



# Vaswani Industries Limited

POWER • SPONGE IRON • STEEL

• CIN - L28939CT2003PLC015964 • GSTN 22AABCV9564E1ZB



VIL/SECRETARIAL/2020-21

4<sup>th</sup> September, 2020

**LISTING PORTAL**

1. The Listing Department,  
National Stock Exchange of India Ltd,  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400051

2. The Corporate Relation Department,  
Bombay Stock Exchange Ltd.,  
Market Operations Dept.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001

Dear Sirs,

**SUBMISSION OF ANNUAL REPORT FOR FY 2019-20 - IN TERMS OF REGULATION 34 OF THE SEBI (LODR) REGULATIONS, 2015**

This is to inform you that 17<sup>th</sup> Annual General Meeting (Meeting) of the members of the Company is scheduled to be held on 30<sup>th</sup> September, 2020 at 03.00 PM.

In Pursuance of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose Annual Report for the Financial Year 2019-20 including notice convening 17<sup>th</sup> Annual General Meeting.

The Annual Report and Notice of AGM 2020 is also placed on the website of company i.e. [www.vaswaniindustries.com](http://www.vaswaniindustries.com).

We request you to take the submission on record and publish the information on the official website of the exchange.

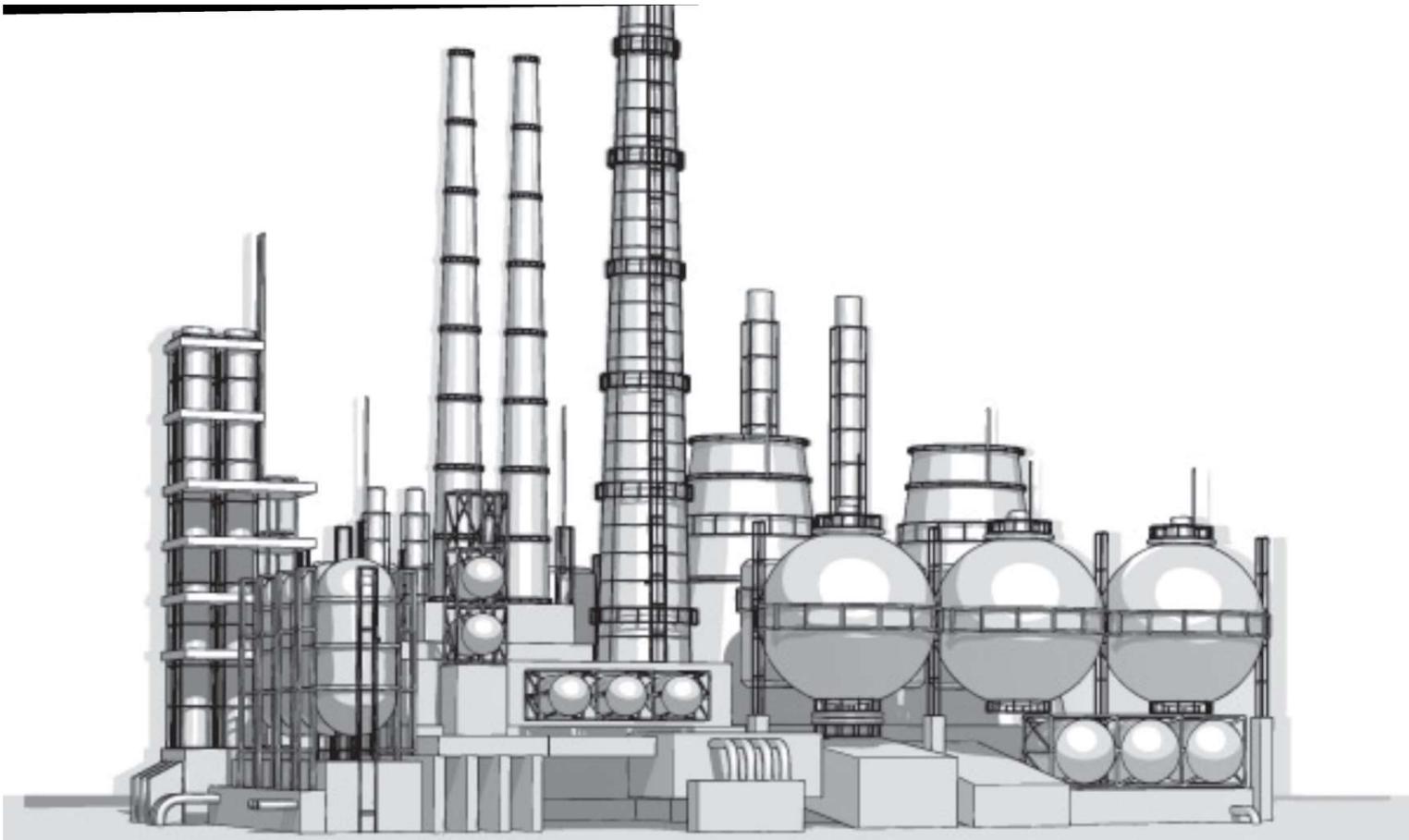
Thanking you  
Yours faithfully,  
For, Vaswani Industries Limited,

(Yashwant Vaswani)  
Wholetime Director  
DIN: 01627408

# **Vaswani Industries Limited**

POWER • SPONGE IRON • STEEL

**17<sup>th</sup> ANNUAL REPORT 2019-20**



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**Important Communication to Members**

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

Annual General Meeting will be held at 3.00 p.m. on Monday, the 30<sup>th</sup> September, 2020 through video conferencing (VC)/other audio video means (OVAM) and is deemed to be held at Bahesar Road, near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara, Raipur, Chhattisgarh 493221.. Visit us at: [www.vaswaniindustries.com](http://www.vaswaniindustries.com), e-mail: [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com), [info@vaswaniindustries.com](mailto:info@vaswaniindustries.com)  
• Tel.: +91 771 4226067 • Fax: +91 771 4226099

## CORPORATE PROFILE

### Performance Highlights 19-20

#### Financial

(Rs. in lacs)

Total Revenue	35,452.24
Profit Before Tax	16.38
Profit/(loss) After Tax refund adjustment	(252.14)
Earning Price Per Share (EPS) - Basic & Diluted	(0.84)

#### Operational

Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
<b>Installed capacity</b>					
Sponge Iron MT	90000	90000	90000	90000	90000
Steel Billets/Ingots MT	66000	66000	66000	66000	36000
Power MW	11.5	11.5	11.5	11.5	11.5
<b>Production</b>					
Sponge Iron MT	73783.290	77627.060	61910.050	78100.39	50554.73
Steel Billets/Ingots MT	47042.290	45331.895	45597.825	56151.699	75165.00
Power in UNITS	60763000	66433500	63149900	66332400	66886200

## CORPORATE PROFILE

**CIN: L28939CT2003PLC015964**

#### KEY MANAGERIAL PERSONNEL

Mr. Yashwant Vaswani	Whole Time Director (WTD)
Mrs. Sudha Vaswani	Director
Mr. Babu Lal Baghwar	Director
Mr. Ashok Kumar Suri	Non- Executive & Independent Director
Mr. Sanjay Jadwani	Non- Executive & Independent Director
Mrs. Satyawati Parashar	Non- Executive & Independent Director
Mr. Kushal Vaswani	Chief Financial Officer

#### COMMITTEES OF THE BOARD

I. AUDIT RISK MANAGEMENT AND VIGILCOMMITTEE	
Mrs. Satyawati Parashar – Independent Director	Chairperson
Mr. Ashok Kumar Suri - Independent Director	Member
Mr. Sanjay Jadwani – Independent Director	Member
Mr. Yashwant Vaswani – Whole-time Director	Member
II. NOMINATION & REMUNERATIONCOMMITTEE	
Mrs. Satyawati Parashar – Independent Director	Chairperson
Mr. Ashok Kumar Suri – Independent Director	Member
Mr. Sanjay Jadwani – Independent Director	Member

III. STAKEHOLDERS RELATIONSHIP COMMITTEE	
Mrs. Satyawati Parashar- Independent Director	Chairperson
Mr. Ashok Suri - Independent Director	Member
Mr. Babu Lal Baghwar- Director	Member
IV. RISK MANAGEMENTCOMMITTEE	
Mr. Yashwant Vaswani – Whole-time Director	Chairman
Mr. Babu Lal Baghwar- Director	Member

<b>STATUTORY AUDITORS</b>	<b>COST AUDITORS</b>	<b>SECRETARIAL AUDITORS</b>	<b>INTERNAL AUDITORS</b>
M/s Amitabh Agrawal & Co., Chartered Accountants, 109, Wallfort Ozone, Fafadih Chowk, Raipur (C. G.) 492001	M/s Sanat Joshi & Associates Cost Accountants "Prem Poorn", Pt. Din Dayal Upadhyay Nagar, Akash Gas Godown Road, P.O. WRS Colony Raipur (C. G.) 492008	Satish Batra & Associates LLP, Company Secretaries, 2nd Floor, Ashoka Plaza, Ashoka Ratan, Vidhan Sabha Marg, Shankar Nagar, Raipur (C. G.) 492007	M/s. S.K. Bhamkar & Associates, 410, 3rd Floor, Eskay Plaza, Moudhapara, Raipur (C.G.) - 492001

#### **BANKERS**

State Bank of India (SBI), Raipur	India Bulls Financial Services Pvt. Ltd.	IDBI Bank Limited (IDBI), Raipur
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#### **LISTED IN STOCK EXCHANGES**

#### **REGISTRAR & SHARE TRANSFER AGENTS**

NATIONAL STOCK EXCHANGE, MUMBAI BOMBAY STOCK EXCHANGE, MUMBAI	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai – 400083
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#### **REGISTERED OFFICE**

Bahesar Road, Near Cycle Park, VILL - Sondra Phase-II, Industrial Area, Siltara, Raipur, Chhattisgarh 493221
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## **CHAIRMAN'S STATEMENT**

The world is passing through one of the most uncertain periods in decades. The global economic slowdown from 3.6% to 2.9% in 2019 was complemented by the outbreak of the Covid-19 pandemic, the effects of the pandemic visible from January 2020 onwards and only deepening as the subsequent months passed.

The global outlook was further affected by the outbreak of the pandemic in China in December 2019, which spread to a number of countries in the subsequent two months before emerging as a full blown pandemic in March 2020.

