

CONTENTS

Corporate Information
Chairman's Statement
Notice of Annual General Meeting
Management Discussion & Analysis Report
Managing Director's Declaration
Corporate Governance Compliance Certificate
CEO/CFO Certification
Report on Corporate Governance
Directors' Report
Auditors' Report
Balance Sheet
Statement of Profit & Loss
Cash Flow Statement
Notes to Financial Statement
Secretarial Audit Report

Important Communication to Members

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

Annual General Meeting will be held at 3.00 p.m. on Friday, the 12th September, 2014 at MIG-4, Indravati Colony, Raipur, Chhattisgarh. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting. Visit us at : www.vaswaniindustries.com, E-mail : info@vaswaniindustries.com • Tel.: +91 771 4226000 • Fax : +91 771 4226000

CORPORATE INFORMATION

Performance Highlights 2013-2014

Financial

(Rs. in Lacs)

Total Revenue	22637.98
Profit Before Tax	91.30
Profit After Tax	2.94
Earning Price Per Share (EPS) - Basic & Diluted	0.01

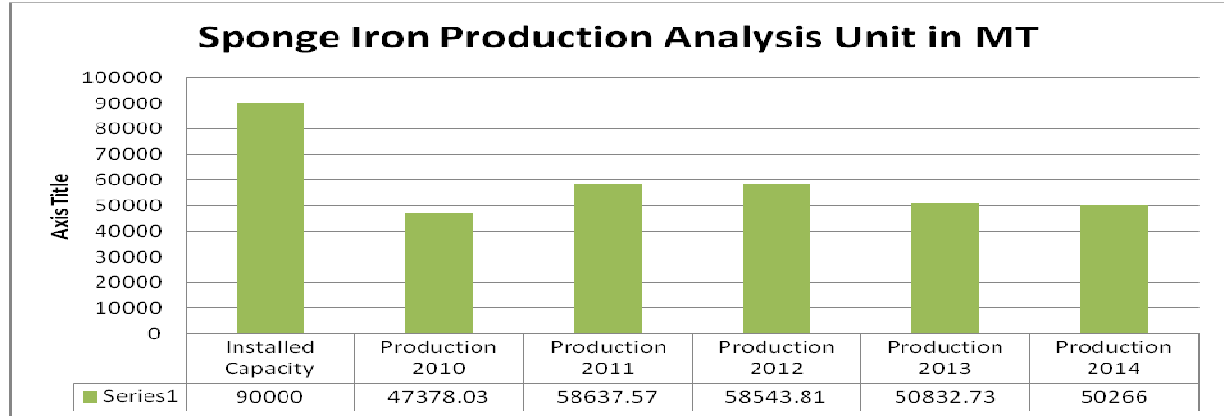
Operational

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Installed capacity					
Sponge Iron	90000 MT	90000 MT	90000 MT	90000 MT	90000 MT
Steel Billets/Ingots	36000 MT	36000 MT	36000 MT	36000 MT	36000 MT
Power	11.5 MW	11.5 MW	11.5 MW	11.5 MW	7.5 MW
Production					
Sponge Iron	50266.000MT	50832.73 MT	58543.81 MT	58637.57 MT	47378.03 MT
Steel Billets/Ingots	44104.030MT	37596.705 MT	33231.655 MT	865.585 MT	4243.320 MT

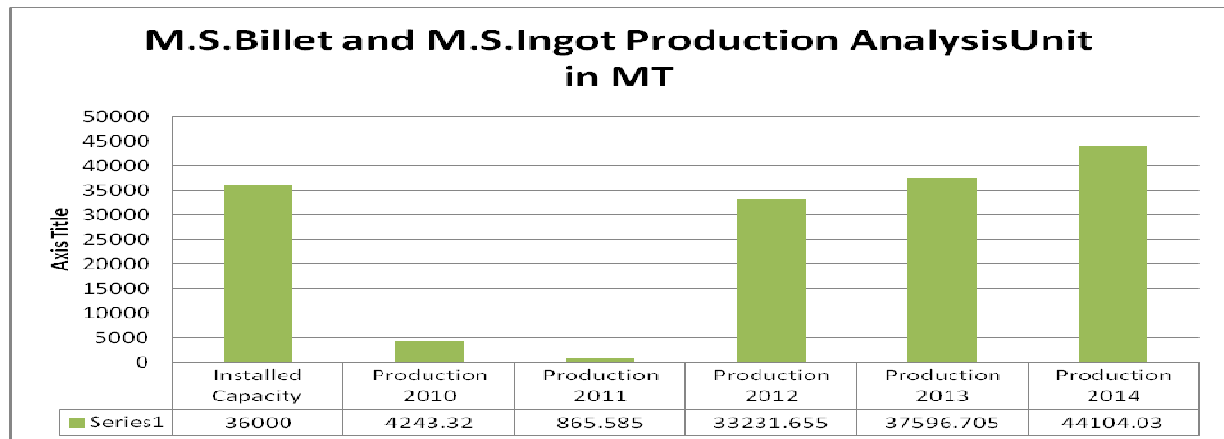
Power	65372200 UNITS	64213200 UNITS	70555900 UNITS	74753378 UNITS	60396000 UNITS
-------	----------------	----------------	----------------	----------------	----------------

Production, Sales and Self Consumption Chart

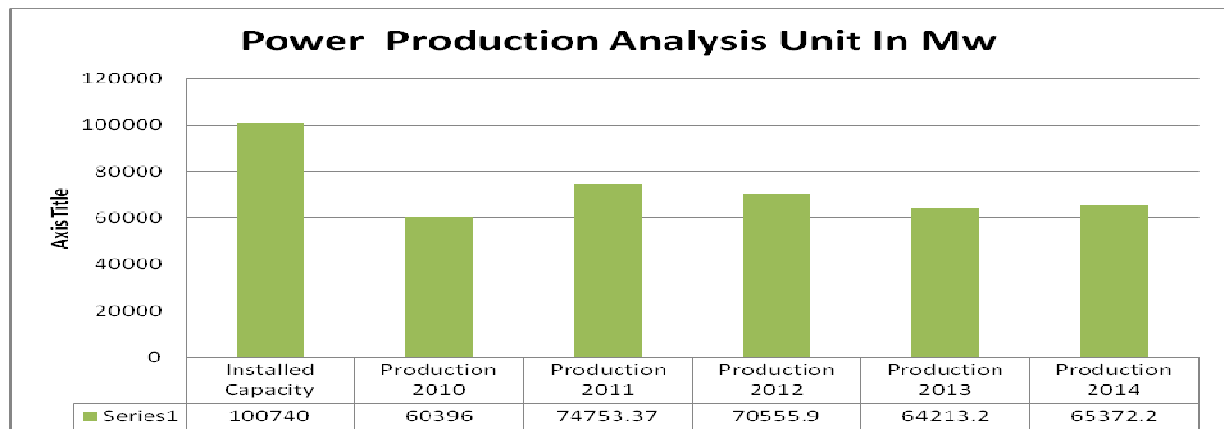
SPONGE IRON



M S BILLETS



POWER



BOARD OF DIRECTORS

Mr. Ravi Vaswani	Chairman & Managing Director (CMD)
Mr. Pramod Vaswani	Whole Time Director (WTD)
Mr. Yashwant Vaswani	Whole Time Director (WTD)
Mr. Lekhu Thadharam Mulchandani	Non- Executive & Independent Director
Mr. Ashok Suri	Non- Executive & Independent Director
Mr. Sanjay Jadwani	Non- Executive & Independent Director

COMMITTEES OF THE BOARD

I . AUDIT COMMITTEE	
Mr. Lekhu Thadharam Mulchandani	Chairman
Mr. Pramod Vaswani	Member
Mr. Ashok Suri	Member

II. REMUNERATION COMMITTEE	
Mr. Lekhu Thadharam Mulchandani	Chairman
Mr. Yashwant Vaswani	Member
Mr. Ashok Suri	Member

III. SHAREHOLDERS'/ INVESTOR GRIEVANCES COMMITTEE	
Mr. Lekhu Thadharam Mulchandani	Chairman
Mr. Pramod Vaswani	Member
Mr. Sanjay Jadwani	Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ritu Hardeep Lamba

STATUTORY AUDITORS

Sunil Johri & Associates Chartered Accountants Nathani Building, Shastri Chowk, G.E. Road, Raipur – 492 001
--

BANKERS

State Bank of India (SBI) Union Bank of India (UBI) IDBI Bank Limited (IDBI)
--

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (w) Mumbai – 400 078
--

REGISTERED OFFICE

MIG – 4, Indrawati Colony,

CHAIRMAN'S STATEMENT

We are living in extraordinary times, when on one hand global recovery is gaining pace though slowly , and on the other political developments in India are ensuring an enabling environment for enhanced economic activity. According to the IMF, global growth is expected to touch 3.6% in 2014, and is expected to strengthen further towards the beginning of 2015. The growth impetus is emanating from advanced economies in sharp contrast to previous years, when developing economies put up a better performance. Such a scenario will create potential and other business opportunities for developing economies like India to grow. In this context it gives me immense satisfaction to inform you that Vaswani Industries Limited (VIL) has already focused on enhancing production capacities, diversifying investments and strengthening our core capabilities - raw material security, technology leadership and retail brand visibility - to leverage new opportunities.

Huge investments in above stated sectors are expected to remove the bottlenecks of growth. Such a scenario will increase the country's hunger for steel and power. In both these sectors, VIL has a role, an important one, to play in contributing to the nation's demand.

We are investing significant resources to strengthen our market position in existing regions, as well as establishing footprints in newer and attractive geographies. During 2013-14, we completed multiple expansions across locations to take cumulative steel and power capacity to 7.50 MTPA and 4,527 MW respectively. In coming years, we will enhance steel production capacity to leverage our captive coal and iron-ore reserves, in domestic market.

During FY 2013-2014, we faced many challenges. But undaunted by the nature, degree and kinds of these challenges we were able to surmount them. Our performance gives us confidence that we will achieve our goals. In all circumstances the ideas of caring and sharing cannot leave us. In fact, they drive us and give us a sense of fulfillment.

The vision of our Board of Directors is always a guiding force and it is reassuring that our journey towards greater glory is in the right direction.

