation	**248.18**	1,137.09
Provision for Tax	**42.18**	132.09
Deferred Tax	**-**	468.08
Fringe Benefit Tax	**-**	4.69
Profit after Tax	**206**	532.23
Add: Taxation Adjustments of Previous Years	**-**	-
Add: Balance of Profit brought from previous year	**3,135.35**	2,600.70
Profit available for Appropriation	**3,335.64**	3,135.35
APPROPRIATIONS		
Equity Dividend Proposed (Final)	**-**	-
Dividend Distribution Tax (Final)	**-**	-
Transfer to General Reserve	**-**	-
Balance Carried Forward	**3,335.64**	3,135.35

OPERATIONS:

During the year, the Company has undergone shrinkage in demand, causing downward trend in turnover and profits of the Company. Considering such decline the Board have not recommended any dividend for the year.

The Current year turnover amounts to Rs.45,270.98 Lakhs as against Rs.40,523.26 Lakhs recorded in the previous year. The company current year profits before taxes amounts to Rs.248.18 Lakhs as against Rs.1137.09 Lakhs recorded in the previous year.

DIVIDEND:

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

DIRECTORS:

The Board of Directors appointed Mr.Vishal Keyal as Whole Time director for a period of Five Years from 29.05.2010. His appointment comes up for approval by the Members at the ensuing Annual General Meeting.

Dr.Pravin Kumar Aggarwal, 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.

During the year,

Mr. Ashok Bohra stepped down as Whole Time Director of the Company effective from 31.12.2009.

Mr. Alok Gupta stepped down as Whole Time Director effective from 29.05.2010 who was appointed initially as Additional Director; effective from 01.01.2010.

The Board places on record the invaluable services rendered by Mr. Ashok Bohra and Mr. Alok Gupta, during their tenure as Whole Time Directors of the Company.

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 & Co., Chartered Accountants, Chennai retire at the conclusion of the ensuing Annual General Meeting and they are eligible for reappointment.

STATUTORY DISCLOSURES:

a) Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

Particulars with respect to Conservation of Energy, as required under Part "A" of the above rules are enclosed as Annexure to this Report.

b) 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.

c) 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, 2010 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 2010 have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance have been included elsewhere in this Annual Report as separate section.

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 eventhough 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 Indore, State Bank of Patiala, Corporation Bank and 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

For kanishk Steel Industries Limited

RAVI GUPTA

Chairman & Managing Director

Date : 14th August 2010

Place : Chennai

ANNEXURE TO DIRECTORS' REPORT

(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

Part A

Form of disclosure of particulars with respect to Conservation of Energy

			Current Year ended 31.03.2010	Previous Year Ended 31.03.2009
A		POWER AND FUEL CONSUMPTION		
	1.	Electricity		
		Purchased Units	7,245,280	63,34,720
		Total Amount (Rs.)	39,910,288	3,54,38,021
		Rate per Unit (Rs.)	5.51	5.59
	2.	Furnace Oil		
		Quantity (kilo litres)	200	228
		Total Amount (Rs.)	5340984	53,76,262
		Average Rate (Rs. Per Kl.)	26705	23,580
	3.	Coal		
		Quantity (Metric Tonne)	5116.21	5,876.970
		Total Amount (Rs.)	20075887	2,87,79052
		Average Rate (Rs. Per MT.)	3924	4,897
B.		CONSUMTION PER UNIT OF PRODUCTION		
		Production(in Mts)	40165.32	42,722.295
		Electricity (Units per MT)	180.39	148.28
		Furnace Oil (Kl per MT)	0.0050	0.0053
		Coal (Kgs per MT)	0.1274	0.1376

B. TECHNOLOGY ABSORPTION

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.

Part B

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2009-10 Rs. in Lakhs	2008-09 Rs. in Lakhs
1. Total Foreign Exchange earned	Nil	Nil
2. Total Foreign Exchange used	Nil	7,236.62

For and on behalf of the Board of Directors

For kanishk Steel Industries Limited

Place : Chennai
Date : 14th August 2010

RAVI GUPTA
Chairman & Managing Director

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 2010, 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

Place: Chennai
Date: 29th May 2010

S GANESAN
Partner
(Membership No: 217119)

REPORT ON CORPORATE GOVERNANCE
For the year 2009-10

1. Company's philosophy on Code of Governance:

Kanishk Steel Industries consistently endeavours to follow good Corporate Governance mandated in Clause 49 of the Listing Agreement entered into with the Stock Exchange - through transparency, accountability, integrity and professionalism. The Company remains committed to its responsibilities towards all its stakeholders including customers, shareholders, employees and society.

2. Board Composition:

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

Board of Directors:

Name of the Directors	Executive/ Non-Executive/ Independent	No.of Board Meetings during the year 2009-10		Whether attended last AGM	Number of directorships, Committee Memberships and Committee Chairmanship		
		Held	Attended		Other Director-ships**	Committee Member-ships including this Company	Committee Chairmanship including this Company
Mr. Ravi Gupta	Chairman, Executive	10	10	Yes	4	4	2
Mr. Ashok Bohra (Till 31.12.2009)	Executive	10	8	Yes	Nil	2	Nil
Mr. Alok Gupta (From 01.01.2010)	Executive	10	1	Yes	Nil	2	Nil
Mr. K.S. Venkatagiri	Independent	10	5	Yes	Nil	2	2
Dr. Pravin Kumar Aggarwal	Independent	10	5	Yes	Nil	3	Nil

** Includes only public limited companies.

Board Meetings:

Ten Board meetings were held during the year. The meeting agenda included items as per Annexure I of the Clause 49 of the Listing Agreement, wherever applicable.