During the last week of the financial year under review, a national lockdown was imposed to fight the spread of the Covid-19 pandemic. This cast a shadow on the anticipated recovery of the Indian economy in 2020-21, affecting demand, supply chain, discretionary spend and capital expenditure. However, as we entered the unlock phase, industrial activities started to show signs of improvement, though the number of pandemic-impacted patients continued to spike. The combination of these realities made it a challenging year for the industry in general and steel sector in particular.

Despite these challenges, Vaswani Industries Limited reported a creditable performance.

During the year under review there are some of the operational achievements. Sales turnover at Rs.35,244.12 Lacs is increased by 10.44% as compared to Rs.31,912.23 Lacs in the previous year.

The material cost during the current year is Rs. 16,919.33 Lacs is decreased by 18.01% as compared to Rs.20,636.78 Lacs of previous year.

Manufacturing expenses during the current year is Rs.2835.56 Lacs and decreased by 31.61% as compared to Rs. 4146.25 Lacs of previous year.

Employees Remuneration & benefits during the current year is Rs. 542.60 Lacs and there is increase by 17.38% as compared to Rs. 462.26 Lacs of previous year.

Administrative & Other Expenses during the current year are at Rs. 616.86 Lacs and are decreased by 1.54% as compared to Rs. 626.51 Lacs in the previous year.

Depreciation during the current year was Rs. 536.81 Lacs and is increased by 3.12% as compared to Rs.520.55 Lacs of previous year.

Coming to the profit/loss for the current year, the company has incurred loss after tax at Rs. 252.14 Lacs as compared to profit of Rs.116.05 Lacs of previous year and is lower at 317.27%, an all time record.

I sincerely place on record my thanks to our strategic employees, bankers and all stakeholders for their support and the faith reposed in us during these tough times and we assure all that we will work towards our goal with renewed and dedicated commitment.

**YASHWANT VASWANI**  
**CHAIRMAN**

***(This does not purport to be a part of the proceedings of the Annual General Meeting.)***

## OUR COMPETITIVE STRENGTHS

<p><i>Management Expertise</i> Promoters are in trading &amp; steel manufacturing business for last more than two decades. They have track records of profits. They have, over the years, gained experience in setting up and operating integrated steel plants. The promoters established competitive position of the Company in the local markets. The Company enjoys an established customer base and a supplier network in Uttaranchal, Chhattisgarh, Maharashtra, and Madhya Pradesh. In addition to our Promoters, Company has a professionally managed team with technical experts in their respective fields.</p> <table border="1" data-bbox="220 667 815 1240"> <tr> <td data-bbox="220 667 395 1240">Mr. Yashwant Vaswani</td> <td data-bbox="395 667 815 1240">is the Whole Time Director of our company. He is an under graduate (Commerce) by Qualification. He entered the family business with his father Mr. Ravi Vaswani in his proprietorship firm named M/s Kwality Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day Operation of the same.</td> </tr> </table>	Mr. Yashwant Vaswani	is the Whole Time Director of our company. He is an under graduate (Commerce) by Qualification. He entered the family business with his father Mr. Ravi Vaswani in his proprietorship firm named M/s Kwality Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day Operation of the same.	<p><i>Business Strategy</i> The key components of our strategy to drive profitable growth and to maximize value are to continuously enhance customer satisfaction, attract &amp; retain qualified employees, maintain stringent standards of environmental safety and corporate responsibility. Keeping in view the above, your Company continues to follow certain proved strategies to take its market share and keep improving .below:</p> <p><i>Sales and Marketing</i> We constantly keep reviewing our position and make all efforts to consolidate our position in Chhattisgarh and penetrate in Northern, Western and Eastern parts of the country. In parallel, we also strive to build credible long term relations full of mutual understanding.</p> <p><i>Continued focus on consistently meeting quality standards</i> Zero error is our motto. This has resulted in creating a reputation with our suppliers. We follow this policy consistently and supply quantity without compromising on the quality and delivery schedules.</p> <p><i>Mix of Organic and Inorganic Models of Growth</i> Over the past few years we are following a combination of organic and inorganic models to help us grow. We may go for strategic acquisitions in leveraging complementary skills to capture market opportunities as well to accelerate growth.</p> <p><i>Training and Motivating Our Work Force</i> Your Company will continue the policy of training of the work force with adequate product knowledge, market knowledge and above all the application of knowledge. We shall always focus on narrowing the hierarchy for free and transparent two-way communication between management and employees for better exchange of ideas, views and opinions for maintaining good competitive work atmosphere at all levels.</p>
Mr. Yashwant Vaswani	is the Whole Time Director of our company. He is an under graduate (Commerce) by Qualification. He entered the family business with his father Mr. Ravi Vaswani in his proprietorship firm named M/s Kwality Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day Operation of the same.		
<p><i>Cordial Relationship between management and labour</i> Your Company continues to enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our Company since its incorporation.</p>	<p><i>Our Vision</i> Our vision is to make VIL a trusted brand name by creating a distinct status for ourselves in the Integrated Steel business, driving growth through both organic &amp; inorganic initiatives. We believe in meeting expectations of all stake holders, members; employees; suppliers; customers and others associated with us.</p>		
<p><i>Expected High Operating Efficiency</i> The Company's steel plant is fully integrated. The sponge iron manufactured by us is used as raw material to manufacture Mild Steel Billets/Ingots.</p>	<p><i>Business Model</i> ❖ Key Activities: Mild Steel Billets/ Ingots manufacturer</p>		

<p>Thus, the finished product of one unit acts as a raw material for the other unit. The current power capacity is meeting the power requirements and as well as the surplus is being sold to the private power companies as well as State Electricity Board. Due to integration, our company as a whole has been able to reduce its cost of production. Your company can sustain/absorb adverse market situation during cyclical recession. The steel industry is highly power-intensive and captive power generation plant, which has low cost per unit, is leading to significant cost saving and adding to profitability.</p>	<ul style="list-style-type: none"> <li>❖ Key Resources: Sponge Iron, Captive Power Plant</li> <li>❖ Customers Relationship: Product excellence, on time delivery and customer services</li> <li>❖ Channels: Government authorities, Semi-government authorities</li> <li>❖ Cost structure: Based on Government Rules and Regulations</li> </ul>
<p><i>Captive Power Plant</i>  Steel industry is power intensive industry. Power plays an important factor. Considering the power requirements of our existing manufacturing facilities, your Company has increased the generation capacity from 7.5 MW to 12 MW from Waste Heat Recovery Boiler to meet the present requirement of power as well as to sell off the surplus through private power companies and State Electricity Board. Captive power plant gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. Uninterrupted power supply helps to avoid any delays in manufacturing process thereby ensuring complete utilization of our capacities.</p>	

## NOTICE OF ANNUAL GENERAL MEETING

### TO ALL THE MEMBERS Vaswani Industries Limited

Notice is hereby given that Seventeenth Annual General Meeting of Company "Vaswani Industries Limited" [CIN: L28939CT2003PLC015964] will be held at 03:00 P.M. on Wednesday, the 30th September, 2020 through video conferencing (VC)/other audio video means (OVAM) to transact the following businesses:

The proceedings of the Annual General Meeting ('AGM') shall be deemed to conducted at the Registered Office of the Company at Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara, Raipur, Chhattisgarh 493221, which shall be deemed venue of the AGM.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt financial statement containing the Directors Report, Balance Sheet as at 31<sup>st</sup> March, 2020 and Statement of Profit & Loss, Cash Flow, Related Party Transactions and Notes to the Financial Statements for the period ended 31<sup>st</sup> March, 2020 forming part of the Accounts for the year 2019-20, and the Reports of the Independent Auditors thereon.
2. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to provisions of Section 152(6)(c) and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Yashwant Vaswani (DIN 01627408), who retires by rotation and being eligible has offered himself for reappointment be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

#### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration, as recommended by Audit Committee and approved by Board of Directors of the Company as set out in the statement annexed to this notice, to be paid to the Cost Auditors M/s. Sanat Joshi & Associates Cost Accountants, Raipur (ICMAI Firm Registration No. 000506) who were appointed by the Board of Directors to conduct the audit of cost record of the Company for the F. Y. ending on 31<sup>st</sup> March, 2021, be and is hereby ratified."
4. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr Sanjay Jadwani (DIN No. 05139093) who is reappointed as Independent Director and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, pursuant to Section 160 be and is hereby appointed as Independent Director of the Company to hold office for second term of consecutive five (5) years with effect from the conclusion of the ensuing annual general meeting, and shall not be liable to retire by rotation."

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

**Yashwant Vaswani**  
(Wholetime Director)  
DIN: 01627408

Place: Raipur (C. G.)  
Date: 03/09/2020

**Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In compliance with the provisions of the Companies Act,2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars, the AGM of the Company is being held through VC / OAVM. The Board of Directors of the Company considered that the special business under Item Nos. 3 to 4 be transacted at the ensuing AGM of the Company.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto. Further the information under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with respect to the details of the Directors seeking appointment/re-appointment are given in the additional information on Directors recommended for appointment/reappointment forming part of this notice.
8. Register of Members and Share Transfer Book of the Company will remain closed from; 24.09.2020 to 30.09.2020 (both days inclusive) for the purpose of the Annual General Meeting (AGM) for the year ended 31st March, 2020.
9. In accordance with the MCA General Circular No.20/2020 dated 5th May, 2020 and SEBI Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated 12th May,2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March,2020 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section101 of the Act read with the Rules framed thereunder, such

statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ RTA or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with RTA by following due procedure. Inline with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, a copy of the Notice of this AGM along with Annual Report for the Financial Year2019-2020 is available on the website of the Company at [www.vaswaniindustries.com](http://www.vaswaniindustries.com), website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

10. 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.
11. 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.

**The Instructions for Members For Remote E-Voting Are As Under:-**

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 17<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The remote e-voting period begins on 27<sup>th</sup>September, 2020 at 09:00 A.M. and ends on 29<sup>th</sup> September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

The instructions for e-voting are as under:

Step 1: Login to NSDL e-voting website at <https://www.evoting.nsdl.com/>

- i. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on 'Shareholder - Login'.
- ii. Insert your user ID & password on the login window and also insert the verification code as shown on the screen.