RAVI VASWANI

CHAIRMAN

NOTICE OF ANNUAL GENERAL MEETING

The **ELEVENTH ANNUAL GENERAL MEETING** of Vaswani Industries Limited will be held at 03:00 P. M. on Friday, the 12th September, 2014 at Registered Office of the Company situated at MIG-4, Indrawati Colony, Raipur, Chhattisgarh to transact the following business:

ORDINARY BUSINESS:

- 1: To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2014 and Profit & Loss Accounts of the Company for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- 2: To appoint a director in place of Shri Pramod Vaswani, Whole-time Director of the Company, who retires by rotation and is eligible for re-appointment.
- 3: To appoint a director in place of Shri Yashwant Vaswani, Whole-time Director of the Company, who retires by rotation and is eligible for re-appointment.
- 4: To appoint M/s Sunil Johri & Associates, Chartered Accountants, Statutory Auditors for holding the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

- 5: To consider and if thought fit to pass, with or without modification, the following Resolutions as Special Resolutions:

"RESOLVED THAT pursuant to the provisions contained in Section 188 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the consent of the board is hereby accorded for the appointment of Mr. Kushal Vaswani as Chief Operation Officer - Industry holding office of profit under the company he being a relative of the Managing Director, Mr. Ravi Vaswani, of the Company subject to the approval of the by the members. The appointment is pursuant to the terms and conditions including relating to the remuneration as contained in an agreement between the company of the one part and the said Mr. Kushal Vaswani of the other part, a copy whereof initialed by the Chairman was placed before this meeting.

FURTHER RESOLVED THAT Mr. Ravi Vaswani, Managing Director or Mr. Pramod Vaswani, Whole time Director or Mr. Yashwant Vaswani, Whole time Director of the Company be and is hereby authorized to do all acts, deeds and things as they may deem necessary in this regard.

FURTHER RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government and subject to such other consents, approvals, permissions as may be required, the appointment of Mr. Kushal Vaswani as Chief Operation Officer - Industry aged 26 years and an Engineer and who is in relation with the Managing Director of the Company, to hold an office or place of profit under the Company as (post) with effect from (date) on such terms & conditions and on such remuneration as set out below :

- 1) Basic Salary: Rs. 75000 per month
- 2) Perquisite and allowance
 - a. Dearness Allowance: 10% of the Salary
 - b. Leave Travel Allowance: Payable as per company's rules and decided by Board of Directors.
 - c. Medical Reimbursement: Payable as per company's rules and decided by Board of Directors.
 - d. Contribution to provident fund, superannuation fund or Annuity fund: The contributions to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - e. Bonus/ Ex-gratia: Payable up to maximum of 20% of the salary and as decided by Board of Directors
 - f. Gratuity: Gratuity payable not exceeding half a month's salary for every completed year of service
 - g. Leave encashment: Payable as per company's rules and decided by Board of Directors.
 - h. Insurance: Payable as per company's rules and decided by Board of Directors.

FURTHER RESOLVED THAT Mr. Ravi Vaswani, Managing Director of the company be and is hereby authorized to sanction the promotion of Mr. Kushal Vaswani to the next higher grade or grades during the tenure of his services.

FURTHER RESOLVED THAT the remuneration payable to Mr. Kushal Vaswani as aforesaid would be subject to such modifications as the Remuneration Committee in their meeting and/or Shareholders in their general meeting and / or the Central Government may suggest or require while granting their approval Central Government may suggest or require while granting their approval (which the which the above said persons are hereby authorized to accept on behalf of the Company)and which may be acceptable to Mr. Kushal Vaswani and are not less favorable to the Company."

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

Place: Raipur (C.G.)
Date: 05/08/2014

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) Relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of special business as set out above annexed hereto.
- 3) A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956, i.e. only if the Corporate Member sends certified true copy of the Board Resolution authorizing the representative to attend and vote the Annual General Meeting.
 - Register of Members and Share Transfer Book of the Company will remain closed from; 05.09.2014 to 12.09.2014 (both days inclusive).
- 4) Members who are holding Equity shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
- 5) Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
- 6) Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting venue. However, entry to attend the Meeting will be strictly on the basis of the entry slip available at the counters at the venue and to be exchanged with attendance slip.
- 7) Members will not be distributed any gift, compliment or kinds of such nature at the ensuing 11th Annual General Meeting of your Company.
- 8) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 10) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 11) Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
- 12) Electronic copy of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the

- same. For members who have not registered their email address, physical copies of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 13) Members may also note that the Notice of the 11th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.vaswanindustries.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Raipur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: complianceofficer@vaswanindustries.com.
- 15) Voting through electronic means
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
The instructions for e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
(i) Open email and open PDF file viz; "Vaswani Industries Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
(iii) Click on Shareholder - Login
(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
(vii) Select "EVEN" of Vaswani Industries Limited.
(viii) Now you are ready for e-voting as Cast Vote page opens.
(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
(x) Upon confirmation, the message "Vote cast successfully" will be displayed
(xi) Once you have voted on the resolution, you will not be allowed to modify your vote
(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to complianceofficer@vaswanindustries.com with a copy marked to satishbatra6@gmail.com.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]
(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
V. The e-voting period commences on 10th September, 2014 (9:00 am) and ends on 12th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10th April, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 10th April, 2014.
VII. Mr. Satish Batra, Pract. Company Secretary (Membership No. 2875) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Explanatory Statement

FOR ITEM 1 :

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Mr. Kushal Vaswani, who has been selected by your Board of Directors to hold the position of Chief Operation Officer of the company inter alia at a salary in the grade of Rs.75000 pm is son of Mr. Ravi Vaswani, who is Managing Director on the Board of your company, section 188 of the Companies Act, 2013, for entering Transactions i.e. appointment to any office or place of profit in the company with related party, special resolution is required in the meeting subjected to the prescribed share capital or Turnover and also the approval of the Central Government.

Mr. Kushal Vaswani, who happens to be a relative of your Directors, is a qualified Industrial Engineer & an MBA from American University and having an experience of 3 years.

None of the Directors, except Mr. Ravi Vaswani, Mr. Pramod Vaswani and Mr. Yashwant Vaswani, is directly or indirectly interested in the aforesaid resolution and recommends your acceptance thereof in the interest of the company. Hence, the resolution is placed before the shareholders. The Directors recommend the resolution for your approval.

None of the directors (other than those issued equity shares under this resolution) are, in any way, concerned or interested in this resolution.

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

Ravi Vaswani
(Chairman & Managing Director)

Place: Raipur (C.G.)
Date: 05/08/2014

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

OPPORTUNITIES AND THREATS

OPPORTUNITIES

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

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

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

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

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

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

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

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

THREATS

Cost of Iron ore and coal i.e. the basic raw material has a direct impact on the profitability. Iron ore prices has increased substantially and availability of the required grade has suffered to a great extent due to various restrictions imposed by the authorities. Coal India's new coal distribution policy and consequent Fuel Supply Agreement has disrupted coal linkages forcing producers to procure more e-auction coal. Coal India has also increased the price of coal substantially.

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

SEGMENT-WISE PERFORMANCE

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

OUTLOOK

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

OVERVIEW OF THE COMPANY AND ITS PROJECT

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

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

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

(ii) Installed three Induction Furnaces in the year 2007-2008 with a capacity of 36000 MT for manufacturing of Steel Billets & Ingots utilizing in-house production of Sponge Iron.

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

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

FINANCIAL PERFORMANCE OF THE COMPANY

- Sales

The total sales of current year 2013-14 is Rs. 22637.98 lacs as compared to Rs. 21440.35 lacs in previous year 2012-13, company has registered a increment of 5.29%.

- *Consumed Material Cost*
The material cost during the current year 2013-2014 is Rs. 15322.02 lacs as compared to Rs. 16782.54 lacs 2012-13. The raw material consumption has increased by 28.05%.
- *Manufacturing Expenses*
Manufacturing expenses during the current year 2013-2014 is Rs. 2401.23 lacs where as during the previous year 2012-13 is Rs. 1986.27 lacs. These expenses have increased by 4.75% as compared to last year.
- *Employees Remuneration & Benefits*
Employees Remuneration & benefits during the current year 2013-14 is Rs. 341.50 lacs as compared to Rs. 324.27 lacs in previous year 2012-13. These expenses have increased by 10.46% as compared to last year.
- *Administrative & Other Expenses*
Administrative & Other Expenses during the current year 2013-14 is Rs. 188.63 lacs as compared to Rs. 232.93 lacs in previous year 2012-13. These expenses have decreased by 33.27% as compared to 2011-2012.
- *Depreciation*
Depreciation during the current year 2013-14 was Rs. 548.77 lacs as compared to Rs. 524.77lacs the previous year 2012-13. During the current year it increased by 01.15%.
- *Profit after tax*
The current year has Profit after tax and extra-ordinary items amounting to Rs. 2.93 lacs.

COMPETITION

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

PERSONNEL

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

CAUTIONARY STATEMENT

Statements made in the report describing the company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by **Vaswani Industries Limited** for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

SATISH KUMAR BATRA

Satish Batra & Associates,
Company Secretaries,
M.No. - FCS 1316
C.P. No. 2875

Raipur, 30th MAY 2014

CEO/CFO CERTIFICATION

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

a. They we have reviewed financial statements and the cash flow statement for the year ending 31st March, 2014 and that to the best of their knowledge and belief :

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

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

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

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

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

RAVI VASWANI - MANAGING DIRECTOR

PRAMOD VASWANI - WHOLE TIME DIRECTOR

RAIPUR, 30th MAY 2014

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-2014

(as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

i) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Company is committed for practicing good Corporate Governance in order to lay strong emphasis on transparency, accountability and integrity for building investor confidence, improve investor's protection and maximize long-term shareholder value. Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

ii) BOARD OF DIRECTORS

The Board of Directors has a combination of Executive and Non-Executive Directors. The Board comprises of three Whole-time Directors (the Managing Director and two Executive Directors) and three Non-executive Directors cum Independent Directors. One-half of the Board of Directors of the company comprises of Independent and Non-executive Directors.