Date of meeting	No. of Directors present
15.04.2009	2
30.06.2009	4
31.07.2009	4
31.08.2009	4
14.10.2009	2
31.10.2009	4
08.12.2009	2
31.12.2009	2
30.01.2010	3
02.03.2010	2

The company did not have any pecuniary relationship or transactions with any non-executive director during the period under review.

3. Audit Committee:

The Audit Committee reviews the financial performance, accounting policies, major expenditure items, findings of various audits and also financial policies of the company.

(Composition, meetings and attendance of members during the year:)

From 01-04-2009 to 31-03-2010

Director	Meetings held	Attended
Mr. K. S. Venkatagiri	5	5
Mr. Ravi Gupta	5	5
Dr. Pravin Kumar Aggarwal	5	5

4. Remuneration Committee:

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.

Composition, meetings and attendance of members during the year:

Director	Meetings held	Attended
Mr. Alok Gupta	1	1
Mr. K.S. Venkatagiri	1	1
Dr. Pravin Kumar Aggarwal	1	1

Details of Remuneration paid/payable to directors for the year 2009-2010

Director	Remuneration	Perks	Total
Mr. Ravi Gupta	Rs.24,00,000	Nil	Rs. 24,00,000
Mr. Ashok Bohra	Rs. 96,000	Nil	Rs. 96,000
Mr. Alok Gupta	Rs. 6,00,000	Nil	Rs. 6,00,000

Details of sitting fees paid to Directors

Details of Sitting Fees Paid				
Director	Board Meeting Rs.	Audit Committee Rs.	Remuneration Committee Rs.	Total Sitting Fees Rs
Mr. K.S.Venkatagiri	10,000	5,000	--	15,000
Dr. Pravin Kumar Mr. Aggarwal	10,000	5,000	--	15,000
Grand Total	20,000	10,000	--	30,000

5. 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

Mr. Ravi Gupta	Chairman
Mr. Ashok Bohra (Till 31.12.2009)	Whole Time Director
Mr. Alok Gupta (From 01.01.2010)	Whole Time Director
Dr. Pravin Kumar Agarwal	Director

Twelve Meetings were held during the year to look into the redressal of shareholder grievances.

Ms. Smita Chirimar Company Secretary & Compliance Officer

No. of shareholders complaints received	Number not solved to the satisfaction of shareholders	Number of Cases pending to be resolved
Nil	Nil	Nil

6. Annual General Meetings

Location and time for the last three Annual General Meetings

Year	Date	Time	Venue
2006-2007	29/09/2007	10.00 A.M	67/2B, Calicut Main Road, Nethimedu, Salem
2007-2008	27/09/2008	2.30 P.M	SF No.180, Near Nagaraja Kandigai, Periya Obulapuram Village, Gummidipoondi, Thiruvalluvar District, Tamil Nadu
2008-2009	30/09/2009	3.00 P.M.	B27(M), SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur District, Tamil Nadu – 601 201

Special Resolution:

i) At the Annual General Meeting held on 29th September 2007 Special Resolution under Section 81(1A) was passed for preferential or public issue of an amount not exceeding Rs.200 crores.

ii) 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 5years, for maintenance of members registers in a place other than the Registered office and also for alteration of Articles.

iii) 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.

Postal Ballot

No Special resolution was passed through postal ballot last year.

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 behaviour, 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 2009-2010 there is no audit qualification in the Company's financial statements.

CEO/CFO CERTIFICATION:

As required under Clause no. 49 of the Listing Agreement as 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 are announced within the **stipulated** periods in English and Tamil Newspapers.

Annual reports and balance sheets are sent to all the shareholders

9. General shareholder information:

Administrative office:

Old No : 4, New No. 7, Thiru-vi-ka 3rd Street,
Royapettah High Road, Mylapore, Chennai - 600 001.
Tel No. 2522 3321, 2524 5364, 2522 3754 Fax: 2522 7108
e-mail:kanishk@airtelmail.in

Registered Office:

B-27(M) SIPCOT Industrial Complex,
Gummidipoondi, Thiruvallur District
Tamilnadu - 601201

Dates of Book closure	:	23.09.2010 to 30.09.2010 (both days inclusive)
Date, time and venue of Annual General Meeting	:	30th September,2010 at 3.00 p.m. at B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Tamilnadu - 601201
Financial Calendar	:	Financial Reporting for the quarter ending 30th June 2010 - Latest by 15th of Aug 2010 30th Sept 2010 - Latest by 15th of Nov 2010 31st Dec 2010 - Latest by 15th of Feb 2011 31st Mar 2011 - End of May 2011
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 2009-2010 is furnished below:

Month	High (Rs.)	Low (Rs.)	Volume Traded (No of shares)
April 2009	18.74	13.57	4036
May 2009	31.00	18.75	16568
June 2009	28.00	20.90	158994
July 2009	20.50	15.00	393581
August 2009	21.95	15.90	21163
September 2009	20.90	16.60	44176
October 2009	21.35	15.60	113786
November 2009	18.90	14.20	41919
December 2009	24.00	15.70	58510
January 2010	29.25	20.00	271372
February 2010	23.10	18.30	68368
March 2010	24.00	17.35	49867

Share transfer system Share transfers are registered and returned to the transferees 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 31-3-2010 is 3200 Shares and shares pending for transfer as on 31.03.2010 is **NIL**.