*(Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.)*

• **USER ID:**

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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• **PASSWORD:**

- (i) If you are already registered with NSDL for remote e-voting, you should use your existing password for login.
- (ii) If you are using NSDL e-voting system for the first time, you would need to use your 'initial password' for login, which has been communicated to you by the Company. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (iii) How to retrieve your 'initial password'?
  - a) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - b) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- (iv) If you are unable to retrieve or have not received the 'initial password', or have forgotten your password:
  - Click on 'Forgot User Details / Password, if holding shares in dematerialised form, or
  - Click on 'Physical User Reset Password?', if holding shares in certificate form.
  - You may also send an e-mail requesting for password at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), mentioning your name, PAN, registered address and your demat account number / folio number.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (v) Agree to the terms and conditions by clicking the box.
- (vi) Click on 'Login'. Home page of remote e-voting opens.

Step 2: Cast your vote electronically on NSDL e-voting website

- i. Home page of e-voting opens. Click on e-Voting Then, click on Active Voting Cycles.
- ii. Select "EVEN" of Vaswani Industries Limited.
- iii. Now you are ready for e-voting as Cast Vote page opens.
- iv. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- v. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you have voted on the resolution, you will not be allowed to modify your vote
- viii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com) with a copy marked to [satishbatra40@yahoo.co.in](mailto:satishbatra40@yahoo.co.in)
- ix. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website

will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) to reset the password.

- x. Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM (i.e. cut-off date for dispatch 28th August, 2020) but before the cut-off date of 23rd September, 2020 may obtain their user ID and password for e-voting by sending a request to our registrar and transfer agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- xi. 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 23rd September, 2020.
- xii. CS Satish Kumar Batra, C/o Satish Batra & Associates, LLP, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xiii. 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.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), and AADHAAR (self attested scanned copy of Aadhaar Card) by email to [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) to [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com).
3. Alternatively member may send an e-mail request to [toevoting@nsdl.co.in](mailto:toevoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point(1) or (2) as the case may be.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nSDL.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in 7 days advance mentioning their name demat account number/folio number, email id, mobile number at [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The same will be replied by the company suitably.
6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

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

**Yashwant Vaswani**  
(Wholetime Director)  
DIN: 01627408

Place: Raipur (C.G.)  
Date:03/09/2020

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

**ITEM 3:**

**COST AUDITOR**

Pursuant to Section 148 of the Companies Acts, 2013, the Board of Directors appointed M/s Sanat Joshi & Associates was appointed as Cost auditor of the Company in their meeting held on 30<sup>th</sup> July, 2020 duly recommended by the Audit committee. The Board has approved a remuneration of Rs. 40,000.00 in consultation with Audit committee and Cost Auditors.

As per the provision of the Companies Act the abovementioned remuneration payable to the Cost Auditors required approval from the members of the Company.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.2 of the Notice.

**ITEM 4:**

**APPOINTMENT OF SHRI SANJAY JADWANI AS INDEPENDENT DIRECTOR**

The Board of Directors of the Company ('the Board') at the meeting held on 3rd September, 2020 on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the appointment of Shri Sanjay Jadwani as Independent Directors of the Company in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act') and any amendments thereto or modification thereof, as set out in the Resolutions to their respective appointment.

Shri Sanjay Jadwani is a successful Businessman. The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Shri Sanjay Jadwani as an Independent Director.

Following are companies in which he is interested:

Sr.No	Name of the Company	Designation
1.	Vaswani Industries Limited CIN: L28939CT2003PLC015964	Independent Director
2.	Manoraj Automotive & Warehousing Private Limited CIN: U50404CT2011PTC022308	Director
3.	Shanti Vijay Devcon Private Limited CIN:U93000CT2012PTC000116	Director

He has already served a term of consecutive 5 years as Independent Director on the Board of the Company and the term is expiring at the ensuing Annual General Meeting after the commencement of Companies Act, 2013. Nomination and Remuneration committee (NRC) has duly evaluated her performance and found it satisfactory and has recommended that her services should be availed for the second term.

Therefore, NRC has recommended his reappointment for a second term of consecutive five (5) years commencing from the conclusion of the ensuing Annual General Meeting.

The Board commends the Special Resolution set out at Item No.4 for approval by the Members.

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

**ADDITIONAL DISCLOSURE AS PER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**1. Mr. Yashwant Vaswani –(seeking reappointment)**

Mr. Yashwant Vaswani is a under commerce graduate. He has been associated with the Company since 2004 and has gained extensive knowledge and experience in the field of Trading and marketing of sponge iron and steel billets/ingots.

**Disclosure of relationships between directors inter-se**

Son of Smt. Sudha Vaswani (Director)

**Listed Companies (other than Vaswani Industries Limited) in which Mr. Yashwant Vaswani holds directorship and committee membership**

**DIRECTORSHIP & Membership of the Committees**

NIL

**Shareholding in the Company**

Holds 2910840 eq. shares of Re.10/- each

**2. Shri Sanjay Jadwani –(seeking re-appointment as Director)**

Shri Sanjay Jadwani is a successful Businessman. The Board considers that his continued association would be of immense benefit to the Company and is desirable to continuously avail the services of Shri Sanjay Jadwani as an Independent Director.

**Disclosure of relationships between directors inter-se**

None

**Listed Companies (other than Vaswani Industries Limited) in which Shri Sanjay Jadwani holds directorship and committee membership**

**DIRECTORSHIP & Membership of the Committees**

NIL

**Shareholding in the Company**

Nil

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

**Yashwant Vaswani**  
(Wholetime Director)  
DIN: 01627408

Place: Raipur (C.G.)  
Date: 03/09/2020

## **DIRECTORS' REPORT**

The Directors take pleasure in presenting the Seventeenth Annual Report on the business and operations of the company and its financial results for the year ended on 31<sup>st</sup>March, 2020.

### **1. FINANCIAL RESULTS**

Financial Results of the Company for the financial year under report are summarized below for your consideration:

<b>PARTICULARS</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
INCOME FROM OPERATIONS	35452.24	31964.93
PROFIT BEFORE INTEREST AND DEPRECIATION	1579.79	1802.67
FINANCE COST	1026.60	952.08
DEPRECIATION	536.81	520.55
NET PROFIT BEFORE TAX	16.38	330.04
TAX EXPENSES	268.53	213.99
NET PROFIT/(LOSS) AFTER TAX	(252.14)	116.05
TRANSFER TO GENERAL RESERVE		11.61
TRANSFER TO PROFIT & LOSS ACCOUNT	(252.14)	104.44

### **2. PERFORMANCE REVIEW**

During the year under review, your Company has incurred loss of Rs. 252.14 lacs after meeting all expenses and taxes, as compared to profit of Rs. 116.05 lacs during the previous year. As compared to the previous year, the profit of the Company has been reduced by 317.27% due to the market conditions. The Earning per share have been decreased from 0.39 to (0.84). The directors of the Company gives an assurance that the performance of the Company will get better in the near future and they bring more profit in the upcoming years.

### **3. FUTURE PROSPECTS**

Barring any unforeseen circumstances, the company hopes not only to maintain its current level of operations and to further improve thereon.

### **4. INDIAN ACCOUNTING STANDARD**

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to prescribed Listed Companies from April 1, 2017. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from April 1, 2017. The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note A & B in the notes to accounts in the standalone financial statement.

### **5. SHARE CAPITAL**

- a) Capital structure: The Authorized Share Capital of your Company is Rs. 35,00,00,000/- comprising of 3,47,50,000 Equity Shares of Rs.10/- each and 2,50,000 Non Cumulative Preference Shares of Rs.10/- each. The Paid-up Share Capital is Rs. 30,00,00,000/- comprising of 3,00,00,000 Equity Shares of Rs.10/-each.
- b) Buy Back of Securities - The Company did not buy back any of its securities during the year under review.
- c) Sweat Equity - The Company did not issue any Sweat Equity Shares during the year under review.
- d) Bonus Shares - No Bonus Shares were issued during the year under review.
- e) Employees Stock Option - The Company has not provided any Stock Option Scheme to the employees.

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

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.

**7. POLLUTION CONTROL MEASURES**

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

**8. DIVIDEND**

With a view to conserve the liquid resources and to strengthen the financial position of the Company, your board of directors has not recommend dividend for the financial year ended 31<sup>st</sup> March, 2020.

**9. DEPOSITS**

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**10. TRANSFER TO RESERVES**

As the company has incurred loss, no amount has been transferred to General Reserves Account during the Financial Year 2019-20.

**11. CHANGES IN NATURE OF BUSINESS:**

The Company has been engaged in the business of manufacturing the trading of Iron Ore Pellets, Sponge Iron, Steel Billets, HB Wires and generation of Power. There is no change in the nature of Business of the Company during the Financial Year 2019-20.

**12. LISTING**

The equity shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The company is duly complying with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

**13. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board of Directors have established 'Whistle Blower Policy' and 'Code of Conduct' for the directors & employees of the Company as required under the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014. The said Policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads and the new employees shall be informed about the Vigil Policy by the Personnel Department at the time of their joining. Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management personnel is annexed as "**Annexure-A**"

**14. 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 "**Annexure-B**" and should be treated as a part of this report.

**15. 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.

**16. INDUSTRIAL RELATIONS:**

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

**17. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and

- loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **18. AUDITORS**

### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, M/s. Amitabh Agrawal & Co., Chartered Accountants, (Firm Regn. No. 006620C) were appointed as Statutory Auditors of the Company for a term of five consecutive Financial Years from the conclusion of 15th Annual General Meeting held on 30.10.2018 till the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company to be held in the year 2023.

### **Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules 2014 M/s Sanat Joshi & Associates has been re-appointed as cost auditors for conducting Cost Audit for the financial year 2019-20.

### **Internal Auditors**

M/s S.K. Bhamkar & Associates, Chartered Accountants were appointed as Internal Auditors for the FY 2019-20.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Satish Batra & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit for the financial year 2019-20.

## **19. AUDITORS' REPORTS**

### **Statutory Auditors**

There are no qualifications, reservations, adverse remarks or disclaimers in the Statutory Auditor's Report on the Financial Statements of the company for the financial year 2019-20 and hence does not require any explanations or comments.

### **Secretarial Audit**

There are no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Auditor's Report on Secretarial and other applicable legal compliances to be made by the company for the financial year 2019-20 and hence does not require any explanations or comments. The Report of the Secretarial Audit Report is annexed herewith as "**Annexure-C**".