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

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

TABLE 1

As on March 31, 2014

S.NO.	Name of Director	Category of Directors	No. of other Directorship		No. of other Committee Membership/ Chairmanship held*	
			Public Company	Private Company	Committee Chairmanship	Committee Membership
1	Mr. Ravi Vaswani	Chairman & Managing Director	9	4	-	-
2	Mr. Pramod Vaswani	Whole Time Director	5	1	-	-
3	Mr. Yashwant Vaswani	Whole Time Director	4	1	-	-
4	Mr. Lekhu Thadaram Mulchandani	Independent Director	1	-	-	-
5	Mr. Ashok Suri	Independent Director	-	1	-	-
6	Mr. Sanjay Jadwani	Independent Director	-	-	-	-

TABLE 2

As on March 31, 2014

Number of Board Meetings held

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

S. no.	Date of Meeting	Board Strength	No. of Directors present
1.	30.05.2013	6	6
2.	26.06.2013	6	6
3.	14.08.2013	6	6
4.	26.08.2013	6	6
5.	10.09.2013	6	5
6.	15.11.2013	6	5
7.	15.02.2014	6	5

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

TABLE 3

AS ON MARCH 31, 2014

ATTENDANCE OF DIRECTORS AT (I) BOARD MEETING AND (II) ANNUAL GENERAL MEETING

S. No.	Name Of Directors	No. Of Board Meetings Attended	Attendance At The Last AGM
1	Mr. Ravi Vaswani	7	YES
2	Mr. Pramod Vaswani	7	YES
3	Mr. Yashwant Vaswani	7	YES

4	Mr. Lekhu Thadaram Mulchandani	6	YES
5	Mr. Ashok Suri	6	YES
6	Mr. Sanjay Jadwani	6	YES

TABLE 4

AS ON MARCH 31, 2014

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN ELEVENTH ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of Listing Agreement)**

Name of the Director(s)	Shri Pramod Vaswani	Shri Yashwant Vaswani
Designation	Whole-Time Director	Whole-Time Director
Qualifications	Masters of Commerce (MCom)	Bachelor of Commerce (BCom) – II year
Date of appointment	July 22, 2003	April 16, 2004
Expertise in Specific functional areas	He is a Commerce Post Graduate by qualification.	He is an under graduate (Commerce) by qualification.
List of other Companies in which Directorship Held	Vaswani Energy Limited, Vaswani Cement Limited, Vaswani Ispat Limited, C.G. Ispat Pvt. Ltd., Shubh Infrastructure Ltd., Kwaliti Iron Foundry India Ltd.	Vaswani Energy Limited, Vaswani Cement Limited, Vaswani Ispat Limited, Shubh Infrastructure Ltd., Kwaliti Iron Foundry India Ltd.
Chairman/Member of the committees of Board of Directors of other companies in which he is Director	Shareholders Grievance Committee and Audit Committee	Remuneration Committee
Details of Shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	3969860	2190840

3. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director.

4. COMMITTEES UNDER CORPORATE GOVERNANCE

Sr. no.	Committee of Directors	Constituted on
1.	Audit Committee	February 26, 2005
2.	Shareholder's / Investor Grievances Committee	April 15, 2009
3.	Remuneration Committee	April 15, 2009

4.1 AUDIT COMMITTEE:

The Audit Committee consists of one executive Director and two Independent Directors. The Audit Committee comprises of following Directors:

Name of Members	Designation	Nature of directorship
Mr. Lekhu T Mulchandani	Chairman Independent	Non-Executive Director
Mr. Sanjay Jadwani*	Member Independent	Non-Executive Director
Mr. Pramod Vaswani	Member	Executive Director

The committee met Six times during the year 2013-2014 and the attendance of the members at these meetings was as follows:

SN	Date of Meeting	Committee Strength	No. of members present
1	30.05.2013	3	3
2	26.06.2013	3	3
3	14.08.2013	3	3
4	10.09.2013	3	3
5	15.11.2013	3	3
6	15.02.2014	3	3

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

4.2 REMUNERATION COMMITTEE:

The Remuneration Committee of the Company consists of three Directors, with Mr. Lekhu Thadaram Mulchandani as its Chairman and Mr. Ashok Suri & Mr. Yashwant Vaswani as the members. All the Directors have been paid remuneration as per terms of their appointment and ceiling specified under the Companies Act, 1956.

Remuneration paid during the year 2013-2014

Name	Designation	Remuneration (in Rs.)
Mr. Ravi Vaswani	Managing Director	75000 per month
Mr. Pramod Vaswani	Whole Time Director	50000 per month
Mr. Yashwant Vaswani	Whole Time Director	30000 per month

4.3 SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

4.3.1 The Investors' Grievance Committee consists of Three Directors. The detailed composition of the members of the Shareholders/Investors Grievances Committee at present is given below:

Name of Members	Designation	Nature of directorship
Mr. Lekhu T Mulchandani	Chairman Independent	Non-Executive Director

Mr. Sanjay Jadwani	Member Independent	Non-Executive Director
Mr. Pramod Vaswani	Member	Executive Director

4.3.2 During the financial year ended March 31, 2014 the meetings of the Shareholder/ Investor Grievances Committee held as under:

Sr.No.	Dates of Meeting	Committee Strength	No. of members Present
1	14.08.2013	3	3
2	15.11.2013	3	3
3	15.02.2014	3	3

5. General Meetings:

Location, date, time & place of last three year Annual General Meeting and Extra Ordinary General Meeting held during 2013-14 are given below:

Annual General Meeting (AGM):				
For the year ended	Location	Date	Time	Details of Resolution passed
31.03.2013	MIG-4, Indrawati Colony, Raipur (C.G.)	26.08.2013	03.00 PM	Ordinary & Special
31.03.2012	MIG-4, Indrawati Colony, Raipur (C.G.)	28.11.2012	03.00 PM	Ordinary & Special
31.03.2011	MIG-4, Indrawati Colony, Raipur (C.G.)	17.10.2011	10.30 AM	Ordinary
Extra Ordinary General Meeting (EGM): NONE				

6. Disclosures

Basis of related party transaction

There was no materially significant related party transaction that may have potential conflict with the interest of the Company at large. The details of related party transactions are disclosed in financial section of this Annual report.

Disclosure of accounting treatment

The Company has followed all relevant accounting standards while preparing the financial statements and statement of accounts have been drawn in compliance of all applicable accounting standards.

Risk Management

The risk management issues are discussed in detail in the report of Management Discussion and Analysis. The Company has taken necessary steps for risk management and the system is being strengthened on a continuous basis.

Proceeds from public issues, right issues, preferential issues etc

The proceeds of Preferential Issues are utilized towards working.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

Details of non-compliance by the Company, penalties and strictures imposed etc.

The company has complied with the requirements of regulatory authorities on capital markets and no penalty/ stricture was imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets from the date of its listing on the stock exchanges.

CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required in clause 49 of the listing agreement and the said certificate is contained in this annual report.

Disclosure of material transactions

No material transaction has been entered into by the Company with the promoters, directors or the management, their subsidiaries or relatives etc that may have a potential conflict with interest of the company.

Corporate Social Responsibility (CSR)

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

Appointment of Internal Auditor

Under Section 138 read with the Rule 13 of the Companies (Accounts) Rule, 2014, Mr. Pawan Kumar Jha is appointed as internal auditor of the company.

Secretarial Audit

As per Section 204 of Companies Act 2013, Secretarial Audit Report is attached with board's report, issued by Satish Batra & Associates, Raipur, in form No, MR-3.

7. Means of Communication:

a. Financial Results:

The quarterly, half yearly and annual results are issued electronically in the stock exchange and posted in its website and are displayed on the website of the Company www.vaswaniindustries.com.

b. Website:

The Company's website "www.vaswaniindustries.com" contains a separate dedicated section "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website in a downloadable form.

8. General Shareholders' Information

- Date, Day, Time and Venue for holding 11th Annual General Meeting: 12th September, 2014, 3.00 p.m. at registered office.
- Registered Office MIG-4, Indrawati Colony, Raipur (C.G.) (492001)
- Listing Date & Commencement of Trading Date: 20th September, 2011 & 24th October, 2011.
- Financial Calendar (2013-2014) (tentative):

Board Meeting (for Financial Result)	
Quarter ending on 30 th June 2013	On or before August 14, 2013
Half-year ending on 30 th September 2013	On or before November 14, 2013
Quarter ending on 31 st December 2013	On or before February 14, 2013
Year ending on 31 st March 2014	On or before May 30, 2014

- Book closure date:**
The Register of Members and Share Transfer Books of the Company will be closed from Friday, 05th September, 2014 to 12th September, 2014 (both days inclusive) for the purpose of 11th Annual General Meeting.

f) Stock Code:

NSE: VASWANI
BSE: 533576
ISIN: INE590L01019

- Market price data and performance of the share price of the Company in comparison to BSE Sensex and NSE nifty. The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited are as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	4.03	3.43	4.25	3.55
May, 2013	3.90	2.90	3.95	2.95
June, 2013	3.45	2.65	3.50	2.60
July, 2013	4.20	2.84	3.95	2.80
August, 2013	4.00	3.81	3.80	3.50
September, 2013	3.62	2.60	3.35	3.35
October, 2013	3.00	2.37	3.25	2.70
November, 2013	3.00	2.10	2.90	2.90
December, 2013	3.30	2.60	3.00	2.80

January, 2014	3.30	2.10	3.30	2.10
February, 2014	2.14	1.47	2.10	1.55
March, 2014	2.28	1.58	2.20	1.60

h) Shareholding as on March 31, 2014

i) Shareholding Pattern Category wise as on 31st March, 2014

Category	No. of Shares held	% of holding
Promoters	16154700	56.38
Other Corporate Bodies	3745741	13.07
Indian Public	8421615	29.39
Clearing Member	269635	0.94
Foreign Nationals	63009	0.22
Total	28654700	100.00

ii) Distribution of Shareholding as on March 31, 2014

SR.NO.	SHAREHOLDING	OF SHARES	SHAREHOLDER	PERCENTAGE OF TOTAL	TOTALSHARES	PERCENTAGE OF TOTAL
1	1	to	500	2363	66.23	431137
2	501	to	1000	412	11.55	359520
3	1001	to	2000	295	08.27	458027
4	2001	to	3000	76	02.13	200081
5	3001	to	4000	173	04.85	575028
6	4001	to	5000	56	01.57	268150
7	5001	to	10000	71	01.99	491111
8	10001	to	Above	122	03.41	25871646
			Total	3568	100	28654700

i) Dematerialization of Equity Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.99% of the share capital are dematerialized as on 31st March, 2014. The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Limited' in dematerialized form.

j) Registrar & Transfer Agents :

LINK INTIME INDIA PVT LTD

C-13, Pannalal Silk Mills Compound L.B.S Marg Bhandup(W), Mumbai-400078
Phone: 022-2596 3838 Fax: 022-25946969 Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

k) Share Transfer Procedure:

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

l) Secretarial Audit:

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in electronic mode with NSDL and CDSL.

m) Address of Correspondence:

(i) Ms. Ritu Lamba

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

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

Link Intime India Pvt. Ltd

C-13, Pannalal Silk Mills Compound L.B.S Marg Bhandup(W), Mumbai-400078

Phone: 022-2596 3838 Fax: 022-25946969

Email: mumbai@linkintime.co.in Website: www.linkintime.co.in

iii) Site Location : Bahesar Road, Near Cycle Park, Village Sondra ,Raipur (C.G.) Tel: 0771-4226067 Fax:0771-4226066

n) Report on Corporate Governance

This chapter, read together with the information given in the chapter titled Management Discussion and Analysis constitute compliance report on Corporate Governance during 2013-14.