Registrar and Transfer Agents

Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai- 600 002

Distribution of share holding

Share or Debenture holding of Nominal Value of		Share Holders		Share Holdings	
Rs.	Rs.	Number	% to Total	Shares	% to total
(1)		(2)	(3)	(4)	(5)
1 – 100		3254	60.0701	304925	1.0723
101– 500		1721	31.7703	502036	1.7654
501 – 1000		221	4.0797	175880	0.6185
1001 – 2000		71	1.3106	104312	0.3668
2001 – 3000		23	0.4245	59885	0.2105
3001 – 4000		9	0.1661	32511	0.1143
4001– 5000		11	0.2030	51585	0.1814
5001– 10000		28	0.5168	208328	0.7326
10000 and above		79	1.4583	26996612	94.9379
Total		**5,417**	**100.00**	**2,84,36,074**	**100.00**

Share holding pattern as on 31st March 2010

	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 [A] [1]	**15943591**	**56.07**
2	Foreign		
	- Bodies Corporate	2000000	7.03
	- Any other Directors/Relative NRI	2000000	7.03
	Sub Total [A] [2]	**4000000**	**14.06**
	Total Share Holding of Promoter & Promoter Group {A= [A] [1] +[A] [2]	**19943591**	**70.13**
B	**Public Shareholding.**		
1	**Institutions.**		
	-Foreign Institutional Investors	1192993	4.20
	Sub Total [B] [1]	**1192993**	**4.20**
2	**Non-Institutions.**		
a.	Bodies Corporate.	3376870	11.88

b.	Individuals		
	I. Individual Shareholders Holding Nominal Share Capital upto Rs 1 Lakh	1176433	4.14
	II. Individual Shareholders Holding Nominal Share Capital in excess of Rs 1 Lakh	1294429	4.55
c.	Any Other.		
	Clearing Members	575	0.0020
	HUF	349331	1.2284
	Non Resident Indians	101852	0.3581
	Overseas Corporate Bodies	1000000	3.5166
	Sub Total [B] [2]	7299490	25.67
	Total Public Shareholding [B] [1]+[B] [2]	**8492483**	**29.87**
	TOTAL(A+B)	**28436074**	**100%**

Category	No. of Shares held	% of Share holding
NRIs / OCBs	2101852	7.39
Persons acting in concert	7387677	25.98

	No of Holders	No of Shares	%
NSDL:	**1658**	**10707036**	**37.65**
CDSL:	**543**	**835087**	**2.94**
Physical:	**3216**	**16893951**	**59.41**

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 31-3-2010) of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Securities Limited. The company has entered into an agreement with Cameo Corporate Services Limited as depository registrar at the address mentioned below:

Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai- 600 002

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 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.

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 Pazhavoor 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

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, Mylapore, Chennai - 600 001.

Share holders 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

10. 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 2009-10.

Date: 29.05.2010
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 2010 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 give 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) During the year, the Company has given unsecured loan aggregating to Rs.10.00 crores a company. At the year end, the loans granted to company aggregates to Rs.10.01 crores. (Including Interest) The maximum balance outstanding during the year is Rs. 10.01 crores.
(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.

(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	Honb'le 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	Honb'le 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 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 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, 2009 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

PLACE : Chennai
DATE: 29th May 2010

(S.GANESAN)
PARTNER. Membership No.217119
FIRM REG. No. 302137E

KANISHK STEEL INDUSTRIES LIMITED
BALANCE SHEET AS ON 31ST MARCH 2010

	Schedule	AS AT 31.03.2010 (Amount in Rs.)	AS AT 31.03.2009 (Amount in Rs.)
SOURCES OF FUNDS			
A. SHAREHOLDERS FUNDS			
Share Capital	A	**284,656,570**	284,656,570
Reserves & Surplus	B	**537,408,052**	528,897,984
B. LOAN FUNDS			
Secured Loans	C	**336,279,753**	226,152,092
Unsecured Loans - License Deposit		**239,770,000**	239,770,000
C. DEFERRED TAX LIABILITY (NET)		**193,345,781**	186,667,221
		1,591,460,156	1,466,143,867
APPLICATION OF FUNDS			
D. FIXED ASSETS	D		
Gross Block		**1,286,196,071**	1,265,525,740
Less : Depreciation		**315,490,812**	257,257,146
Net Block		**970,705,259**	1,008,268,594
Capital Work In Progress		**4,725,831**	-
E. INVESTMENTS	E	**21,502,385**	20,620,200
F. CURRENT ASSETS, LOANS AND ADVANCES:	F		
Inventories		**427,580,273**	528,418,694
Sundry Debtors		**308,991,849**	156,991,829
Cash & Bank Balances		**35,860,031**	6,214,541
Loans & Advances		**534,001,170**	212,134,065
		1,306,433,323	903,759,129
G. LESS : CURRENT LIABILITES & PROVISIONS	G		
Current Liabilities		**707,688,780**	452,826,333
Provisions		**4,217,861**	13,677,723
		711,906,642	466,504,056
NET CURRENT ASSETS		**594,526,681**	437,255,072
		1,591,460,156	1,466,143,866