## **20. EXTRACT OF THE ANNUAL RETURN AS REQUIRED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure-D**".

## **21. DECLARATION – INDEPENDENT DIRECTORS**

The Board of Directors declare that the Independent Directors Mr. Ashok Kumar Suri, Mr. Sanjay Jadwani & Mrs. Satyawati Parashar are:

- (a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
  - (i) who were or were not a promoter of the company or its holding, subsidiary or associate Company.
  - (ii) who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- (b) Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- (c) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- (d) Who, neither himself nor any of his relatives-
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
    - (A) a firm of auditors/company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - (iii) holds together with his relative two per cent, or more of the total voting power of the company; or
  - (iv) Is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (e) who possesses such other qualification as may be prescribed.

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

The particulars of Loans given, Investments made and corporate guarantees extended by the company as covered under the provisions of Section 186 of the Companies Act, 2013 are given note 2 & 3 in Financial Statements.

## **23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

C.G. Ispat Private Limited is a Associate Company of Vaswani Industries Limited within the meaning of Section 2(6) of the Companies Act, 2013 ("Act") as on 31<sup>st</sup> March, 2020. There are no other subsidiary companies or joint venture companies. There has been no material change in the nature of the business of the Associate Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statements of the Associate Companies in Form AOC-1 is furnished in "**Annexure-E**" and is attached to this Report.

## **24. RELATED PARTY TRANSACTIONS**

A detailed report on contracts and arrangements made during the year 2019-20, being arm's length transactions have been mentioned in Form AOC-2 herewith as "**Annexure-F**".

## **25. RISK MANAGEMENT POLICY IMPLEMENTATION**

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

## **26. NOMINATION AND REMUNERATION POLICY**

Company's Policy on Directors appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013 is attached herewith as "**Annexure-G**".

## **27. AUDIT COMMITTEE COMPOSITION**

The Audit Committee consists of four directors including three Independent Directors and one Executive Director and all have adequate financial literacy.

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

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

Every company having net worth of Rs.500 crore or more, or turnover of Rs.1000 crore or more, or net profit of Rs.5 crore or more during any of the three preceding financial years (as per circular no. 21/2014 dated June 18, 2014) should spend, in every financial year, at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years. Your company is not covered by any of the conditions mentioned above.

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

The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up at shop floor level to redress complaints received regularly and are

monitored by women line supervisors who directly report to the Chairman & Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.20 for redressal.

### **30. MEETING OF BOARD OF DIRECTORS**

The Board of Directors met nine (9) times during the year under review. Proper notices of the meeting were given to all the Directors and intimation were duly made to Stock Exchange regarding the conducting of the Board Meeting and its outcome. The details of which are given in the Corporate Governance Report.

### **31. DIRECTORS AND KEY MANAGERIAL PERSON**

In accordance with Section 152(6)(c) of the Companies Act, 2013, Shri Yashwant Vaswani retires by rotation and being eligible offer himself for re-appointment at the ensuing AGM. During the year under review, Shri Babu Lal Baghwar was appointed as director by members with effect from 30<sup>th</sup> September, 2019. Shri Pawan Kumar Jha and Shri Ravi Vaswani ceased to be director with effect from 24<sup>th</sup> April, 2019 and Shri Lekhu Thadharam Mulchandani ceased to be Independent Director with effect from 14<sup>th</sup> February, 2020. Ms. Ragini Shukla ceased to be Company Secretary with effect from 14<sup>th</sup> February, 2020. Directors declare that they are not disqualified from being appointed as Director of the Company under Section 164 of the Companies Act, 2013.

### **32. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company and the Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2 & 3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished and the employees of the company has received remuneration in excess of the remuneration mentioned in the above mentioned Rule 5(2) during the financial year 2019-20 is given in "**Annexure-H**".

### **33. MANAGEMENT DISCUSSION AND ANALYSIS REPORTS:**

Management Discussion and Analysis reports is enclosed as "**Annexure-I**" and should be treated as a part of this report.

### **34. ANNUAL EVALUATION OF BOARD, ETC.**

The Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the each of the directors of the company. On the basis of said criteria, the Board and all its committees and directors have been evaluated by the Board of the directors and Independent Directors of the Company.

### **35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations.

### **36. CORPORATE GOVERNANCE**

Company continues to practice good Corporate Governance over the time. 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 provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forming an integral part of this Report is given as "**Annexure-J**".

### **37. 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

**Sd/-**  
**Yashwant Vaswani**  
(Whole-time Director)  
DIN: 01627408  
Place: Raipur  
Date: 03/09/2020

**Sd/-**  
**Sudha Vaswani**  
(Director)  
DIN: 02909309

## **ANNEXURE-A**

### **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, 2020, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them. The code of conduct is displayed in our website [www.vaswaniindustries.com](http://www.vaswaniindustries.com)

Raipur, 03/09/2020

For and on behalf of the Board of Directors  
**Yashwant Vaswani**  
(Whole-time Director)  
DIN: 01627408

## **ANNEXURE-B**

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

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

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>I) POWER &amp; FUEL CONSUMPTION:</b>		
1. Electricity		
a. Purchased		
Total units	7979778	7568680
Total Amount (In Rs.)	30472958	27699612
Rate / Unit (In Rs.)	3.82	3.66
b. Own Generation		
Through Diesel Generation (Ltrs)	0	0
Unit per Ltrs of Diesel Oil	0	0
Rate / Unit per Ltrs (in Rs.)	0	0
<b>2. Coal</b> (Specify quantity and where used)		
Quantity (In MT)	83840.380	122526.806
Total Cost (In Rs.)	350799192	559298921
Average Rate (In Rs.)	4184.13	4564.71
<b>II) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production of Sponge Iron (In MT.)	73783.290	77627.060
Electricity (In Unit)	108.15	97.50
Coal (In MT)	1.14	1.58

### **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, the Company imported raw materials and incurred CIF value of Rs.77,375,676/- in foreign currency and imported Stores & Spares and incurred CIF value of Rs.482,418/- in foreign currency.

**For and on behalf of the Board of Directors**  
**Yashwant Vaswani**      **Sudha Vaswani**  
(Whole-time Director)      (Director)

**Place: Raipur**  
**Date: 03/09/2020**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2020  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

The Members,  
Vaswani Industries Limited,  
Bahesar Road, Near Cycle  
Park, Vill - Sondra Phase-II,  
Industrial Area, Siltara  
Raipur (Chhattisgarh) 493221

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

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 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 thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

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

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

- Chapter VII of SEBI (Issue of Capital and Disclosure Requirement), Regulation 2009 ("the Regulations")
- Section 42 & 61 of the Companies Act,2013
- SEBI (ICDR) Regulations2009
- SEBI (LODR) Regulations,2015

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

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

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

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

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

We further report that during the audit report there were no specific events/actions having a major bearing on the affairs of the Company.

For, Satish Batra & Associates  
Company Secretaries

Sd/-  
(Satish Kumar Batra)  
FCS No: 1316 C P No.:2875  
UDIN: F001316B000583029

Place: Raipur

Date: 15<sup>th</sup> August, 2020

**ANNEXURE-1**

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

Sd/-  
(Satish Kumar Batra)  
FCS No: 1316 C P No.:2875  
UDIN:F001316B00058302

Place: Raipur

Date: 15<sup>th</sup> August, 2020

**Form No.MGT-9****ANNEXURE-D**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> March, 2020**  
**[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**1. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L28939CT2003PLC015964
ii.	Registration Date	22/07/2003
iii.	Name of the Company	Vaswani Industries Limited
iv.	Category Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered office and contact details	Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur Chhattisgarh 493221
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400083

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All business activities contributing 10% or more of the total turnover of the company are:-

S.NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS/ SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	SPONGE IRON	72011000	17.54%
2	MS BILLET	72011000	36.44%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES--**

S. NO	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	C G Ispat Pvt Ltd	U27104CT2004PTC016909	ASSOCIATE	32.82	2(6)

**4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Shareholding**

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoter</b>									
1. Indian	-	-	-	-	-	-	-	-	-
i. Individual/ HUF	17500000	-	17500000	58.33	17500000	-	17500000	58.33	-
ii. Central Govt.	-	-	-	-	-	-	-	-	-
iii. State Govt.	-	-	-	-	-	-	-	-	-
iv. Bodies Corp.	-	-	-	-	-	-	-	-	-
v. Banks/FI	-	-	-	-	-	-	-	-	-
vi. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	17500000	-	17500000	58.33	17500000	-	17500000	58.33	-
<b>2. Foreign</b>	-	-	-	-	-	-	-	-	-
i. NRIs- Individuals	-	-	-	-	-	-	-	-	-
ii. Other- Individuals	-	-	-	-	-	-	-	-	-
iii. Bodies Corp.	-	-	-	-	-	-	-	-	-
iv. Banks/FI	-	-	-	-	-	-	-	-	-
v. Any Other....	-	-	-	-	-	-	-	-	-

<b>Sub-total(A)(2):</b>									
<b>Total Shareholding of Promoter (A)= (A)(1)+A(2)</b>	<b>17500000</b>	-	<b>17500000</b>	<b>58.33</b>	<b>17500000</b>	-	<b>17500000</b>	<b>58.33</b>	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
i. Mutual Funds	-	-	-	-	-	-	-	-	-
ii. Banks /FI	-	-	-	-	-	-	-	-	-
iii. Central Govt.	-	-	-	-	-	-	-	-	-
iv. State Govt.	-	-	-	-	-	-	-	-	-
v. Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi. Insurance Companies	-	-	-	-	-	-	-	-	-
vii. FIIs	-	-	-	-	-	-	-	-	-
viii. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
ix. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
i. Bodies Corp. (i) Indian (ii) Overseas	3119227	-	3119227	10.39	2819948	-	2819948	9.40	(0.99)
ii. Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4395356	20	4395376	14.65	4282200	20	4282220	14.27	(0.37)
(ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	3650501	-	3650501	12.16	4146744	-	4146744	13.82	1.65
(iii) Others									
NRI	139863	-	139863	0.46	151840	-	151840	0.51	0.04
HUF	1029077	-	1029077	3.43	1081188	-	1081188	3.60	0.17
Clearing Member	162776	-	162776	0.54	18060	-	18060	0.06	(0.48)
NBFCs registered with RBI	3180	-	3180	0.01	-	-	-	-	(0.01)
Sub-total(B)(2)	12499980	20	12500000	41.67	12499980	20	12500000	41.67	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>12499980</b>	<b>20</b>	<b>12500000</b>	<b>41.67</b>	<b>12499980</b>	<b>20</b>	<b>12500000</b>	<b>41.67</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>29999980</b>	<b>20</b>	<b>30000000</b>	<b>100%</b>	<b>29999980</b>	<b>20</b>	<b>30000000</b>	<b>100%</b>	-