For and on behalf of Board of Directors

RAVI VASWANI
Chairman & Managing Director
Raipur, 30th MAY 2014

DIRECTORS' REPORT

The Directors take pleasure in presenting the Eleventh Annual Report on the business and operations of the company and its financial results for the year ended 31st March, 2014.

FINANCIAL RESULTS

Financial Results of the Company for the financial year ending 31st March 2014 are summarized below for your consideration:

(Rs. in Lacs)

PARTICULARS	31-03-2014	31-03-2013
REVENUE FROM OPERATIONS	22637.98	21440.35
PROFIT BEFORE INTEREST AND DEPRECIATION	1713.29	-299.40
INTEREST	1073.20	943.78
DEPRECIATION	548.78	524.76
PROFIT BEFORE TAX & PRIOR PERIOD ADJ.	91.30	-1767.95
PRIOR PERIOD ADJUSTMENT	0.00	0.00
NET PROFIT BEFORE TAX	91.30	-1767.95
PROVISION FOR TAXES	88.37	630.05
NET PROFIT AFTER TAX	2.94	-1137.45
TRANSFER TO GENERAL RESERVE	0.00	0.00

PERFORMANCE

During the year under review, our Company has achieved sales revenue of Rs. 1197.63 lacs as thereby registering a marginal increase of 5.29% over the previous year. However, the company has gained profit in the recent year due to increase in sales volume and minimized the cost of the raw material, stores and consumables, fuel and power cost.

FUTURE PROSPECTS

The company is enduring to cope up with the recessionary trends in the market by cutting down the manufacturing cost. However, the directors as per last year's report fulfilled the commitment of improving the situation and bring the profit in the current year.

SAFETY

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

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

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

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

POLLUTION CONTROL MEASURES

The company has installed Waste Heat Recovery Boilers (WHRB) equipped with 3 kilns 100 X 3 MT per day capacity, which helps to generate 12 Mw power/hour preventing the waste, heat and fumes to dilute in the atmosphere. Emission Stream Pre-treatment (ESP) machines are implemented to filter the gases from the all the chimneys of the industry. Plantation is a vivacious step taken by the company to cover most of the area near the industry.

INCREASE IN SHARE CAPITAL

During the year under review, your company issued 1364500 (Thirteen Lacs Sixty Four Thousand Five Hundred) equity shares by way of preferential allotment and making total subscribed, issued and paid up equity share capital to Rs. 28,65,47,000 (Rupees Twenty Eight Crore Sixty-Five Lacs Forty Seven Thousand only) divided into 28654700 equity shares of Rs. 10/- each as on date of this report.

DIVIDEND

With a view to conserve the liquid resources and to strengthen the financial position of the Company, we have decided not to recommend the dividend for the financial year ended 31st March 2014.

LISTING

The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Annual Listing Fee for the year 2014-2015 had been paid to those Stock Exchanges where the company's shares are listed.

DIRECTORS

Shri Yashwant Vaswani, Whole Time Director & Shri Pramod Vaswani, Whole Time Director are due to retire at the ensuing Annual General Meeting and being eligible, offer them for re-appointment as per sec 152 (6) of the Companies Act, 2013. None of the Directors of the Company are disqualified from being appointed as directors specified in section 184 of the Companies Act, 2013.

CONSERVATION OF ENERGY & TECHNICAL ABSORPTION & FOREIGN EXCHANGE EARNING OUTGO

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

PROVISION FOR TAX

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

PERSONNEL

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

AUDITORS

The Auditors, M/s Sunil Johri & Associates, Chartered Accountants, Raipur will retire at the conclusion of the ensuing Annual General Meeting and they being eligible, have offered themselves for reappointment.

The Company has received letter from the auditor to the effect that their re-appointment, if made, would be within the prescribed limits under Section 139 & 142 of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

During the year, the Central Government prescribed the Cost Accounting Records to be maintained by the Company and also mandated that Cost Audit of eligible products/services be carried out. Therefore, the Board had appointed M/s. S C Mohanty & Associates, Raipur as Cost Auditors for the year 2013-2014 pursuant to Section 148 of the Companies Act 2013.

The Company has received letter from the Cost Auditor to the effect that their appointment and re-appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 148 read with section 139 and section 141 of the said Act.

AUDITORS QUALIFYING REMARKS

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

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

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

INDUSTRIAL RELATIONS:

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

PUBLIC DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Raipur, 30th May 2014

Ravi Vaswani
(Chairman & Managing Director)

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

This is to confirm that the Company has adopted Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. I confirm that the Company has in respect of the financial year ended March 31, 2014, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board of Directors

Raipur, 30th May 2014

Ravi Vaswani
(Chairman & Managing Director)

ANNEXURE TO THE DIRECTOR'S REPORT

Statement as required under section 134 of the companies Act, 2013 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

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

Particulars	31.03.2014	31.03.2013
I) POWER & FUEL CONSUMPTION:		
1. Electricity		
a. Purchased		
Total units	6568868	4761936
Total Amount (In Rs.)	24261112	17663678
Rate / Unit (In Rs.)	3.70	3.71
b. Own Generation		
Through Diesel Generation (Ltrs)		
Unit per Ltrs of Diesel Oil		
Rate / Unit per Ltrs (in Rs.)		
2. Coal (Specify quantity and where used)		
Quantity (In MT)	82259.950	89814.260
Total Cost (In Rs.)	227650387	246532427.00
Average Rate (In Rs.)	2767.45	2744.92
II) CONSUMPTION PER UNIT OF PRODUCTION		
Production of Sponge Iron (In MT.)	50266.000	50832.730
Electricity (In Unit)	130.68	93.68
Coal (In MT)	1.64	1.77

B TECHNOLOGY ABSORPTION

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

C FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board of Directors

Ravi Vaswani
(Chairman & Managing Director)

Raipur, 30th May 2014

AUDITORS' REPORT

TO THE MEMBERS OF VASWANI INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of VASWANI INDUSTRIES LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under 'the Companies Act, 1956' of India (the "Act") read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, subject to note given below, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 including companies (Auditors Report) (Amendment) order 2004 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 & 5 of the said order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, subject to point no. 3 given below the Balance Sheet, Profit & 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 read with general circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013 and
 - e. On the basis of written representations received from all the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
3. Attention of the members is drawn to the following Notes:-
 - a. Note No.31 of Notes on financial statements regarding certain disclosure relating to Micro / Small / Medium Enterprises.
 - b. Note No.32 of Notes on financial statements regarding gratuity calculation.

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

RAIPUR, 30th May, 2014

(SUNIL JOHRI)
PARTNER
Membership No.74654

ANNEXURE TO THE AUDITORS' REPORT

- i. a.) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b.) As explained to us, the fixed assets have been physical verified by the management with a phased program over a period of three year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No serious discrepancies were noticed on such verification conducted during the year as compared with the books records.
c.) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii. a.) As explained to us, the inventory (excluding stocks with third parties) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b.) The procedure of physical verification of inventories followed by the management are reasonable, so as to cover all inventories in a phased manner during the year, and adequate in relation to the size of the company and nature of its business.
c.) The company is maintaining proper records of inventory. No material discrepancy was found during the course of physical verification.
- iii. a) The Company has granted unsecured loans to companies, firms or other parties listed in the Registers maintained U/S 301 of the Companies Act 1956 The total no. of Party are 1 and maximum amount outstanding during the year aggregates to 4.75 lakhs and year end balances in these accounts together was 4.75 lakhs.
b) In our opinion & according to the information given to us the rate of interest & terms & condition of the loan given by the company are prejudicial to the interest of the company.
c) There is no stipulation up on the company whom loan is given hence question of irregularity in the receipt of the principal amount & interest thereon does not arise.
d) There is no stipulation up on the company whom loan is given hence, question of overdue amount more than Rs.1lakh does not arise.
e) Company has accepted unsecured loans from the parties covered in the Register maintained U/s 301 of the companies Act, 1956. The total no. of Party are 5 and maximum amount outstanding during the year aggregates to 379.53 lakhs and year end balances in these accounts together was 340.02 lakhs.
f) In our opinion & according to the information given to us the rate of interest & terms & condition of the loan taken by the company are not prejudicial to the interest of the company.
g) In our opinion & according to the information given to us there is no such stipulation up on the company regarding the payment of the loan taken from above party so the question related to regularity in payment of principal will not arise.
h) There is no stipulation up on the company to repay the loan hence the question of overdue amount not arises.
- iv. In our opinion and according to the information and explanation give to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any major weakness in internal control system.
- v. a. According to the information and explanation given to us, we are of the opinion that the transaction that needs to be entered into the register maintained U/s 301 of the companies Act, 1956 has been so entered.
b. In our opinion and accordingly to the information and explanation give to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s 301 of the Companies Act, 1956 and exceeding the value of 5.00 Lacs (Rupees Five Lacs) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant point of time.
- vi. Based on our scrutiny of the company's records and according to the information and explanation provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2 (b) of the Companies (Acceptance of Deposit's) Rules, 1975.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanation given to us maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, such accounts and records has been made and maintained by the company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. a) On the basis of our examination of records and according to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it and there are no undisputed statutory dues as above which are outstanding as at the last day of the financial year concerned for a period of six months from the date they become payable.
b) As at 31st March 2014, according to the records of the Company and the information and explanations given to us, the following are the statutory dues which have not been deposited with the concerned authorities on account of dispute are given below:-

Name of the statute	Nature of the dues	Amount (Rs. In Lacs)	Period to which the amounts relate	Forum where pending
Central Excise Laws	Excise Duty	44.16	2005-06 & 06-07	Additional Commissioner, Central Excise ,Raipur (C.G)
Central Excise Laws	Excise Duty	139.64	2005-06 & 06-07	Appellate Tribunal Delhi (CESTAT)
Central Excise Laws	Excise Duty	49.72	2004-09	Appellate Tribunal Delhi CESTAT)
Central Excise Laws	Excise Duty	2.58	2008-09 & 09-10	Appellate Tribunal Delhi (CESTAT)
Sales tax	Entry tax, CST,& VAT	0.57 42.72 6.30	2007-08	Commissioner Appeal Sales tax Raipur.
Sales tax	Entry tax, CST,& VAT	9.71 16.23	2008-09	Commissioner Appeal Sales tax Raipur

- x. The company has no accumulated losses and has incurred cash losses during the financial year covered by our audit and no cash loss in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of the dues to a financial institution, bank or debenture holders.
- xii. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures & other securities.
- xiii. The company is not a Chit Fund or a Nidhi / Mutal benefit fund / Society. Therefore, the provision of clause 4 (xiii) of the companies (Auditors Report) Order 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the companies (Auditors Report) Order 2003 are not applicable to the company.
- xv. As explained to us the company has not given guarantees for loan taken by other from bank or financial institutions.
- xvi. According to the information and explanation given to us, the company has availed / utilized term loans and had applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii. According to the information and explanation given to us, the company has made preferential allotment of shares to parties covered in the register maintained U/s 301 of the Act.
- xix. The company does not have any issued debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information & explanation given to us, no frauds on or by the company has been noticed or reported during the course of our audit.