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS

S GANESAN
Partner (Memb.No:217119)
Chennai 29.05.2010

RAVI GUPTA
Chairman & Managing Director

SMITA CHIRIMAR
Company Secretary

VISHAL KEYAL
Wholetime Director

KANISHK STEEL INDUSTRIES LIMITED

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

	Schedule	AS AT 31.03.2010 (Amount in Rs.)	AS AT 31.03.2009 (Amount in Rs.)
I. INCOME			
Sales (Gross)	H	**4,527,097,714**	4,052,325,709
Less: Excise Duty		**158,799,514**	312,250,622
Sales (Net)		**4,368,298,200**	3,740,075,087
Other Income		**31,608,168**	46,201,566
Total		**4,399,906,368**	3,786,276,653
II. EXPENDITURE			
Material and Manufacturing Expenses	I	**4,231,613,486**	3,518,121,231
Payment & Provisions to Employees	J	**7,108,176**	6,742,179
Repairs and Maintenance	K	**22,831,784**	25,031,555
Financial Expenses	L	**25,881,478**	45,701,512
Administrative Expenses	M	**30,137,740**	26,067,881
Directors' Remuneration		**3,096,000**	2,496,000
Total		**4,320,668,665**	3,624,160,358
Profit before Depreciation		**79,237,703**	162,116,295
Less : Depreciation		**54,419,455**	48,407,442
Profit after Depreciation before tax		**24,818,249**	113,708,853
Taxation for the Year Current Tax		**4,217,861**	13,209,123
Deferred tax		-	46,807,821
Fringe Benefit Tax		-	468,600
Profit after tax		**20,600,387**	53,223,309
Taxation adjustments of previous years		-	- -
Reversal of excess provision of earlier years		**571,586**	241,755
Balance Brought Forward from last year		**313,534,779**	260,069,715
Proposed Dividend & Interim Dividend Paid			
Dividend Tax		-	-
Transfer to General Reserve		-	-
Balance carried forward to Balance Sheet		**333,563,581**	313,534,779
Earnings Per Share (Basic and Diluted)		**0.72**	1.87
Notes on Accounts	**N**		

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS

RAVI GUPTA
Chairman & Managing Director

VISHAL KEYAL
Wholetime Director

S GANESAN
Partner (Memb.No:217119)
Chennai 29.05.2010

SMITA CHIRIMAR
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	AS AT 31.03.2010 (Amount in Rs.)	AS AT 31.03.2009 (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
Called up & Paid-up capital:		
2,84,36,074 Equity shares of Rs.10 each	**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 (Refer Note No. B(8))	**71,639,025**	78,317,584
d) General Reserve	**23,007,619**	23,007,619
e) Profit & Loss Account Balance Carried Forward	**333,563,581**	313,534,779
f) Revaluation Reserve	**100,165,396**	105,005,571
	537,408,051	528,897,984
SCHEDULE C : SECURED LOAN		
From Banks -		
STATE BANK OF INDORE		
A) Cash Credit	**39,306,573**	107,809,929
B) Term Loans		
For Sponge Iron Project	**10,129,775**	30,008,744
As Corporate Loan	**240,006,951**	-
STATE BANK OF PATIALA WCDL A/C	**12,142,397**	24,303,717
STATE BANK OF PATIALA - Cash Credit	**31,528,785**	35,674,315
CORPORATION BANK - Cash Credit	-	24,902,027
(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. Also personally guaranteed by the CMD of the Company).		
From Institutions/Others		
A) Interest Free Sales Tax Loan under Deferral Scheme	-	**355,743**
Interest Free Sales Tax Loan under Deferral Scheme (Secured by second mortgage charge of land and building and plant and machinery)		
B) Hire Purchase Loans (Secured against assets purchased under HP Scheme)	**3,165,273**	**3,097,618**
	336,279,753	**226,152,092**

SCHEDULE - D FIXED ASSETS HEAD OFFICE

SCHEDULE - D FIXED ASSETS

Amount in Rs.

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
PARTICULARS	**AS ON 01.04.2009**		**ADD -TIONS**	**Deletions/ Refund**	**AS ON 31.03.2010**	**AS ON 01.04.2009**	**FOR THE PERIOD**	**WITH -DRAWN**	**UPTO 31.03.2010**	**AS ON 31.03.2010**	**AS ON 31.03.2009**
LAND	33,418,256	-	-	-	33,418,256	-	-	-	-	33,418,256	33,418,256
LAND LEASE HOLD	-		-	-	-	-	-	-	-	-	-
FACTORY BUILDING	155,561,260	-	5,373,911	-	160,935,171	16,654,639	5,247,417	-	21,902,056	139,033,115	138,906,621
BUILDINGS	301,200	-	-	-	301,200	19,866	4,910	-	24,776	276,424	281,334
PLANT & MACHINERY	724,328,004	-	9,198,475	-	733,526,479	206,617,055	36,215,770	-	242,832,825	490,693,654	517,710,949
6MW PLANT & MACHINERY	250,727,903	-	3,761,042	-	254,488,945	5,976,259	11,982,504	-	17,958,763	236,530,182	244,751,644
6MW POLLUTION CONTROL EQUIPMENT	5,387,922	-	-	-	5,387,922	133,923	255,926	-	389,849	4,998,073	5,253,999
ELECTRICAL INSTALLATION	34,735,308	-	127,200	-	34,862,508	12,635,678	1,655,572	-	14,291,250	20,571,258	22,099,629
CRANE	33,148,133	-	1,177,730	-	34,325,863	5,427,670	1,595,282	-	7,022,952	27,302,911	27,720,464
OFFICE EQUIPMENTS	4,667,810	-	203,714	-	4,871,524	1,536,004	230,022	-	1,766,026	3,105,497	3,131,805
FURNITURE & FITTINGS	4,403,316	-	16,766	-	4,420,082	1,050,033	279,750	-	1,329,783	3,090,299	3,353,284
VEHICLES	18,846,628	-	2,672,608	1,861,115	19,658,121	7,206,019	1,792,476	1,025,963	7,972,532	11,685,589	11,640,609
TOTAL	1,265,525,740	**-**	22,531,446	1,861,115	1,286,196,071	257,257,145	59,259,629 *	1,025,963	315,490,812	970,705,259	1,008,268,594
PREVIOUS YEAR	926,673,569	-	338,852,170	-	1,265,525,739	204,009,528	53,247,617*	-	257,257,146	1,008,268,594	722,664,041