**ii. Shareholding of Promoters:**

S. NO	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR	SHAREHOLDING AT THE END OF THE YEAR
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		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	RAVI VASWANI	8492160	28.31	0	8492160	28.31	0	0
2	SUDHA VASWANI	4113825	13.71	0	4113825	13.71	0	0
3	YASHWANT RAVI VASWANI	2910840	9.70	0	2910840	9.70	0	0
4	MANISHA VASWANI	1922175	6.41	0	1922175	6.41	0	0
5	RAVI KUMAR VASWANI	60000	0.20	0	60000	0.20	0	0
6	SATISH KUMAR VASWANI	1000	0.00	0	1000	0.00	0	0
	<b>Total</b>	<b>17500000</b>	<b>58.33</b>	<b>0</b>	<b>17500000</b>	<b>58.33</b>	<b>0</b>	<b>0</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

S.NO	PARTICULARS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Ravi Vaswani</b>				
<b>i</b>	At the beginning of the year	8492160	28.31	8492160	28.31
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	8492160	28.31	8492160	28.31
<b>2.</b>	<b>Sudha Vaswani</b>				
<b>i</b>	At the beginning of the year	4113825	13.71	4113825	13.71
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	4113825	13.71	4113825	13.71
<b>3.</b>	<b>Yashwant Ravi Vaswani</b>				
<b>i</b>	At the beginning of the year	2910840	9.70	2910840	9.70
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	2910840	9.70	2910840	9.70
<b>4.</b>	<b>Manisha Vaswani</b>				
<b>i</b>	At the beginning of the year	1922175	6.41	1922175	6.41
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	1922175	6.41	1922175	6.41
<b>5.</b>	<b>Ravi Kumar Vaswani</b>				
<b>i</b>	At the beginning of the year	60000	0.20	60000	0.20

ii	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/( transfer)	-	-	-	-
iii	At the End of the year	60000	0.20	60000	0.20
<b>6.</b>	<b>Satish Kumar Vaswani</b>				
i	At the beginning of the year	1000	0.00	1000	0.00
ii	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/( transfer)	-	-	-	-
iii	At the End of the year	1000	0.00	1000	0.00

**iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.NO	FOR EACH OF THE TOP TEN SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Amrit Sales Promotion Pvt Ltd</b>				
i	At the beginning of the year	1184035	3.94	1184035	3.94
ii	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)				
	Transfer – 12 <sup>th</sup> April, 2019	(200)	(0.00)	1183835	3.94
	Transfer – 26 <sup>th</sup> April, 2019	(1500)	(0.01)	1182335	3.94
	Transfer – 17 <sup>th</sup> May, 2019	(2000)	(0.01)	1180335	3.93
	Transfer – 12 <sup>th</sup> July, 2019	(34)	(0.00)	1180301	3.93
	Transfer – 19 <sup>th</sup> July, 2019	(500)	(0.00)	1179801	3.93
	Transfer – 26 <sup>th</sup> July, 2019	(200)	(0.00)	1179601	3.93
	Transfer – 2 <sup>nd</sup> August, 2019	(15000)	(0.05)	1164601	3.88
	Transfer – 9 <sup>th</sup> August, 2019	(4000)	(0.01)	1160601	3.86
	Transfer – 1 <sup>st</sup> November, 2019	(1000)	(0.00)	1159601	3.86
iii	At the End of the year (or on the date of separation, if separated during the year)	1159601	3.86	1159601	3.86
<b>2.</b>	<b>SMC Global Securities Limited</b>				
i	At the beginning of the year	415867	1.38	415867	1.38
ii	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)				
	Transfer – 3 <sup>rd</sup> May, 2019	25	0.00	415892	1.38
	Transfer – 10 <sup>th</sup> May, 2019	(400)	(0.00)	415492	1.38
	Transfer – 17 <sup>th</sup> May, 2019	849	0.00	416341	1.38
	Transfer – 31 <sup>st</sup> May, 2019	(525)	(0.00)	415816	1.38
	Transfer – 14 <sup>th</sup> June, 2019	41618	0.13	457434	1.52
	Transfer – 21 <sup>st</sup> June, 2019	(17969)	(0.06)	439465	1.46
	Transfer – 29 <sup>th</sup> June, 2019	(950)	(0.00)	438515	1.46
	Transfer – 5 <sup>th</sup> July, 2019	(22599)	(0.08)	415916	1.38
	Transfer – 12 <sup>th</sup> July, 2019	(100)	(0.00)	415816	1.38
	Transfer – 2 <sup>nd</sup> August, 2019	(23515)	(0.08)	392301	1.30
	Transfer – 9 <sup>th</sup> August, 2019	725	0.00	393026	1.31
	Transfer – 16 <sup>th</sup> August, 2019	(1025)	(0.00)	392001	1.30
	Transfer – 23 <sup>rd</sup> August, 2019	200	0.00	392001	1.30
	Transfer – 20 <sup>th</sup> September, 2019	(200)	(0.00)	392201	1.30
	Transfer – 30 <sup>th</sup> September, 2019	(1095)	(0.00)	390906	1.30

	Transfer -11 <sup>th</sup> October, 2019	2675	0.00	393581	1.31
	Transfer -6 <sup>th</sup> December, 2019	(500)	(0.00)	393081	1.31
	Transfer -13 <sup>th</sup> December, 2019	(53500)	(0.17)	339581	1.13
	Transfer -20 <sup>th</sup> December, 2019	(700)	(0.00)	338881	1.12
	Transfer -27 <sup>th</sup> December, 2019	500	(0.00)	339381	1.13
	Transfer -3 <sup>rd</sup> January, 2020	(1000)	(0.00)	338381	1.12
	Transfer -7 <sup>th</sup> February, 2020	(60400)	(0.20)	277981	0.92
	Transfer -14 <sup>th</sup> February, 2020	(50070)	(0.16)	227911	0.75
	Transfer -21 <sup>st</sup> February, 2020	1000	0.00	228911	0.76
	Transfer -28 <sup>th</sup> February, 2020	(32758)	(0.10)	196153	0.65
	Transfer -13 <sup>th</sup> March, 2020	500	(0.00)	196653	0.65
	Transfer -27 <sup>th</sup> March, 2020	546	0.00	197199	0.65
	Transfer -31 <sup>st</sup> March, 2020	1454	0.00	198653	0.66
<b>iii</b>	At the End of the year	198653	0.66	198653	0.66
<b>3.</b>	<b>Brijdhara Developers Private Limited</b>				
<b>i</b>	At the beginning of the year	279388	0.93	279388	0.93
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	279388	0.93	279388	0.93
<b>4.</b>	<b>Disha Vintrade Private Limited</b>				
<b>i</b>	At the beginning of the year	236250	0.79	236250	0.79
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	236250	0.79	236250	0.79
<b>5.</b>	<b>Ganeshvani Infrabuild Private Limited</b>				
<b>i</b>	At the beginning of the year	234500	0.78	234500	0.78
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	234500	0.78	234500	0.78
<b>6.</b>	<b>Sunil Purushottam Toshniwal</b>				
<b>i</b>	At the beginning of the year	174309	0.58	174309	0.58
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)				
	Transfer - 29 <sup>th</sup> November, 2019	1200	0.00	175509	0.58
	Transfer - 10 <sup>th</sup> January, 2020	22421	0.07	197930	0.65
	Transfer - 28 <sup>th</sup> February, 2020	18000	0.06	215930	0.71
<b>iii</b>	At the End of the year	215930	0.71	215930	0.71
<b>7.</b>	<b>Rishab Nahata</b>				
<b>I</b>	At the beginning of the year	212600	0.71	212600	0.71
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	212600	0.71	212600	0.71
<b>8.</b>	<b>Moti Chand Jain</b>				

<b>I</b>	At the beginning of the year	197000	0.65	197000	0.65
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)				
	Transfer – 27 <sup>th</sup> September, 2019	6500	0.02	203500	0.67
	Transfer – 8 <sup>th</sup> November, 2019	406	0.00	203906	0.67
	Transfer – 6 <sup>th</sup> December, 2019	2000	0.01	205906	0.69
	Transfer – 27 <sup>th</sup> December, 2019	1500	0.01	207406	0.69
	Transfer – 31 <sup>st</sup> December, 2019	3500	0.01	210906	0.70
	Transfer – 31 <sup>st</sup> January, 2020	3000	0.01	213906	0.71
<b>iii</b>	At the End of the year	213906	0.71	213906	0.71
<b>9.</b>	<b>Singhi Dinesh Kumar HUF</b>				
<b>I</b>	At the beginning of the year	192401	0.64	192401	0.64
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	192401	0.64	192401	0.64
<b>10.</b>	<b>Shanti Bai Parakh</b>				
<b>i</b>	At the beginning of the year	150000	0.50	150000	0.50
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	150000	0.50	150000	0.50

**V. Shareholding of Directors and Key Managerial Personnel:**

S.NO	FOR EACH OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Ravi Kumar Vaswani – Managing Director (ceased to be Managing Director with effect from 24<sup>th</sup> April, 2019)</b>				
<b>i</b>	At the beginning of the year	8492160	28.31	8492160	28.31
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	8492160	28.31	8492160	28.31
<b>2.</b>	<b>Yashwant Vaswani – Whole-time Director</b>				
<b>i</b>	At the beginning of the year	2910840	9.70	2910840	9.70
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/(transfer)	-	-	-	-
<b>iii</b>	At the End of the year	2910840	9.70	2910840	9.70
<b>3.</b>	<b>Sudha Vaswani – Director</b>				
<b>i</b>	At the beginning of the year	4113825	13.71	4113825	13.71
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	4113825	13.71	4113825	13.71
<b>4.</b>	<b>Pawan Kumar Jha – Director (ceased to be director with effect from 24<sup>th</sup> April, 2019)</b>				