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

(SUNIL JOHRI)

RAIPUR, 30th MAY 2014

**PARTNER
Mem. No.74654**

**BALANCE SHEET & PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST MARCH 2014**

(Rs. in Lacs)

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2865.47	2729.02
(b) Reserves and Surplus	2	5459.78	5456.84
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term Borrowings	3	1193.86	1308.53
(b) Deferred tax liabilities (Net)	4	281.37	193.01
(c) Other Long term liabilities	5	0.00	27.18
(d) Long term provisions	6	6.88	6.33
(4) Current Liabilities			
(a) Short-term borrowings	7	4318.23	4236.07
(b) Trade payables	8	2631.64	2167.59
(c) Other current liabilities	9	625.43	478.45
(d) Short-term provisions	10	50.71	25.02
TOTAL- EQUITY AND LIABILITIES		17433.37	16628.04
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	7176.32	7141.32
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	533.51
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	740.46	810.88
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	13	659.44	602.28
(e) Other non-current assets	14	396.52	134.61
(2) Current assets			
(a) Current investments			
(b) Inventories	15	3125.77	2868.10
(c) Trade receivables	16	2999.06	2479.94
(d) Cash and Bank Balances	17	379.90	663.17
(e) Short-term loans and advances	18	1918.44	1380.52
(f) Other current assets	19	37.45	13.72
TOTAL- ASSETS		17433.36	16628.04

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS (1 TO 40). THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AS PER OUR REPORT OF EVEN DATE.

FOR **SUNIL JOHRI AND ASSOCIATES**

CHARTERED ACCOUNTANTS

SUNIL JOHRI
PARTNER
M.NO.074654,FIRM REG.NO. 005960C

FOR **VASWANI INDUSTRIES LIMITED**

(RAVI VASWANI) (PRAMOD VAWANI)
MANAGING DIRECTOR WHOLE TIME IRECTOR

RAIPUR, 30th May'2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2014

(Rs. in Lacs)

Particulars	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
I. Revenue from operations (gross)	20	24863.23	23654.48
Less:- Excise Duty		(2225.26)	(2214.13)
		22637.98	21440.35
II. Other Income	21	196.67	202.93
III. Total Revenue (I +II)		22834.65	21643.28
IV. Expenses:			
Cost of materials consumed	22	15322.02	16782.54
Cost of Purchase		2487.96	2694.63
Cost of Trading Division Purchase		132.48	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(293.04)	(77.97)
Employee benefit expense	24	341.51	324.27
Financial costs	25	1073.20	943.78
Depreciation and amortization expense		548.78	524.77
Other expenses	26	3130.43	2219.21
Total Expenses		22743.34	23411.23
V. Profit before exceptional items and tax (III - IV)		91.30	(1767.95)
VI. Exceptional Items		0.00	0.00
VII. Prior Period Items		0.00	0.00
VIII. Profit before tax (V - VI)		91.30	(1767.95)
IX. Tax expense:			
(1) Current tax		17.71	-
Less :- MAT Credit		-17.71	-
(2) Deferred tax		88.37	(630.50)
(3) Tax in respect of earlier years		-	-
		88.37	(630.50)
X. Profit(Loss) for the year	(VII-VIII)	2.94	(1137.45)
XI. Transfer to General Reserve (10%)		-	-
XII. Transfer to Profit & Loss A/c.		2.94	(1137.45)
XIII. Earning per equity share of Rs.10 Each			
Basic & Diluted	27	0.01	(4.37)
Weighted average no. of equity share outstanding		28049086.30	26040408

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS (1 TO 40). THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AS PER OUR REPORT OF EVEN DATE.

FOR **SUNIL JOHRI AND ASSOCIATES**

FOR **VASWANI INDUSTRIES LIMITED**

CHARTERED ACCOUNTANTS

(RAVI VASWANI) (PRAMOD VAWANI)
MANAGING DIRECTOR WHOLE-TIME DIRECTOR

SUNIL JOHRI
PARTNER
M.NO.074654, FIRM REG. NO. 005960C

RAIPUR, 30th May' 2014

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014

(Amount in Lacs)

Particulars	Year 2013-14		Year 2012-13
A) Cash Flow From Operating Activities :-			
1. Net Profit/(Loss) before Taxes and Exceptional Items	91.30		(1767.95)
<u>Adjustments for:-</u>			
Depreciation	548.78		524.77
Interest Charged to P & L A/c	1073.20		943.78
(Profit)/Loss on sale of Investment	0.00		0.00
(Profit)/Loss on sale of Fixed assets (net)	1.00		0.00
Other Non Cash Charges	0.00		0.00
Preliminary Expenses written off	15.78		16.99
2. Operating Profit before Working Capital Changes	1730.06		(282.41)
<u>Adjustments for:-</u>	(1415.62)		(1092.71)
Trade & other Receivable	(257.67)		(25.48)
Inventories	610.08		776.38
Trade Payables & other Liabilities			
Cash generated from Operations	666.85		(624.21)
Direct Taxes Paid			
Net Cash from Operating Activity (A)		666.85	(624.21)
B) Cash Flow From Investing Activities :-			
Purchase of Fixed Assets	(51.44)		(53.90)
Sale of Fixed Assets	0.15		-
Decrease / (increase) in Capital Work in Progress	0.00		(490.54)
Payment for Misc . Assets	0.00		0.00
Misc. Expenses Capitalised (IPO Exp.)	(0.00)		(0.00)
Purchase of Investment	0.00		(1.15)
Dividend Received	0.00		0.00
Sale of Investment	70.42		0.00
Net Cash from Investing Activity (B)	19.13	19.13	(545.59)
C) Cash Flow From Financing Activities :-			
Proceeds from Unsecured Loans (Net)	340.02		0.00
Proceed from Bank Borrowing (Net)	(372.52)		2322.94
Monies received towards Share Capital & application	136.45		129.95
Monies received towards Share Premium	0.00		0.00
Interest Paid	(1073.20)		(943.78)
Proposed dividend paid	0.00		0.00
Corporate Dividend Tax Paid on Equity dividend	0.00		0.00
Net Cash From Financing Activities (C)		(969.25)	1509.12
D) Net Increase / (Decrease) in Cash & Cash Equivalents ((A)+(B)+(C))		(283.27)	339.32
E) Cash and Cash Equivalent at beginning of the Year	663.17		323.86
F) Cash and Cash Equivalent at end of the Year (D+E)	379.90		663.17

NOTE:-

1. The above cash flow Statement has been prepared under the "Indirect Method" as set out in accounting Standard (AS)-3 on Cash Flow statement as notified by the Companies (accounting Standard) Rules, 2006.
2. Previous Year figures have been regrouped / recast wherever necessary.

<p>For SUNIL JOHRI & ASSOCIATES CHARTERED ACCOUNTANTS FIRM REG. NO. 005960C</p> <p>SUNIL JOHRI PARTNER M.No. 074654</p> <p>RAIPUR, 30th MAY 2014</p>	<p style="text-align: right;">For and on behalf of the Board of Directors</p> <p style="text-align: right;">RAVI VASWANI - MANAGING DIRECTOR PRAMOD VASWANI - WHOLE TIME DIRECTOR</p> <p style="text-align: right;">RAIPUR, 30th MAY 2014</p>
--	---

NOTE ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lacs)

NOTE-1	31.03.2014	31.03.2013
AUTHORISED SHARE CAPITAL		
29750000 EQUITY SHARES OF 10 EACH (24750000)	2,975.00	2,975.00
250000 NON CUMMULATIVE PREFERENCE SHARES OF Rs. 10/- EACH (250000)	25.00	25.00
	3,000.00	3,000.00
ISSUED,SUBSCRIBED AND PAID UP SHARE CAPITAL		
28654700 (P.Y. 27290200) EQUITY SHARES OF Rs.10/- EACH	2865.47	2729.02
TOTAL	2865.47	2729.02

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

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

Name of the Shareholder	31.03.2014			31.03.2013		
	No. of Shares	%		No. of Shares	%	
PRAMOD VASWANI	3969860	13.85		3969860	14.54	
RAVI VASWANI	3942300	13.76		3942300	14.45	
YASHWANT RAVI VASWANI	2190840	7.65		2190840	8.03	
MANISHA VASWANI	1922175	6.71		1717500	6.29	
JUHI VASWANI	2108300	7.36		1562500	5.73	
SUDHA VASWANI	1855225	6.47		1241200	4.54	

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

Particulars	31.03.2014	31.03.2013
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	27290200	25990700
Add:- Shares Issued during the year as Public Issue	-	-
Add:- shares issued to promoter during the year	1364500	1299500
Add:- Shares Issued as Bonus Shares	-	-
Equity Shares at the end of the year	28654700	27290200

NOTE-2	31.03.2014	31.03.2013
RESERVE AND SURPLUS		
SECURITIES PREMIUM		
Opening Balance	4864.77	4864.77
Add :- Received from General Public	0	0
Add :- Received from Promoter	0	0
Less :- Utilised for Bonus Issue	0	0
Less :- Adjusted for IPO Expenses	0	0
Closing Balance	4,864.77	4,864.77
GENERAL RESERVE		
Opening Balance	181.83	181.83
Add:- 10% out of C.Y Profit	0	0
Closing Balance	181.83	181.83
PROFIT AND LOSS A/C		
Opening Balance	410.25	1547.69
Add:- Transfer from P& L Account	2.94	(1137.45)
Closing Balance	413.19	410.24
TOTAL	5,459.78	5,456.84

NOTE-3	31.03.2014	31.03.2013
LONG TERM BORROWINGS SECURED		
TERM LOAN FROM BANK	853.84	1308.53
TOTAL	853.84	1308.53
UNSECURED LOAN		
Pramod Vaswani	11.48	0.00
Kushal Vaswani	40.00	0.00
Ravi Vaswani	156.65	0.00
Sudha Vaswani	13.09	0.00
Yashwant Vaswani	118.80	0.00
TOTAL	340.02	0.00
TOTAL	1193.86	1308.53