*Note : Includes Rs. 4,840,175 in respect of revalued assets of Rolling Division

	AS AT 31.03.2010 (Amount in Rs.)	AS AT 31.03.2009 (Amount in Rs.)
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
170000 Equity shares of Rs.10 each in OPG Renewable Energy Private Limited	**1,700,000**	1,700,000
Investment in Derivatives - Held for Sale 30MT Steel Long (Date of purchase 31-03-2010)	**882,185**	
	21,502,385	20,620,200
SCHEDULE F : CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
I. Inventories		
(as valued and certified by the manangement)		
a) Raw Materials	**257,813,115**	363,039,472
b) Finished Goods	**164,370,976**	159,052,075
c) Stores and Spares	**5,396,183**	6,327,147
	427,580,273	528,418,694
II. Sundry Debtors		
(Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months	**16,036,079**	3,555,569
Other Debts	**292,955,770**	153,436,260
	308,991,849	156,991,829
III. Cash & Bank Balances		
a) Cash on Hand	**2,457,618**	1,143,757
b) Cash at Bank :		
Current Account	**2,484,124**	3,065,510
Deposit Account	**30,918,290**	2,005,275
	35,860,031	6,214,542
B. LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	**434,788,563**	54,148,518
b) Deposit with TNEB, Telephone, ST&others	**54,294,254**	59,635,984

	AS AT 31.03.2010 (Amount in Rs.)	AS AT 31.03.2009 (Amount in Rs.)
c) Cenvat, Cess & PLA balances	**34,685,665**	80,645,281
d) Advance Tax & TDS balances	10,232,688	17,577,532
e) Prepaid Expenses	**-**	126,750
	534,001,170	212,134,065
SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
a) Sundry Creditors	**686,523,420**	440,152,849
b) Other Liabilities	**21,165,360**	12,673,485
	707,688,780	452,826,333
B. PROVISIONS		
Taxation	**4,217,861**	13,209,123
Proposed Dividend	**-**	-
Dividend Tax	**-**	-
Fringe Benefit Tax	**-**	468,600
	4,217,861	13,677,723
SCHEDULE H : SALES & OTHER INCOME		
A. SALES		
Sale of Products	**3,971,781,073**	2,958,084,986
Sale of Raw Materials	**492,900,535**	1,038,372,248
Conversion charges received	**35,954**	4,014,180
Sale of Power Generated	**62,380,152**	51,854,295
	4,527,097,714	4,052,325,709
B. OTHER INCOME		
Rent Received	**605,856**	594,240
Income Received on Ware Housing	**19,084,681**	30,426,923
Sales Commission	**118,735**	812,339
Insurance claim received	**3,838,250**	1,014,751
Interest Received	**1,197,361**	3,282,580
Income Accrued on EPGC	**2,359,098**	10,070,733
Foreign exchange Fluctuation Gain	**3,989,223**	
Profit & Loss from Derivatives	**414,965**	
	31,608,168	46,201,566
CHEDULE I: MATERIAL & MANUFACTURING EXPENSES		
Cost of material consumed & sold	**3,838,740,072**	3,122,159,461
Customs Duty paid	**65,240,684**	89,964,189
Stores and Spares consumed	**37,755,478**	33,260,870
Increase / Decrease in Stock (FG)	**(5,318,900)**	(30,244,299)
Lease Rent Paid	**828,000**	840,000
Power and Fuel	**157,922,592**	144,474,799
Freight Charges	**128,103,660**	148,168,184
RM / FG Cutting & Handling Expenses	**4,687,561**	4,943,119
Gas	**3,654,340**	4,554,909
	4,231,613,486	**3,518,121,231**