<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>5.</b>	<b>Ashok Kumar Suri – Independent Director</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>6.</b>	<b>Lekhu Thadaram Mulchandani – Independent Director (ceased to be director with effect from 14<sup>th</sup> February, 2020)</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>7.</b>	<b>Sanjay Jadwani – Independent Director</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>8.</b>	<b>Satyawati Parashar – Independent Director</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>9.</b>	<b>Ragini Shukla – Company Secretary- (ceased to be company secretary with effect from 14<sup>th</sup> February, 2020)</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>10.</b>	<b>Babu Lal Baghwar (appointed as director with effect from 30<sup>th</sup>September, 2019)</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>iii</b>	At the End of the year	-	-	-	-
<b>11.</b>	<b>Kushal Vaswani (appointed as CFO with effect from 24<sup>th</sup>April, 2019)</b>				
<b>i</b>	At the beginning of the year	-	-	-	-
<b>ii</b>	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/( transfer)	-	-	-	-
<b>ii</b>	At the End of the year	-	-	-	-

**5. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	507486394	-	-	507486394
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	507486394	-	-	507486394
<b>Change in Indebtedness during the financial year</b>				
* Addition	49549584	-	-	49549584
* Reduction	(27338527)	-	-	(27338527)
Net Change	22211057	-	-	22211057
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	529697451	-	-	529697451
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>529697451</b>	<b>-</b>	<b>-</b>	<b>529697451</b>

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****i. Remuneration to Managing Director, Whole-Time Directors, Executive**

Sr.No	Particulars of Remuneration	Name of the MD/WTD/Manager/Executive			Total
		Yashwant Vaswani (WTD)	Sudha Vaswani	Babu Lal Baghwar	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	12,00,000	12,00,000	1,83,501	25,83,501
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	3,19,956	0	0	3,19,956
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission as % of profit	0	0	0	0
	others (specify)	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total (A)</b>	15,19,956	12,00,000	1,83,501	29,03,457
	<b>Ceiling as per the Act</b>				<b>420000</b>

**ii. Remuneration to other directors:**

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	No remuneration is paid to Independent Directors	
	Fee for attending board committee meetings	0	0
	Commission	0	0
	Others, please specify	0	0
	<b>Total (1)</b>	0	0
2	Other Non-Executive Directors	0	0
	Fee for attending board committee meetings	0	0
	Commission	0	0
	Others (Salary)	0	0
	<b>Total (2)</b>	0	0

	<b>Total (B)=(1+2)</b>	0	0
	Total Managerial Remuneration	0	0
	Overall Ceiling as per the Act	0	0

**iii. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 <b>CS Ragini Shukla (1<sup>st</sup>April, 2019 to 14<sup>th</sup> February, 2020)</b> <b>Kushal Vaswani (CFO)</b>	1,50,000	12,00,000	13,50,000
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	0	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	
2.	Stock Option	0	0	
3.	Sweat Equity	0	0	
4.	Commission	0	0	
	- as % of profit	0	0	
	Others, specify	0	0	
5.	Others, please specify	0	0	
	<b>Total</b>	1,50,000	12,00,000	13,50,000

**7. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
<b>i. Company</b>					
Penalty			-----Nil-----		
Punishment					
Compounding					
<b>ii. Directors</b>					
Penalty			-----Nil-----		
Punishment					
Compounding					
<b>iii. Other Officers In Default</b>					
Penalty			-----Nil-----		
Punishment					
Compounding					

**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)**

**Part "A" Subsidiaries**

**(Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures)**

<b>S. NO</b>	<b>PARTICULARS</b>	<b>DETAILS</b>
1.	Name of the subsidiary	<b>NIL</b>
2.	The date since when subsidiary was acquired	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
5.	Share capital	
6.	Reserves and surplus	
7.	Total assets	
8.	Total Liabilities	
9.	Investments	
10.	Turnover	
11.	Profit before taxation	
12.	Provision for taxation	
13.	Profit after taxation	
14.	Proposed Dividend	
15.	Extent of shareholding (in percentage)	

**Part "B" Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>S. NO.</b>	<b>PARTICULARS</b>	<b>DETAILS</b>
1.	Name of Associates or Joint Ventures	C.G. ISPAT PRIVATE LIMITED
2.	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2020
3.	Date on which the Associate or Joint Venture was associated or acquired	30 <sup>th</sup> April, 2010
4.	Shares of Associate or Joint Ventures held by the company on the year end	
	Number of shares	20,77,250
	Amount of Investment in Associates or Joint Venture	2,07,72,500
	Extent of Holding (in percentage)	32.82
5.	Description of how there is significant influence	By virtue of holding
6.	Reason why the associate / joint venture is not consolidated	The activities of the company have no direct bearing of operations of the associates.
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	
8.	Profit or Loss for the year Considered in Consolidation Not Considered in Consolidation	Not considered

## FORM NO. AOC.2 – FOR FINANCIAL YEAR 2019-20

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

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

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, (if any):
Yashwant Vaswani (WTD)	Remuneration	5 years	On prevailing cash prices as per Contract u/s 196, 269, 309 of companies Act 1956 read with Sch XIII value pertaining Rs.15.19 Lacs.	Members approval- 14 <sup>th</sup> September, 2015	Nil
Sudha Vaswani (Director)	Remuneration	-	Rs. 12.00 Lacs	6th January, 2018	Nil
Ragini Shukla	Salary	-	Rs. 1.50 Lacs	14 <sup>th</sup> December, 2017	Nil
Babu Lal Baghwar	Remuneration	-	Rs.1.83 Lacs	27 <sup>th</sup> June, 2019	
Manisha Vaswani	Salary	-	Rs. 12.00 Lacs	-	Nil
Kushal Vaswani	Salary	-	Rs. 12.00 Lacs	Members approval -12.09.2014	Nil
Kwality Foundry Industries	Sale of goods	-	On prevailing cash prices Rs.1455.28 Lacs	24 <sup>th</sup> April, 2019	Nil
	Purchase of Goods	-	On prevailing cash prices Rs.332.85 Lacs	24 <sup>th</sup> April, 2019	Nil
C G Ispat Pvt Ltd	Sale of goods	-	On prevailing cash prices Rs.8752.66 Lacs	24 <sup>th</sup> April, 2019	Nil
	Purchase of Goods	-	On prevailing cash prices Rs. 1827.23 Lacs	24 <sup>th</sup> April, 2019	Nil

Raipur, 3<sup>rd</sup> September, 2020

**SUDHA VASWANI - DIRECTOR**  
**YASHWANT VASWANI - WHOLE TIME DIRECTOR**

**NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Committee (NRC) shall adhere to the following policy in all its deliberations from time to time.

1. The NRC shall take into account the performance of the Company, its financial strength and volume of operations to ensure that its recommendations or implementable from time to time.
2. The NRC shall also take into account the industry scenario and competitive elements with regard to its recommendations so that the company maintains the industry levels.
3. The NRC shall always recommend remuneration and other benefits or reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
4. The NRC shall always fix benchmarks and maintain a proper relationship of remuneration to performance so that the performance benchmarks are achieved.
5. The NRC shall always review its own performance and bring suitable changes in its policy from time to time.
6. The NRC shall endeavor to maintain a proper balance between key managerial personnel, senior personnel and other level of employees so that there is a peace and harmony in industrial relations.

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

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Yashwant Vaswani  6.03	Smt. Sudha Vaswani  4.76	Babu Lal Baghwar  0.72																				
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	There is no change in remuneration of any director, Chief Financial Officer, Chief Executive Officer, Company Secretary except Smt. Sudha Vaswani.  The percentage increase in remuneration of Smt. Sudha Vaswani is 179.06%																						
(iii) the percentage increase in the median remuneration of employees in the financial year;	2.5%																						
(iv) The names of the top ten employees of the Company in term of remuneration drawn are as under (In Rs.)	<table border="1" data-bbox="933 878 1453 1326"> <tr><td>Jayant Jagat Garai-</td><td>1,800,540.00</td></tr> <tr><td>Ravi Vaswani-</td><td>1,519,956.00</td></tr> <tr><td>Yashwant Vaswani-</td><td>1,519,956.00</td></tr> <tr><td>Preeti Garai-</td><td>1,200,012.00</td></tr> <tr><td>Kushal Vaswani-</td><td>1,200,000.00</td></tr> <tr><td>Manisha Vaswani-</td><td>1,200,000.00</td></tr> <tr><td>Sudha Vaswani-</td><td>1,200,000.00</td></tr> <tr><td>Ashwini Kumar Sahu-</td><td>935,016.00</td></tr> <tr><td>Hitendra Kumar Suryavanshi-</td><td>781,248.00</td></tr> <tr><td>Hemlata Sahu-</td><td>668,940.00</td></tr> </table> <p data-bbox="933 1326 1453 1599">The details of qualifications, experience, age, date of commencement of employment and last employment of the aforesaid employees are maintained at the Registered Office of the Company and are open for inspection. Any member interested in obtaining a copy of the same, may write to the Company.</p>			Jayant Jagat Garai-	1,800,540.00	Ravi Vaswani-	1,519,956.00	Yashwant Vaswani-	1,519,956.00	Preeti Garai-	1,200,012.00	Kushal Vaswani-	1,200,000.00	Manisha Vaswani-	1,200,000.00	Sudha Vaswani-	1,200,000.00	Ashwini Kumar Sahu-	935,016.00	Hitendra Kumar Suryavanshi-	781,248.00	Hemlata Sahu-	668,940.00
Jayant Jagat Garai-	1,800,540.00																						
Ravi Vaswani-	1,519,956.00																						
Yashwant Vaswani-	1,519,956.00																						
Preeti Garai-	1,200,012.00																						
Kushal Vaswani-	1,200,000.00																						
Manisha Vaswani-	1,200,000.00																						
Sudha Vaswani-	1,200,000.00																						
Ashwini Kumar Sahu-	935,016.00																						
Hitendra Kumar Suryavanshi-	781,248.00																						
Hemlata Sahu-	668,940.00																						
(v) the number of permanent employees on the rolls of company;	221																						
(vi) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	General Increment in remuneration has been given to the employees in the range of 6 to 10% to all the employees based on their performance during the previous financial year.																						