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

Nature of Security

Terms of Repayment

Term Loan amounting to Rs. 1499.53 lacs (March 31'2012: Rs. 1801.82 lacs) is secured by Sole charge on Immovable Property, any Interest on Immovable Property, Book Debts, Movable Property (not being pledge) and floating charge including first Charge over Our Company's entire fixed assets including constructions of Land with a total area of 29.468 hectare located at Sondra, Tehsil-Siltara and Bahesar,Raipur, Chhattisgarh India	Term Loan with State Bank of India The amount will be repaid across 75 month from January 2011 up to March 2017*. Repayable with SBAR i.e. 11.75% per annum subject to changes as prescribed by SBI/ RBI from time to time at the time of sanction.
Loan amounting to Rs. 213.00 lacs (March 31'2012: Rs. 317.00 lacs) is (i) secured by a first pari passu mortgage and charge on all fixed assets whether movable or immovable, both present and future; (ii) An irrevocable and unconditional personal guarantee by Shri Ravi Vaswani, Shri Pramod Vaswani and Shri Yashwant Ravi Vaswani.	Loan with IDBI Bank The amount will be repaid across 16 equal quarters from April, 2011 i. e. after a moratorium of 6 months from the date of first disbursement. Interest rate at 12.50% per annum or at the prevailing rate at the time of disbursement whichever is higher at the time of sanction.
Vehicle Loan amounting to Rs.9.34 lacs (March 31'2012: Rs. Nil) is secured by respective vehicles.	Vehicle Loan with IndusInd Bank Repayable in 17 equal installment of Rs.159500 starting from may 2012 rate of

	interest Rate 5.62 % flat
No security is provided for Unsecured Loan taken from promoters and their relative has been given by company	

NOTE-4	31.03.2014	31.03.2013
DEFERRED TAX LIABILITIES		
DEFERRED TAX LIABILITY ON ACCOUNT OF DEPRECIATION AND REVERSAL OF ASSETS	942.68	899.24
DEFERRED TAX ASSETS ON ACCOUNT OF UNABSORBED DEP./LOSS AND DISALLOWANCES UNDER INCOME TAX ACT'1961	661.31	706.23
TOTAL	281.37	193.01

NOTE-5	31.03.2014	31.03.2013
OTHER LONG TERM LIABILITIES		
DEPOSIT FROM CUSTOMERS	0.00	27.18
TOTAL	0.00	27.18

NOTE-6	31.03.2014	31.03.2013
LONG TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFITS	6.88	6.33
TOTAL	6.88	6.33

NOTE-7	31.03.2014	31.03.2013
SHORT TERM BORROWINGS		
SECURED		
WORKING CAPITAL LOAN FROM BANK	4318.23	4236.07
UNSECURED		
WORKING CAPITAL LOAN FROM BANK	0.00	0.00
	0.00	0.00
TOTAL	4318.23	4236.07

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

Nature of Security	Terms of Repayment
SBI Working Capital Loan amounting to Rs. 2540.9 lacs (March 31'2012: Rs. 508.40lacs) is secured by Hypothecation charge on Company's entire stocks i.e. raw material, stocks in progress, finished goods and receivables at Company's premises located at Sondra, Tehsil-Siltara and Bahesar, Raipur including stocks-in-transit, book debts, including those purchase / discounted with other consortium member banks, securing Working Capital Limits.	Repayable on Demand. Interest Rate SBAR i.e. 11.75% per annum subject to changes as prescribed by SBI/ RBI from time to time.
IDBI Working Capital Loan amounting to Rs. 999.24 lacs (March 31'2012: Rs. 998.52 lacs) is secured by all current assets of the company.	Repayable on Demand. Interest rate is BBR + 3% (i.e. present effective 11.50% per annum) payable monthly.
BOB Working Capital Loan amounting to Rs. 695.90 lacs (March 31'2012: Rs. NIL lacs) is secured by 1st pari passu charge on entire current assets of the company.	Repayable on Demand. Interest rate is Base Rate + 3.25% with monthly rest. Margin 25% RM& FG, 40% of book debts and advance to RM.

NOTE-8	31.03.2014	31.03.2013
TRADE PAYABLES		
CREDITOR FOR RAW MATERIAL	2321.34	1138.59
CREDITOR FOR EXPENSES & SERVICES	70.24	138.86
CREDITOR FOR CAPITAL GOODS	0.00	1.23
CREDITOR FOR STEEL DIVISION	194.33	860.61
CREDITOR FOR POWER DIVISION	45.71	24.74
CREDITOR FOR KILN-03	0.00	3.20
CREDITOR FOR OFFICE BUILDING	0.02	0.36
TOTAL	2631.64	2167.59

NOTE-9	31.03.2014	31.03.2013
OTHER CURRENT LIABILITIES		
CURRENT MATURITIES OF LONG TERM DEBT	428.00	413.34
PAYABLES	123.00	59.99
ADVANCE FROM CUSTOMERS	74.43	5.12
TOTAL	625.43	478.45

NOTE-10	31.03.2014	31.03.2013
SHORT TERM PROVISIONS		
PROVISION FOR EMPLOYEE BENEFITS	33.00	25.02
OTHER PROVISIONS	17.71	00.00
TOTAL	50.71	25.02

NOTE-12	31.03.2014	31.03.2013
NON CURRENT INVESTMENTS		
QUOTED TRADE		
26 (17+9) EQUITY SHARES OF RELIANCE POWER LTD (MARKET VALUE AS ON 30.03.2012 WAS RS. 116.90 PER SHARE)	0.07	0.07
UNQUOTED TRADE		
VASWANI ISPAT LTD (5000 EQUITY SHARES OF RS.10 EACH)	0.50	0.50
VIMLA INFRASTRUCTURE (I) PVT LTD (510 EQUITY SHARES OF RS.100 EACH)	0.51	0.51
SHUBH INFRASTRUCTURES LTD (7134 EQUITY SHARES OF RS.10 EACH)	0.71	0.71

CG SPONGE MFG CONSORTIUM COAL FIELDS PVT LTD (10691 EQUITY SHARES OF RS.10 EACH)	78.13	78.13
CG SPONGE MFG CONSORTIUM COAL FIELDS PVT LTD (SHARE APPLICATION MONEY PENDING ALLOTMENT)	39.41	109.84
CG ISPAT PRIVATE LIMITED (2077250 EQ. SHARES OF RS.10 EACH)	621.11	621.11
TOTAL	740.46	810.88
AGGREGATE AMOUNT OF QUOTED TRADE INVESTMENT	0.07	0.07
MARKET VALUE OF QUOTED TRADE INVESTMENT	0.02	0.02
AGGREGATE AMOUNT OF UNQUOTED TRADE INVESTMENT	740.38	810.80

NOTE-13	31.03.2014	31.03.2013
LONG TERM LOANS & ADVANCES		
CAPITAL ADVANCE	2.00	2.00
LOANS & ADVANCES TO RELATED PARTIES (REFER NOTE NO.33)	4.75	4.75
DEPOSITS	365.70	326.25
MAT CREDIT AVAILABLE	286.99	269.28
TOTAL	659.44	602.28

NOTE-14	31.03.2014	31.03.2013
OTHER NON CURRENT ASSETS		
PRELIMINARY & PREOPERATIVE EXP.	0.28	16.06
TRADE RECEIVABLES MORE THAN 1YEAR		
UNSECURED CONSIDERED GOOD	346.30	93.74
UNSECURED CONSIDERED DOUBTFUL	49.95	24.81
TOTAL	396.52	134.61

NOTE-15	31.03.2014	31.03.2013
INVENTORY		
RAW MATERIAL	667.61	680.49
RAW MATERIAL IN TRANSIT	309.21	368.39
FINISHED GOODS	384.39	231.94
STOCK IN TRADE	1474.56	1333.97
STORES & SPARES	290.00	253.30
TOTAL	3125.77	2868.10

NOTE-16	31.03.2014	31.03.2013
TRADE RECEIVABLES		
OVER SIX MONTHS		
UNSECURED, CONSIDERED GOOD	00.00	00.00
UNSECURED, CONSIDERED DOUBTFUL	0.00	0.00
LESS THAN SIX MONTHS		
UNSECURED, CONSIDERED GOOD	2999.06	2457.75
UNSECURED, CONSIDERED DOUBTFUL	0.00	22.19
TOTAL	2999.06	2479.94

NOTE-17	31.03.2014	31.03.2013
A. CASH AND CASH EQUIVALENTS		
CASH IN HAND	1.88	1.14
BALANCES WITH BANKS CURRENT ACCOUNT	5.47	274.71
TOTAL A	7.36	275.85
B. OTHER BANK BALANCES		
BALANCES WITH BANK TO EXTENT HELD AS MARGIN MONEY		
FIXED DEPOSIT WITH ORIGINAL MATURITY UPTO 3 MONTHS	23.95	23.95
FIXED DEPOSIT WITH ORIGINAL MATURITY MORE THAN 3 MONTHS BUT LESS THAN 12 MONTHS	348.60	363.37
TOTAL B	372.55	387.32
TOTAL	379.90	663.17

NOTE-18	31.03.2014	31.03.2013
SHORT TERM LOANS AND ADVANCES		
LOANS & ADVANCES TO RELATED PARTIES (REFER NOTE NO. 33)	0.00	0.00
SECURITY DEPOSITS	27.10	57.01
ADVANCES TO EMPLOYEES	19.35	12.82
SUPPLIER ADVANCES (CONSIDERED GOOD)	1384.77	873.20
SUPPLIER ADVANCES (CONSIDERED DOUBTFUL)	0.20	3.22
OTHER ADVANCES	0.00	0.00
PREPAID EXPENSES	8.10	4.83
BALANCES WITH GOVT. AUTHORITIES	491.53	429.43
INTEREST RECEIVABLE	(12.60)	0.00
TOTAL	1918.44	1380.52

NOTE-19	31.03.2014	31.03.2013
OTHER CURRENT ASSETS		
INTEREST ACCURED BUT NOT DUE	20.25	5.49
TCS RECEIVABLE	1.35	0.39
TDS RECEIVABLE	15.86	7.84
TOTAL	37.45	13.72

NOTE-20	31.03.2014	31.03.2013
REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
MANUFACTURED GOODS	17762.76	17932.01
TRADED GOODS	4779.64	3434.50
OTHER OPERATING REVENUES	95.58	73.84
ADD :- EXCISE DUTY	2225.26	2214.13
TOTAL	24863.23	23654.48