	AS AT 31.03.2010 (Amount in Rs.)	AS AT 31.03.2009 (Amount in Rs.)
SCHEDULE J: PAYMENT & PROVISION TO EMPLOYEES		
Salaries, Wages and Bonus	**5,516,591**	5,208,539
Staff and Labour Welfare	**170,290**	231,550
Contribution to Provident & other funds	**1,421,295**	1,302,090
	7,108,176	6,742,179
SCHEDULE K: REPAIRS & MAINTENANCE		
Machinery Repairs	**7,809,484**	13,885,904
Factory maintenance	**4,851,219**	414,303
Electrical Repairs	**2,353,569**	2,544,947
Electrical Maintenance	**112,450**	-
Building Repairs & maintanence	**1,711,856**	519,109
Equipment maintenance Vehicle Maintenance - Car	**24,039**	76,250
Windmill Repairs & Maintanance	**4,521,960**	5,806,221
Windmill Wheeling Expenses	**1,447,208**	1,784,821
	22,831,784	25,031,555
1 **SCHEDULE L: FINANCIAL EXPENSES**		
Interest paid to Banks	**17,181,347**	27,361,427
Interest - Others	**471,278**	4,816,477
Bank Charges	**8,228,853**	13,523,608
	25,881,478	45,701,512
SCHEDULE M: ADMINISTRATIVE EXPENSES		
Printing and Stationery	**260,625**	344,562
Advertisement	**2,222,110**	408,876
Baddebts W/o	**1,488,135**	2,031,135
Business Promotion Expenditure	**-**	569,438
Commission paid	**434,004**	232,455
Rent & Amenities	**280,500**	1,557,100
Rates & Taxes	**3,466,836**	1,764,655
Postage	**108,438**	185,302
Travelling & Conveyance	**1,348,882**	2,301,670
Insurance	**5,454,811**	4,940,512
Donation	**68,000**	249,000
Directors - Sitting Fees	**30,000**	30,000
Foreign Exchange Fluctuation Loss	**-**	59,545
Medical expenses	**171,333**	489,399
Payment to Auditors		
- As Audit Fees	**110,300**	110,300
- As Tax Audit Fees	**55,150**	55,150
- As Certification Fees	**52,395**	47,753
Professional & Consultancy	**1,364,434**	1,115,768
Telephone Charges	**2,298,133**	926,072
Office Maintenance	**38,873**	51,286
Vehicle Maintenance	**99,851**	48,153
Loss on Sale ofAssets	**300,152**	--
Lab Expenses	**-**	328,362
Rebate & Discount	**5,388,494**	1,579,026
General Expenses	**286,786**	28,078
Club Membership	**2,535**	4,600
Membership & Subscription	**703,325**	300,418
Service Tax Paid	**3,592,230**	4,789,240
Security Charges	**452,166**	1,457,990
Share Transfer Charges	**59,242**	62,036
	30,137,740	26,067,881

SCHEDULE N:

NOTES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2010 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 realisable value. Cost of inventories is generally ascertained on the weighted average basis.
2. Finished Goods are valued at lower of cost and net realisable 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 relate 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. 56.74 Lakhs (Previous year Rs. 99.58 Lakhs)

(b) Towards outstanding Letter of Credit Rs. 2804.90 Lakhs (Previous year Rs. Nil) on account of import of raw materials.

2. Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.1359 Lacs. (Previous year: Rs. NIL).

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 Honb'le 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- towards the disallowance of Cenvat Credit relating to the Furnace Oil to extent of Rs. 17,99,434/- plus penalty of an equal amount imposed by the Central excise Dept. Matter 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 31.3.08, corresponding credit given to the Revaluation Reserve as per AS 10. Depreciation to the extent of Rs. 48.01 Lakhs has been adjusted against revaluation reserve during the current year.

5. Remuneration to the Directors:

(In Rs)

Ravi Gupta	CMD	24,00,000
Alok Gupta	Director	6,00,000
Ashok Bohra	WTD	96,000
Total		30,96,000

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

Amount in Rs.

	2009-10	**2008-09**
Net Profit before taxation	2,48,18,249	11,37,08,853
Add: Directors Remuneration	30,96,000	24,96,000
	2,79,14,249	11,62,04,853
Add: Loss of sale of assets	3,00,152	NIL
Net Profit	2,82,14,401	11,62,04,853

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. An interest free deposit of Rs.23.98 Crores has been given by OPGREPL during 2008-09 and the commitment has accordingly been halved to 4.5 million units a year w.e.f. 1-4-09

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 year 2009-10 is Employers contribution to Provident Fund and ESI Rs.14.21 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 this year (2009-10) based on actuarial valuation using the projected unit credit method. Accordingly provision of Rs. 1.57 Lacs has been made in the year 2009-10. (2008-09 Rs. 2.12 Lacs)

		(Rs.In 000's) 2009-10	2008-09
I	Expenses recognized in the statement of Profit and Loss for the year ended	286	212
	1. Current Service Cost	157	203
	2. Interest Cost	136	119
	3. Expected Return on Plan Assets	0	0
	4. Net Actuarial (Gains)/ Losses	(265)	(110)
	5. Total Expenses	157	212
II	Net Asset/(Liability) recognized in the Balance sheet as on 31-03-2009		
	1. Present value of Defined Benefit Obligation	1851	1694
	2. Fair Value of Plan Assets as at 31-03-2010	0	0
	3. Funded Status (Surplus/ Deficit)	0	0
	4. Net Liability as at 31-03-2010 (No Fund is maintained)	1851	1694
III	Change in obligation during the year ended		
	1. Present value of Defined Benefit Obligation at the beginning of the year	1694	1482
	2. Current Service Cost	286	203
	3. Interest Cost	136	119
	4. Actuarial (Gains) / Lossess	(265)	(110)
	5. Benefit Payments	0	0
	6. Present value of Defined Benefit Obligation at the end of the year	1851	1694
IV	Changes in Assets during the year ended		
	1. Plan assets at the beginning of the year	0	0
	2. Expected return on plan assets	0	0
	3. Contributed by Employer	0	0
	4. Actual Benefits paid	0	0

	5. Actuarial Gains/ (Losses) 5. Plan assets at the end of the year (No Fund is being maintained)	0 0	0 0
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 allowed the company on 19th August 2008 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 for the year	Rs.66,78,559
Deferred Tax Liability adjusted against Securities Premium account (As per Directives of Hon'ble High Court Madras)	Rs.66,78,559
Balance Deferred Tax Liability debited to Profit & Loss Account	Rs.NIL

9. Derivatives

The Company has recognized Rs 4.15 Lacs as income from derivative transaction (commodity Exchange contracts).