(vii) Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
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**STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY: DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013**

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

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

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and twenty lakh rupees;	NONE
(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;	NONE
(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	NONE

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

**YASHWANT VASWANI - WHOLE TIME DIRECTOR  
SUDHA VASWANI - DIRECTOR**

**Raipur, 3<sup>rd</sup> September, 2020**

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

There is no change in business sector of the company and Management Discussion and Analysis continues on similar lines from year to year. Consumption of steel is an indicator of economic development of a country. 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. Your company is engaged in integrated business of manufacture of sponge iron, steel billets & ingots and power generation at Sondra village in Raipur (Chhattisgarh).

**OPPORTUNITIES AND THREATS**

Over last year, there is no significant change in opportunities & threats.

**OPPORTUNITIES**

Growth in the steel demand has strong correlation with growth in GDP of nation. The Indian economy was expected to grow at spectacular growth rates of GDP; but unfortunately the same is not happening. The demand for sponge iron in medium term is becoming healthy due to closure of many sponge iron plants for want of iron ore supply to them. Steel through induction furnace route is on the verge of reduction. 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 its own sponge.

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, 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. Government has rightly 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.
- (ii) GST has brought uniform effect at the National level Excise duty for steel is currently at 12 percent.
- (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 continues to be 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. 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 four segment iron & steel, power, real estate and agri division. The necessary disclosures have been made as per accounting standard 32 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. remain in focus 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. The company belongs to Vaswani Group of companies which has interest in iron & steel of over past two decades. The developments of the Company are asunder:

- (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 100TPD.
- (ii) Has installed three Induction Furnaces with a capacity of 36000 MT for manufacturing of Steel Billets & Ingots utilizing in-house production of Sponge Iron.
- (iii) Your company started selling power in 2009. Power generation capacity enhanced to 11.5 MW (9 MW from WHRB and 2.50 MW from Coal) during the year2010-2011.

Since inception your company has responded to changing economic conditions and new market opportunities through periodic restructuring. We firmly believe 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**  
Sales turnover at Rs. 35,244.12 Lacs is increased by 10.44% as compared to Rs.31,912.23 Lacs in the previous year.
- **Consumed Material Cost**  
The material cost during the current year is Rs. 16,919.33 Lacs is decreased by 18.01% as compared to Rs.20,636.78 Lacs of previous year.
- **Manufacturing Expenses**  
Manufacturing expenses during the current year is Rs.2835.56Lacs and decreased by 31.61% as compared to Rs.4146.25 Lacs of previous year.
- **Employees Remuneration &Benefits**  
Employees Remuneration & benefits during the current year is Rs. 542.60 Lacs and there is increase by 17.38%as compared to Rs.462.26 Lacs of previous year.
- **Administrative & Other Expenses**  
Administrative & Other Expenses during the current year are at Rs.616.86 Lacs and are decreased by 1.54% as compared to Rs.626.51 Lacs in the previous year.
- **Depreciation**  
Depreciation during the current year was Rs. 536.81 Lacs and is increased by 3.12%as compared to Rs.520.55Lacs of previous year.
- **Profit after tax**  
the company has incurred loss after tax at Rs. 252.14 Lacs as compared to profit of Rs.116.05 Lacs of previous year and is lower at 317.27%.

### **COMPETITION**

The Company faces stiff competition from medium and large well-established players. The Company is smaller in size compared to the market leaders. However with capital expenditure in the upgradation of

project of the company, it intends to face competition more confidently.

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

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

#### **PERSONNEL**

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

#### **CAUTIONARY STATEMENT**

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

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20**

The Company continues to follow steady policies from year to year as under:

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

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

**ii) BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2020, the Company's Board consists of six Directors having considerable skills, expertise, knowledge and professional experience in their respective fields for effectively managing the company. Out of them three are Non- Executive Independent Directors which includes one Woman Director and other three are Executive Directors including one Chairman and Whole-time Directors and one executive director, who are the promoters of the Company and one Additional Executive Director. The Composition of the Board is in Conformity with Regulation 17 of SEBI (LODR) Regulation, 2015 and as per Companies Act, 2013 which is effective as on 31<sup>st</sup> March, 2020.

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 Regulation 26 of SEBI (LODR) Regulation, 2015), 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, 2020**

S. No	Name of director	Category	Number of shares	No. Of other directorship/ name of listed entity	No. Of other committee membership/ Chairmanship held*
1.	Mr. Yashwant Vaswani	Whole Time Director	2910840	5 (NIL)	1
2.	Mr. Ashok Suri	Independent Director	Nil	1 (NIL)	2
3.	Mr. Sanjay Jadwani	Independent Director	Nil	2 (NIL)	1
4.	Mrs. Satyawati Parashar	Independent Director	Nil	3 (Ashoka Refineries Limited New Era Alkaloids And Exports Ltd Natura Hue-Chem Limited)	9
5.	Mrs. Sudha Vaswani	Director	4113825	1 (NIL)	0
6.	Shri Babu Lal Baghwar	Director	Nil	4 (NIL)	1

\*Only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**TABLE 2**  
**As on March 31, 2020**  
**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.	24/04/2019	6	6
2.	08/05/2019	6	6
3.	30/05/2019	6	6
4.	27/06/2019	7	6
5.	14/08/2019	7	6
6.	30/08/2019	7	5
7.	02/09/2019	7	5
8.	14/11/2019	7	7
9.	14/02/2020	6	6

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

**TABLE 3**

**As on March 31, 2020**

**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. Yashwant Vaswani	9	YES
2.	Mr. Ashok Kumar Suri	8	YES
3.	Mr. Sanjay Jadwani	8	YES
4.	Mr. Babu Lal Baghwar	6	YES
5.	Mrs. Sudha Vaswani	8	YES
6.	Mrs. Satyawati Parashar	7	YES

**TABLE 4**

**As on March 31, 2020**

Independent Directors Meeting

Sr. No.	Dates of Meeting	Committee Strength	No. of members Present
1	14/02/2020	3	3

iii) **ROLE OF DIRECTORS**

Your Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company and in the creating of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As part of its function, your Board periodically reviews all the relevant information which is required to be placed before it pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board not only monitors the Company's overall corporate performance it also set standards of corporate behavior, ensures transparency in corporate dealing and compliance with the laws and regulations.

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

**iv) OTHER COMMITTEES AT BOARD LEVEL**

a) **Audit Risk Management & Vigil Committee**

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

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

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

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

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

Name of Members	Designation	Nature of directorship
Mrs. Satyawati Parashar	Chairperson Independent	Non-Executive Director
Mr. Sanjay Jadwani	Member Independent	Non-Executive Director
Mr. Ashok Kumar Suri	Member Independent	Non-Executive Director
Mr. Yashwant Vaswani	Member	Executive Director

The committee met six times during the year 2019-20 and the attendance of the members at these meetings was as follows:

SN	Date of Meeting	Committee Strength	No. of members present
1.	24/04/2019	4	4
2.	30/05/2019	4	4
3.	14/08/2019	4	4
4.	02/09/2019	4	4
5.	14/11/2019	4	4
6.	14/02/2020	4	4

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 Regulation 18(1) of SEBI LODR, 2015 as are in force/ applicable from time to time.

#### **b) Nomination and Remuneration Committee**

In compliance with the Regulation 19 of SEBI LODR, 2015 and Section 178 of Companies Act, 2013 the Board renamed the Remuneration committee as "Nomination and Remuneration Committee". Your Board has re-constituted the Nomination and Remuneration Committee which now comprises of Mrs. Satyawati Parashar, Independent Director as Chairperson, Mr. Ashok Kumar Suri, Independent Director and Mr. Sanjay Jadwani, Independent Director as members. The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The Committee met on 30.05.2019, 27.06.2019, 02.09.2019 and 14.02.2020 and reviewed the performance of the Directors both Non- Executive and Executive Directors and also the senior managerial personnel including Key Managerial personnel during the year.

#### **c) Stakeholders Relationship Committee**

In compliance with the Regulation 20 of SEBI LODR, 2015 and Section 178 of Companies Act, 2013, your company re-constituted this committee as "Stakeholders Relationship Committee". This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as non-receipt of dividend, Annual Report, shares after transfer and delays in transfer of shares. The committee also looks into issues including status of dematerialization/rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggests measures for improvement from time to time.

The Committee comprises of Mrs. Satyawati Parashar, Independent Director as Chairperson, Mr. Ashok Kumar Suri, Independent Director and Mr. Babu Lal Baghwar, Executive Director as members. During the year under review the committee met on 30.05.2019, 02.09.2019 and 14.02.2020 on various matters referred above. Ms. Ragini Shukla, Company Secretary, being Compliance Officer acts as Secretary to the Committee to discharge the function of the Committee and to place a report at each Board meeting on matters dealt by the committee each quarter. As on 31st March, 2020, no complaints remained

unattended. The company has no share transfers/transmission pending as on 31<sup>st</sup>March, 2020.

#### **d) Risk Management Committee**

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

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

Name of the Director	Business relationship with the Company	Salary, benefits, bonus etc paid during the year 2019-20	Commission Due/ paid/payable for 2019-20	Sitting fess(for Board and its committees)
Yashwant Vaswani	Chairman & Whole-time Director	Rs. 15.19 Lacs	NIL	NIL
Ashok Suri	Independent Director	-	NIL	NIL
Sanjay Jadwani	Independent Director	-	NIL	NIL
Satyawati Parashar	Independent Director	-	NIL	NIL
Sudha Vaswani	Executive Director	Rs. 12.00 Lacs	NIL	NIL
Babu Lal Baghwar	Executive Director	Rs. 1.83 Lacs	NIL	NIL

#### **v) CODE OF CONDUCT**

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

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

Mr. Yashwant Vaswani, Whole-time Director and Mrs. Sudha Vaswani, Director of the Company have certified to the Board that:

- (a) They have reviewed the Financial Statements and the Cash Flow statement for the year and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading; and
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to the financial report and they have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting

We hereby confirm that:

“The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2019-20”

**RAIPUR, 3<sup>rd</sup> September, 2020**

**Sd/-**

**Yashwant Vaswani  
(Whole-time Director)**

**Sudha Vaswani  
(Director)**

**VI) GENERAL MEETINGS:**

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

<b>Annual General Meeting (AGM):</b>				
<b>For the year ended / Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Details of Resolution passed</b>
31.03.2019	Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) 493221	30.09.2019	03.00 PM	Ordinary & Special
31.03.2018	Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) 493221	30.10.2018	03.00 PM	Ordinary & Special
31.03.2017	Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) 493221	29.09.2017	03.00 PM	Ordinary & Special
<b>Extra Ordinary General Meeting (EGM):</b>				
2018	Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) 493221	29.05.2018	03.00 PM	Ordinary
During the year ended on March 31, 2020, there have been no resolutions passed by the Company's Shareholders by postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to pass by postal ballot.				