NOTE-20.1	31.03.2014	31.03.2013
REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
MANUFACTURED GOODS		
SPONGE IRON	3021.09	4222.17
LESS:QUALITY DIFFERENCE	3.12	1.00
LESS: SALES RETURN	0.00	0.00
	3017.97	4221.17
BILLET	11606.35	11792.81
LESS:- DISCOUNT	0.00	0.00
LESS:- QUALITY DIFF. & OTHERS	(8.14)	(87.09)
	11598.21	11705.72
INGOTS SALES	1232.31	106.06
POWER	1914.27	1899.06
LESS:- REBATE (CSEB)	0.00	0.00
	1914.27	1899.06
SALE OF MANUFACTURED GOODS TOTAL	17762.76	17932.01
TRADED GOODS		
IRON ORE FINES	577.17	370.06
COAL	137.61	351.88
SCRAP	1297.23	1288.82
PIG IRON	758.52	1423.29
SILICO MANGNESE	4.60	0.45
FERRO SILICON	1.54	0.00
CPC	0.31	0.00
OTHERS	1869.23	0.00
TRADING DIVISION SALES	133.43	0.00
TRADED GOODS TOTAL	4779.64	3434.50

OTHER OPERATING REVENUES	31.03.2014	31.03.2013
CHAR & DOLOCHAR (NET OF RATE DIFF.)	15.18	55.65
SLAGE	39.43	4.65
B.F DUST	0.36	0.00
MILL SCALE	31.29	4.23
END CUTTING	0.00	0.00
FLY ASH	9.32	9.31
TOTAL	95.58	73.84

NOTE-21	31.03.2014	31.03.2013
OTHER INCOME		
INTEREST INCOME	185.52	194.32
INTEREST INCOME (POWER)	0.00	0.00
RENT INCOME	6.21	7.24
OTHER MISC. INCOME	4.94	1.37
TOTAL	196.67	202.93

NOTE-22	31.03.2014	31.03.2013
COST OF MATERIALS CONSUMED		
OPENING STOCK	933.79	1063.04
PURCHASE & INCIDENTAL EXPENSES & OTHERS	18909.79	21543.55
TOTAL	19843.58	22606.59
LESS: COST OF TRADING PURCHASE / TRANSFER	3563.95	4890.25
LESS: CLOSING STOCK	957.61	933.79
TOTAL	15322.02	16782.54
IMPORTED AND INDIGENOUS MATERIALS CONSUMED		
IMPORTED	0.00	2.76
INDIGENOUS	0.00	17645.26
TOTAL	0.00	17648.02
DETAILS OF MATERIALS CONSUMED		
IRON ORE	6241.69	8052.96
COAL	3508.19	4470.20
DOLOMITE	65.39	59.10
MS SCRAP	2260.22	2466.89
PIG IRON	1990.74	942.83
FERRO SILICON	18.73	8.85
SPONGE IRON	183.75	34.90
SILICO MAGNESE	345.45	301.68
PETRO COKE	69.31	57.25
STORES & SPARES	638.00	387.90
TOTAL	15322.02	16782.54

NOTE - 23	31.03.2014	31.03.2013
CHANGE IN FINISHED GOODS /TRADED GOODS		
OPENING STOCK		
FINISHED GOODS	231.94	153.97
TRADED GOODS	1333.97	1333.97
	1565.91	1487.94
CLOSING STOCK		
FINISHED GOODS	384.39	231.94
TRADED GOODS	1474.56	1333.97
	1858.95	1487.94
TOTAL	(293.04)	(77.97)

NOTE - 24	31.03.2014	31.03.2013
EMPLOYEE BENEFITS EXPENSES (REFER NOTE NO. 32)		
SALARIES	320.14	304.42
CONTRIBUTION TO PF, ESIC AND OTHERS	9.19	9.10
STAFF WELFARE EXP.	12.18	10.76
TOTAL	341.51	324.27

NOTE - 25	31.03.2014	31.03.2013
FINANCIAL COSTS		
INTEREST EXPENSE	972.07	817.86
OTHER BORROWING COST	101.14	125.92
TOTAL	1073.20	943.78

NOTE - 26	31.03.2014	31.03.2013
OTHER EXPENSES		
MANUFACTURING EXPENSES		
ELECTRIC POWER, FUEL AND WATER	1909.18	1601.62
FREIGHT	12.69	23.58
REPAIRS & MAINTENANCE	222.17	190.74
LABOUR CHARGES	223.76	140.12
OTHER MANUFACTURING EXPENSES	33.43	30.22
	2401.23	1986.28
ADMINISTRATIVE EXPENSES		
COMMISSION	26.19	17.84
TRAVELLING & CONVEYANCE EXPENSES	10.60	15.41
RENT, RATES & TAXES	40.21	43.43
INSURANCE	8.81	8.71
LEGAL & PROFESSIONAL CHARGES	21.24	27.80
REPAIR & MAINTENANCE	15.75	11.35
TELEPHONE, PRINTING & STATIONARY AND POSTAGE	11.09	12.19
FREIGHT	22.01	22.57
MISC. EXPENSES	29.17	69.60
ADVERTISEMENT & PUBLICITY	0.02	1.48
LAND (REAL ESTATE DIVISION)	540.57	0.00
LOSS ON SALE OF FIXED ASSETS	1.00	0.00
CHARITY AND DONATION	2.56	2.56
	729.20	232.93
TOTAL	3130.43	2219.22

NOTE - 26.1	31.03.2014	31.03.2013
PAYMENT TO AUDITORS (INCLUDED IN LEGAL & PROFESSIONAL CHARGES)		
STATUTORY AUDIT FEES	4.50	4.50
TAX AUDIT FEES	0.50	0.50
COMPANY LAW MATTERS/CERTIFICATION FEES/IT CONSULTANCY	0.59	0.09
TOTAL	5.59	5.09

NOTES ON FINANCIAL STATEMENTS

27. **Computation of basic and diluted earnings per share:**

Particulars	31.03.2014	31.03.2013
Net Profit after tax (in lacs)	2.94	(1137.45)
Weighted average number of Equity Share	28049086	26040408
Nominal Value per share	10.00	10.00
Basic and Diluted Earnings Per share	0.01	(4.37)

28. The figures of the previous year have been regrouped wherever considered necessary to confirm with current year's presentation. The figures have been rounded off in Rs. in Lacs.

29. Balance under sundry debtors, other current assets, sundry creditors, and loans & advances are subject to confirmation and reconciliation if any.
30. In the opinion of the Management, Current Assets, Loans & Advances have the value at which they are stated in the balance sheet if realized in the ordinary course of the business except the balance of "**Suvikash Alloys and Steel Pvt. Ltd, Cement Corporation of India Ltd. and Bhadramaruti Concast Private Limited**". No Provision has been made as matter is under court proceedings.
31. In respect of Micro / Small / Medium Enterprises Development Act, 2006, certain disclosure is required to be made relating to Micro / Small / Medium Enterprises. The company could not get relevant information from its supplier about their coverage under the Act since the relevant information is not readily available, no disclosure have been made in the account. Hence disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid/ payable as required under the said act have not been made.
32. Details of Employee benefits are given below:-

(a) Defined Contribution Plans:-

During the year the company has recognized the following amount in the profit & loss Accounts (included in Contribution to provident & other funds). (Rs. in Lacs)

Particular	31.03.2014	31.03.2013
Contribution to Provident Fund	2.71	2.63
Contribution to Employees State Insurances	5.94	5.91

(b) Defined Benefit Plan:-

Rs.6.88 Lacs (Cumulative figure) has been provided for Gratuity on the basis of the formula given in point no.16 of Significant Accounting Policies, only for those employees who have completed continuous five year service in the enterprise.

Above policy is not matched with calculation prescribed in AS-15

33. **Related Party Disclosures** :

- a. Name of the related parties -

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

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

Name	Relationship	Nature of Transaction	Amount of transaction in 2013-14 (2012-13)	Amount Outstanding as at 31/03/2014 (31/03/2013)
Ravi Vaswani	Chairman & M.D.	Remuneration	11.40 (11.40)	4.82 4.27
		Amount for Preferential allotment /promoter contribution	0 (53.95)	Nil (Nil)
		Unsecured loan received	255.65 (Nil)	156.65 (Nil)
Pramod Vaswani	Whole Time Director	Remuneration	7.60 (7.60)	1.52 4.96
		Unsecured loan received	56.48 (0)	11.48 (Nil)
		Amount for Preferential allotment /promoter contribution	Nil (9.43)	(Nil) (Nil)
Yashwant Vaswani	Whole Time Director	Remuneration	4.56 (4.56)	3.95 (0.74)
		Amount for Preferential allotment /promoter contribution	Nil (4.00)	Nil (Nil)
		Unsecured loan received	124.80 (Nil)	118.80 (Nil)
M/s Kwaliti Foundry Industries	Proprietorship Firm in which Director has Significant influence	Sale of Goods	826.14 (1248.24)	17.52 CR (108.61 Dr)
		Purchase of Goods	658.66 (1881.92)	
		Rent Received	0.60 (0.60)	Nil (Nil)
Cosmos Castings (India) Limited	Group Companies	Sale of Goods	Nil (2829.74)	5.18 (253.87)
		Purchase of Goods	5.99 (147.10)	
		Rent Received	0.21	Nil

Vaswani Ispat Ltd.	Group Companies	Investment Made	(0.84) (Nil) (Nil)	Nil (0.50 Dr.)
C.G. Ispat Private Limited	Group Companies	Sale of Goods	5994.13 (7101.42)	1625.92 (1066.92)
		Purchase /Services	785.00 (815.54)	
		Interest Received	119.70 (125.48)	
		Rent Received	1.20 (1.20)	Nil Nil
		Investment made	Nil (Nil)	621.11 Dr. 621.11 Dr.
Sudha Vaswani	Relative of KMP	Amount for Preferential allotment /promoter contribution	61.40 (2.00)	Nil (Nil)
		Unsecured loan received	13.08 (nil)	13.08 (Nil)
Manisha Vaswani	Relative of KMP	Amount for Preferential allotment /promoter contribution	20.47 (14.50)	Nil (Nil)
Kritika Vaswani	Relative of KMP	Amount for Preferential allotment /promoter contribution	Nil (5.50)	Nil (Nil)
Shubh Infrastructure Ltd.	Related Concern	Loan Given (for railway siding)	4.75 (4.75)	4.75 (4.75)
Juhi Vaswani	Relative of KMP	Amount for Preferential allotment /promoter contribution	54.58 (Nil)	Nil (Nil)
Kushal Vaswani	Relative of KMP	Unsecured loan received	40.00 (nil)	40.00 (nil)