10. Details of TDS deducted on Other Income :

(Rs. In Lakhs)

Particulars	Amount	TDS
Interest	11.97	1.24
Rent	6.05	0.92
Sales Commission	1.18	0.12

11. 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 31.03.2010. This disclosure is based on the information available with the Company regarding the status of the suppliers.

12. 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.

13. 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.23.59 lakhs income received during the year.

14. 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 M T /p a 2) Wind Power: 7.610 MW 3) Sponge Iron: 60000 M T / p a

(Quantity in Metric Tonnes)

	Actual Production	For the year ended 31.03.2010	For the year ended 31.03.2009
a)	Tor Steel & Profiles - Own	40165.320	42387.780
	- Conversion	0	334.515
	Sponge Iron - Own	31994.700	27719.000
	Total	**72160.020**	**70441.295**

b) **Quantitative Details of Finished Goods**

1. Steel Rolled Products	**Year ended 31.03.2010**	**Value Rs. In lakhs**	**Year ended 31.03.2009**	**Value Rs. In lakhs**
	Qty. in MTs.		**Qty. in MTs.**	
Opening Stock	2944.664	831.17	4998.826	1258.87
Production	40165.320		42387.780	
Received on Consignment	685.505		2741.300	
Purchases/ Receipts	78009.321		21360.472	
Sales (Net of Return)	116444.565	34861.67	65802.414	23436.83
STA	1615.785			
Sold on Consignment	685.505		2741.300	
Closing Stock				
- At own premises	**3058.955**	**922.45**	**2944.664**	**831.17**
Total			**2944.664**	**831.17**

2. Sponge Iron Products	**Year ended 31.03.2009**	**Value Rs. In lakhs**	**Year ended 31.03.2008**	**Value Rs. In lakhs**
	Qty. in MTs.		**Qty. in MTs.**	
Opening Stock	**1661.670**	**190.61**	**178.510**	**33.70**
Production	31994.700		27719.000	
Received on Consignment	0			
Purchases/ Receipts	0		0	
Goods Sent for conversion	0			
Stock Transferred to Rolling Division				
Stock Transferred to Furnace Division			845.670	

Goods Sent on Consignment			194.330	
Sales (Net of Return)	30286.10	4208.01	25195.840	4385.43
Closing Stock				
- At own Premises	3370.270		1661.670	190.61
Total	**3370.270**		**1661.670**	**190.61**

		For the year ended 31.03.2010	For the year ended 31.03.2009
c)			
	M.S. Re-rollables (in Metric Tonnes)	43016.73	45477.24
d)	Stores and Spares Consumed	377.55	332.61
e)	(100% Indigenous) (Rs. Lakhs)		
	C.I.F. Value of Imports (Rs. Lakhs)	4778.03	7236.62
	Raw Materials	--	--
f)	Components and Spares Parts	--	--
g)	Capital Goods	--	--
	Earnings in Foreign Currency (Rs.Lakhs)	--	--
	Expenditure in Foreign Currency on Traveling (Rs. Lakhs)		

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

16. SEGMENT INFORMATION FOR THE YEAR ENDED 31st March 2010.

Business Segment: The two identified segments are Steel and Power Generation

(Rs. Lakhs)

Particulars	**Steel**	**Power**	**Elimination**	**Total**
REVENUE				
External Revenue	43059.18	-	-	43059.18
Internal Revenue	-	623.80	(623.80)	-
Total	43059.18	623.80	(623.80)	43059.18
RESULT				
Segment Result	291.60	231.65	-	523.25
Unallocated corporate expenditure (net of other income)				(275.07)
Tax expense				(42.18)
Profit after Taxes				206.00
OTHER INFORMATION				
Segment Assets	17249.61	5055.08	-	19326.31
Segment Liabilities	8081.79	2554.41	-	9324.09
Capital Expenditure (current year)	144.81	3333.60	-	3388.52
Capital WIP	47.26			
Depreciation	216.72	327.48	-	544.19
Non cash expense (other than depreciation)	17.88	-	-	17.88

Type of products and services in each business segment:

Steel - Manufacture and Trading of rolled steel products.

Power – Generation and captive consumption of power.

(17) Related Party Disclosures:

Related Parties

Enterprises

1. OPG Energy Private Limited
2. The South India Steel & Starch 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

There are no commercial transactions with any of the related party except for OPG Energy Private Limited during the year 2009-10.

Relationship: Enterprises in which key management personnel are having significant influence.

Key Management Personnel:

Mr. Ravi Gupta	Chairman & Managing Director
Mr.Ashok Bohra	Whole Time Director.