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

34. Valuation & Consumption of inventories has been taken as valued and certified by the management.
35. There were no employee at any time during the year drawing Rs. 500000/- or more per month.
36. Segment Reporting as required by Accounting Standard (AS-17) issued by the Institute of Chartered Accountants of India:-

(A) Business Segment:-

PARTICULARS	(Rs. In Lacs)	
	Current year (2013-14)	Previous year (2012-13)
1. Segment Revenue		
Iron & Steel	19040.17	19732.62
Power	1925.24	1910.66
Real Estate	1869.23	0.00
Sub - total	22834.64	21643.28
Less: Inter- Segment Revenue	(1770.68)	(1560.14)
Net Segment Revenue	21063.96	20083.14
2. Segment Result (Profit /Loss before Tax and interest from each segment)		
Iron & Steel	(285.19)	(53.33)
Power	(19.56)	(770.84)
Real Estate	1469.25	0.00
Sub - total	1164.51	(824.17)
Less: Financial Costs	(1073.20)	(943.78)
Profit before Tax	91.30	1767.95
Provision For Tax		
-- Income tax (net)	0.00	0.00
-- Deferred Tax	88.37	(630.50)
Profit After Tax	2.94	(1137.45)
3. Other Information		
I Segment Assets		
Iron & Steel	9920.76	9722.81
Power	3684.13	4190.93
Real Estate	2395.43	1333.97
Un- allocated Assets	1128.85	1052.82
Total Assets	17129.17	16350.52
II Segment Liabilities		
Iron & Steel	3833.18	3655.84
Power	50.32	52.81
Real Estate	---	---
Un- allocated Liabilities	4921.55	12919.39

Total Liabilities	8805.05	16350.52
III Capital Expenditure (Including work In progress)		
Iron & Steel	584.02	578.67
Power	0.91	8.75
Total	584.93	587.42
IV Depreciation		
Iron & Steel	265.97	242.32
Power	282.81	282.44
Total	548.78	524.77
V Non Cash Expenditure other than depreciation		
Other (Preliminary Exp. W/o)	15.78	16.99
Total	15.78	16.99

(B). Geographical Segment: -

The Company sales its products within India. The condition prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

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

(a) Claims against the Company not acknowledged as debt:-

(Rs.in Lacs)

Particular	31.03.2014	31.03.2013
- Sales Tax	75.53	75.53
- Excise Duty	236.10	239.27

(b) Guarantees:-

Particular	31.03.2014	31.03.2013
Letter of Credit	2306.49	2424.59

38. Since the company is engaged in the generation of power from A.Y 2008-09, So the company is entitled to claim the deduction under section - 80IA of Income tax act & the quantum of deduction is 100% of profit & gains derived from such business for 10 consecutive assessment years out of 15 years beginning with the year in which enterprises begins to generate Power. Hence the company is decided to claim the deduction from A.Y.2013-14.

39.

S.No.	Particulars	2013-14	2012-13
1	CIF Value of Import	14.54	678.79
2	Expenditure in foreign exchange (No direct payment by company in foreign currency)	Nil	Nil
3	Earning in foreign exchange	Nil	Nil
4	Remittance in foreign currency for dividend	Nil	Nil

40. Significant accounting policies adopted by the Company are disclosed in the statement annexed to these financial statements as **Annexure I**.

Signature to Note 1 to 40

As Per Our Report of Even Date Attached

For SUNIL JOHRI & ASSOCIATES CHARTERED ACCOUNTANTS FIRM REG. NO. 005960C SUNIL JOHRI PARTNER M.No. 074654 RAIPUR, 30th MAY 2014	For and on behalf of the Board of Directors RAVI VASWANI - MANAGING DIRECTOR PRAMOD VASWANI - WHOLE TIME DIRECTOR RAIPUR, 30th MAY 2014
---	---

ANNEXURE -1 **SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31.03.2014**

1. Basis of Accounting

- (a) The financial statement has been prepared under the historical cost convention and generally accepted accounting principles
(b) Accrual method of accounting is followed with regard to income & expenses

2. Use of Estimates

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

3. Fixed Assets

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

4. Capital Work- in- progress

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

5. Depreciation

- a) Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manners prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on addition to / deduction from fixed assets is being provided on pro-rata basis from/ to the date of acquisition/ disposal.

6. Inventories

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

7. Revenue Recognition

Mercantile method of accounting is employed unless otherwise specifically stated elsewhere in this schedule. However, where the amount is immaterial / negligible and/or establishment of accruals / determination of amount is not possible no entries are made for the accrual.

Sales are exclusive of excise duty, sales tax & sales returns.

8. Impairment of Assets

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

9. Investment

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

Current investments are carried at the lower of cost and fair value. Profit & Loss on sale of investment is determined on specific identification basis.

10. Other income:-

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

11. Borrowing Cost

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

12. Accounting for Taxes on Income

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

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

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

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

13. Cash Flow Statement

The cash flow statement is prepared as per the Indirect method prescribed under "Accounting Standard – 3" Cash Flow Statement issued by the Institute of Chartered Accountants of India.

14. Foreign Currency Transaction

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

15. Provision and Contingencies

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

16. Employee Benefits:-

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

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

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

- c. Short Term Compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.
- d. Actuarial gains / losses are immediate taken to the profit & loss account and are not deferred.

17. Segment Reporting:-

- a) Business Segment: - The accounting policies adopted for segment reporting are in the line with the accounting policies of the company. Segment Revenue, Segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, Expenses, Assets, Liabilities which relates to the company as whole and not allocable to segment on reasonable basis have been included under "Unallocated revenue/ expenses/ assets/ liabilities".
- b) Geographical Segment:- The company sell its products within India. The condition prevailing in India being uniform. So no separate geographical segment disclosure is considered necessary.

18. Research & Development Expenditure :-

Revenue expenditure is charged to the Profit and Loss A/c and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred and depreciation thereon is provided as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

19. Intangible assets:-

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2014

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Vaswani Industries Limited

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

Based on our verification of the Vaswani Industries Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Vaswani Industries Limited for the financial year ended on 31st March, 2014 according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made there under as well the Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

- Chapter VII of SEBI (Issue of Capital and Disclosure Requirement), Regulation 2009 ("the Regulations")
- Section 81(1A) of the Companies Act, 1956
SEBI (ICDR) Regulations 2009

We further report that

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

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

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

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

We further report that during the audit period the company has issued 13,64,500 Equity Shares of Rs.10.00 each at par on preferential basis.

(Give details of specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

For example:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. - Preferential issue of shares 13,64,500 Equity Shares of Rs.10.00 each at par.
- (ii) Redemption / buy-back of securities - NA
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 - NA
- (iv) Merger/ amalgamation / reconstruction, etc. - NA
- (v) Foreign technical collaborations - NA

SATISH KUMAR BATRA

Satish Batra & Associates,
Company Secretaries,
M.No. - FCS 1316
C.P. No. 2875

Raipur, 30th MAY 2014

Vaswani Industries Limited
Regd. Office: MIG-4, Indrawati Colony, Raipur (C.G.) - 492 001

ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Name and Address of the shareholder	

- I hereby record my presence at the Annual General Meeting of the Vaswani Industries Limited held at 3.00 p.m on Friday, the 12th September, 2014 at MIG-4,Indrawati Colony, Raipur- 492 001
- Signature of the Shareholder/ Proxy Present

--

- Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- Shareholder/ Proxy holder desiring to attend the meeting may bring his/her copy of annual report for reference at the meeting.

-----TEAR HERE-----

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password

Note: Please read the instructions printed under the Note no.15 to the Notice dated August 05, 2014 of the 11th Annual General Meeting.The Voting period starts from 10th September, 2014 i.e. Wednesday (9:00 am) and ends on 12th September, 2014 (6:00 pm) i.e. Friday. The voting module shall be disabled by NDSL for voting thereafter.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28939CT2003PLC015964

Name of the Company: Vaswani Industries Limited

Registered Address: MIG-4, Indrawati Colony, Raipur (C.G.) - 492 001

Name of the Member	
Registered Address	
Email Id	
Client ID/Folio No.	
DP ID	

I/We being the member(s) of _____, shares of the above named company, hereby appoint:

1.	Name	
	Address	
	Email ID	
	Signature	
	Or failing from him	

2.	Name	
	Address	
	Email ID	
	Signature	
	Or failing from him	

3.	Name	
	Address	
	Email ID	
	Signature	
	Or failing from him	

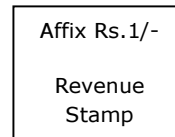
as my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at 3.00 p.m on Friday, the 12th September, 2014 at MIG-4, Indrawati Colony, Raipur- 492 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S N	Particulars of Resolution	For	Against	Abstain
1	Adoption of Audited Balance Sheet of the Company as on 31st March, 2014 and Profit & Loss Accounts of the Company for the year ended on that date and the Reports of Board of Directors and Auditors thereon			
2	Appointment of a director in place of Shri Pramod Vaswani, Whole-time Director of the Company, who retires by rotation and is eligible for re-appointment.			
3	Appointment of a director in place of Shri Yashwant Vaswani, Whole-time Director of the Company, who retires by rotation and is eligible for re-appointment.			
4	Appointment of M/s Sunil Johri & Associates, Chartered Accountants, Statutory Auditors for holding the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration			
5	Appointment of Shri Kushal Vaswani, as Chief Operation Officer - Industry as per sec 188 of the Companies Act 2013.			

Signed this ___th day of _____, 2014

Signature of shareholder _____

Signature of Proxy Holder _____




NOTE: 1. The proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2. No instrument of Proxy shall be valid unless it is in Proxy Form (above) and duly stamped.

FORM B

(Clause 31(a) of Listing Agreement)

1.	Name of the Company:	VASWANI INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	QUALIFIED
4.	Frequency of observation	
5.	Draw attention to relevant notes in the annual financial statements THIS IS THE SEVENTH YEAR OF OBSERVATION	Note No. 31 of notes to account- regarding certain disclosures relating to Micro/Small/Medium Enterprises.
	THIS IS THE THIRD YEAR OF OBSERVATION	Note no 32 of notes of accounts- regarding Non compliance of AS-15.
6.	Management response to the qualification in the directors report.	The notes to the accounts are self explanatory in respect of remarks of the auditors appearing in their report.
7.	Additional comments from the board/audit committee chair:	AS PER THE DISCLOSURE MADE IN THE REPORT
8.	To be signed by- CEO/Managing Director•	
	CFO•	
	AUDIT COMMITTEE CHAIRMAN•	
	AUDITOR OF THE COMPANY•	For, SUNIL JOHRI & ASSOCIATES Chartered Accountants FRN: 005960C SUNIL JOHRI Partner Membership No: 074654