Related Party Transactions

(Rupees in lakhs)

	Key Management Personnel	Companies under Key Management Personnel
During the year transactions:		
Purchase of Goods		518.72
Sale of Goods		1634.95
Sale of Power		--
Purchase of Power		591.18
Investments made		--
Receiving Services		8.67
Remuneration Paid	30.96	
Given Services		--
Interest Received		0.98
Lease Rent Paid		1.08
Loan Given		1000.00
Advances Given		135
Advances Received		135
Amount outstanding as on 31.3.10 (Cr Balance)		1258.02

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.30,000/-

(18)	Remittance in foreign currency towards Dividend	2009-10	2008-09
	Number of Non-resident shareholders:	2	2
	Number of Shares held	30,00,000	30,00,000
	Amount remitted		
	Final Dividend (2007-08)	-	18,00,000

(**19**)	**Earning Per Share:**	**2009-10**	**2008-09**
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)	206.00	532.23
c)	Basic and diluted earning per share (Rs.)	0.72	1.87

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS

RAVI GUPTA
Chairman & Managing Director

VISHAL KEYAL
Wholetime Director

S GANESAN
Partner (Memb.No:217119)
Chennai 29.05.2010

SMITA CHIRIMAR
Company Secretary

KANISHK STEEL INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st March 2010

	For The Year Ended 31.03.2010		For The Year Ended 31.03.2009	
A.CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax And Extraordinary Items		248.18		1137.09
Add:				
Depreciation	544.19		484.07	
Foreign Exchange loss	(39.89)		0.60	
Excess provision of earlier year written off	(5.72)		-	
Loss on Sale of Assets	3.00		-	
Bad Debts	14.88		20.31	
Rent Received	(6.06)		(5.94)	
Interest /Rebate/Discount Income	(11.97)		(32.83)	
Interest /Discount Paid	176.53	674.96	321.78	787.99
		923.15		1925.08
Less: Adjustments for:				
(Increase)/Decrease in Inventories	1008.38		(1276.43)	
(Increase)/Decrease in Receivables	(1494.99)		1144.55	
(Increase)/Decrease in Loans & Advance	(3164.90)	(3651.50)	(75.98)	(207.87)
		(2728.36)		1717.21
Add: Increase/(Decrease) in Current Liabilities & Provisions		2411.85		(2301.21)
		(316.51)		(584.00)
Less: Taxes Paid		(52.27)		(120.86)
Net Cash Flow from opertating activities (A)		(368.78)		(704.85)
B.CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(222.31)		(3388.52)	
Sale of Fixed Asset	5.35		-	
Increase in Capital Work In Progress	(47.26)		2246.40	
Interest Received	11.97		32.83	
Rent Received	6.06		5.94	
Purchase/ Sale of Investments	(10.32)		(26.50)	
Profit / (Loss) from sale of Fixed Assets	(3.00)		-	
Net Cash Flow from Investing activities (B)		**(259.51)**		**(1129.85)**
C.CASH FLOW FROM FINANCING ACTIVITIES :				
Dividend Tax Payment	-		(29.00)	
Dividend Paid	-		(168.20)	

	For The Year Ended 31.03.2010		For The Year Ended 31.03.2009	
Interest paid	(176.53)		(321.78)	
Movement in Unsecured Loan (Net)	-		2397.70	
Movement in Term Loan (Net)	1,101.28		(558.55)	
Net Cash Flow from Financing activities (C)		**924.75**		**1320.17**
Net Increase in cash Equivalents (A)+(B)+(C)		**296.45**		**(514.53)**
Cash & Cash Equivalents (Opening Balance)	62.15		576.67	
Cash & Cash Equivalents (Closing Balance)	358.60		62.15	
Net Increase/(Decrease) in Cash & Cash Equivalents		**296.45**		**(514.53)**

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS

RAVI GUPTA
Chairman & Managing Director

VISHAL KEYAL
Wholetime Director

S GANESAN
Partner (Memb.No:217119)
Chennai 29.05.2010

SMITA CHIRIMAR
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	18
Registration No.	5793
Balance Sheet Date	31.03.2010

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	15915	Total Liabilities	15915
Sources of Funds			
Paid up Capital			2847
Reserves & Surplus			5374
Secured Loans			3363
Unsecured Loans			2398
Deferred Tax			1933
Application of Funds			
Net Fixed Assets			9707
Investments			215
Net Current Assets			5945

IV. PERFORMANCE OF THE COMPANY

Turnover	43999
Total Expenditure	43206
Profit / (Loss) before Tax	248
Profit / (Loss) after Tax	206
Earnings Per Share in Rupees.	0.72
Dividend Rate (%)	0.00

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

Product Description	Steel and Profiles
ITC Code No.	721490

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
Chartered Accountants

S GANESAN (Partner)
Memb. No. : 217119
Chennai, 29th May 2010

For and Behalf of the Board

RAVI GUPTA
Chairman & Managing Director

VISHAL KEYAL
Whole Time Director

SMITA CHIRIMAR
Company secretary

KANISHK STEEL INDUSTRIES LIMITED

Registered Office: B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur Dt. TN - 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 — 20th ANNUAL GENERAL MEETING

Date : Thursday the 30th September 2010
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 PROXY (if applicable):

I hereby record my presence at the Twentieth 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 :

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 Nineteenth Annual General Meeting of the Company to be held at 3.00 P.M. on Thursday the 30th September 2010 and at any adjournment thereof.

Signed this ..... day of ..... 2010.

Affix Revenue Stamp

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

Signature of Member