**VII) DISCLOSURES**

1. Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large. All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company. The details of related party transactions are disclosed in Note No. 35(b) attached to and forming part of the accounts. Details of RPT in form AOC 2 attached to Board Report may also be referred to.

2. Details of non-compliance by the company, penalties, and structures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years. -

- (a) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks.
1.	Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)	<p><b>Regulation 33:</b></p> <p>Non submission of financial results within period prescribed under this regulation.</p> <p>Unaudited financial results for the Quarter ended on 30<sup>th</sup> June, 2019 be approved by Board of Directors in their meeting held on 14<sup>th</sup> August, 2019 but the same could not be uploaded at the portal of exchange because the server and data of the Company got corrupted and due to the same reason filing got delayed.</p> <p>Further, the Board of Directors has re-approved the financials on its meeting held on 30/08/2019 and the same get uploaded at portal of exchange on the same day.</p> <p>There was a total delay of 15 days in submission of unaudited results.</p>	The Stock Exchange (BSE & NSE) has imposed fine of Rs.88,500/- each (Basic fine of Rs.75,000/-plus Rs.13,500/- as GST).	The Company has paid the fine of Rs.88,500/- to BSE & NSE.
2.	Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)	<p><b>Regulation 13(3):</b></p> <p>Non submission of Statement of Investor complaints within period prescribed under this regulation for the quarter ended September 2019.</p> <p>There was a delay of 1 day in submission.</p>	The Stock Exchange (BSE & NSE) has imposed fine of Rs.1,180/- each (Basic fine of Rs.1,000/-plus Rs.800/- as GST).	The Company has paid the fine of Rs.1,180/- to BSE & NSE.
3.	Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)	<p><b>Regulation 29:</b></p> <p>Delay in furnishing prior intimation about the meeting of the Board of Directors.</p> <p>The company has failed to give prior intimation to stock exchange for its board meeting held on 14<sup>th</sup> August, 2019.</p> <p>There was a delay of 1 day in submission.</p>	The Stock Exchange (BSE & NSE) has imposed fine of Rs.11,800/- each (Basic fine of Rs.10,000/-plus Rs.1800/- as GST).	The Company has paid the fine of Rs.11,800/- to BSE & NSE.

3. Compliance with Accounting Standards - In the preparation of financial statements there is

no deviation from the prescribed Accounting Standards.

4. Compliance Certificate from the auditors - Certificate from the auditors of the company confirming compliance with the mandatory requirements under SEBI (LODR) Regulations, 2015 is annexed to this report. This certificate has also been forwarded to the Stock Exchanges where the shares of company are listed.

5. Adoption of non mandatory requirements under SEBI (LODR) Regulations, 2015 and as applicable under Companies Act,2013:-

The company complies with the following non-mandatory requirements under SEBI (LODR) Regulations, 2015 with reference to Companies Act, 2013 relating to Audit Committee.

6. The company has no subsidiaries.

7. No significant changes in Accounting Treatment.

8. Whistle blower policy

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

The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice. The Whistle Blower Policy is uploaded in our websitevaswaniindustries.com.

9. Risk Management

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

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

10. Corporate Social Responsibility(CSR)

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

11. Archival Policy

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

12. Policy on preservation of Documents

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

13. Familiarization Program for Independent Directors

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

14. Certificate from Practicing Company Secretary:

The Company has received a certificate from M/s Satish Batra & Associates, Practicing Company Secretary certifying that none of the Directors of the Company are debarred or disqualified from being appointed or continuing as Directors of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed as Annexure- A.

**15. Total fees paid to Statutory Auditors:**

The details of the total fees of all services paid by the Company, to M/s Amitabh Agrawal & Company during the year 2019-20 is Rs.200,000/-.

**VIII) MEANS OF COMMUNICATION:**

- Financial Results: The quarterly, half yearly and annual results are issued electronically in the stock exchange and posted in its website and are displayed on the website of the Company [www.vaswaniindustries.com](http://www.vaswaniindustries.com).
- Website: The Company's website "[www.vaswaniindustries.com](http://www.vaswaniindustries.com)" contains sections for the policies, investors where shareholders interest related information is available, financial results/reports etc. The Annual Report of the Company is also available on the website in a downloadable form.

**IX) GENERAL SHAREHOLDERS' INFORMATION**

Annual General Meeting Date	30 <sup>th</sup> September, 2020 at 3.00 p.m.				
Venue	Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur Chhattisgarh 493221				
Financial Year	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020				
Book Closure Date	Thursday, 24 <sup>th</sup> September, 2020 to 30 <sup>th</sup> September, 2020 (both days inclusive)				
Listed on stock exchange	National Stock Exchange & Bombay Stock Exchange				
Listing Date & Commencement of Trading Date	20 <sup>th</sup> September, 2011 & 24 <sup>th</sup> October, 2011				
Annual Listing fees	Annual Listing fees for the year 2019-20 were duly paid to the above stock exchanges.				
Stock Code	NSE: VASWANI & BSE: 533576				
ISIN	INE590L01019				
Dividend	No dividend recommended by Board of Directors.				
Market price data and performance of the share price of the Company in comparison to BSE Sensex and NSE nifty. The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited	Month	BSE		NSE	
		High	Low	High	Low
	April, 2019	10.60	9.30	10.50	9.15
	May, 2019	11.38	8.12	10.80	8.10
	June, 2019	12.80	7.32	12.35	8.00
	July, 2019	10.80	7.23	10.25	7.15
	August, 2019	7.79	6.02	8.05	5.60
	September, 2019	8.89	6.02	7.30	5.85
	October, 2019	6.40	4.27	6.60	4.25
	November, 2019	5.65	4.41	6.30	4.00
	December, 2019	8.07	4.25	8.10	4.00
	January, 2020	5.45	4.76	5.40	4.70
	February, 2020	4.74	3.20	4.95	3.20
March, 2020	3.70	2.60	3.55	2.30	

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

**XI) SHARE TRANSFER PROCEDURE:**

Shareholders / Investors Grievance & Share Transfer Committee is empowered to approve transfer. All the transactions related to share transfer, change of address, dividend, share certificate etc., should be addressed to R&T Agent of the Company at the address mentioned in this Annual Report. Pursuant to Regulation 40 (9) SEBI (LODR) Regulations, 2015, the Company obtained a certificate from a Practising Company Secretary on half yearly basis, for compliance of share transfer formalities.

**XII) DISTRIBUTION OF SHAREHOLDING**

i) Shareholding Pattern Category wise as on 31<sup>st</sup> March, 2020

Category	No. of Shares held	% of holding
Promoters	17500000	58.33
Individual Shareholding – Upto Rs. 2 Lakhs	5019170	16.73
Individual Shareholding – More than Rs. 2 Lakhs	3409794	11.36
Trusts	0	0.00
NBFCs registered with RBI	0	0.00
HUF	1081188	3.60
Foreign Individuals or NRI	151840	0.50

Clearing Members	18060	0.06
Bodies Corporate	2819948	9.39
<b>Total</b>	<b>30000000</b>	<b>100.00</b>

ii) Distribution of Share-holding as on March 31,2020

SHAREHOLDING CATEGORY			NUMBER OF SHAREHOLDER	PERCENTAGE OF TOTAL	TOTAL SHARES	PERCENTAGE OF TOTAL
1	to	500	3554	64.854	615156	2.0505
501	to	1000	672	12.2628	597657	1.9922
1001	to	2000	496	9.0511	801968	2.6732
2001	to	3000	174	3.1752	455129	1.5171
3001	to	4000	140	2.5547	482969	1.6099
4001	to	5000	130	2.3723	617685	2.059
5001	to	10000	159	2.9015	1179312	3.931
10001	&	Above	155	2.8285	25250124	84.1671
<b>Total</b>			<b>5480</b>	<b>100.00</b>	<b>30000000</b>	<b>100.00</b>

#### XIII) DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY:

The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Limited' in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.99% of the share capital are dematerialized as on 31<sup>st</sup> March, 2020.

#### XIV) REGISTRAR & TRANSFERAGENTS:

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

**LINK INTIME INDIA PVT LTD** - C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400083  
 Phone: 022-49186270 Fax: 022-49186060 Email:  
 rnt.helpdesk@linkintime.co.in Website: [www.linkintime.co.in](http://www.linkintime.co.in)

#### XV) ADDRESS OFCORRESPONDENCE:

Company Secretary & Compliance Officer, Vaswani Industries Ltd., Regd. Off.: Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur Chhattisgarh 493221, Phone: 0771-4226000 Fax: 0771-4226000, Email: [complianceofficer@vaswaniindustries.com](mailto:complianceofficer@vaswaniindustries.com), Website: [www.vaswaniindustries.com](http://www.vaswaniindustries.com)

#### XVI) REQUEST TOINVESTORS

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

#### XVII) RECONCILIATION OF SHARE CAPITALAUDIT

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup>March 2020 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. No paid up equity capital have been dematerialized as on 31<sup>st</sup>March, 2020.

**RAIPUR, 3<sup>rd</sup> September, 2020**

**Sd/-  
Yashwant Vaswani  
(Whole-time Director)**

**Sd/-  
Sudha Vaswani  
(Director)**

**ANNEXURE A**  
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
Vaswani Industries Limited  
Bahesar Road, Near Cycle Park,  
VILL - Sondra Phase-II,  
Industrial Area, Siltara  
Raipur (C.G.) 493221

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vaswani Industries Limited having CIN L28939CT2003PLC015964 and having registered office at Bahesar Road, Near Cycle Park, VILL - Sondra Phase-II, Industrial Area, Siltara, Raipur (C.G.) 493221 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>
1.	Yashwant Vaswani	01627408
2.	Ashok Suri	00291897
3.	Sanjay Jadwani	05139093
4.	Satyawati Parashar	00761009
5.	Sudha Vaswani	02909309
6.	Babu Lal Baghwar	08430962

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Sd/-**  
**Satish Kumar Batra**  
**Proprietor**  
**M. No. - FCS1316**  
**C.P. No.2875**  
**UDIN: F001316B000654001**

**PLACE: RAIPUR (C.G.)**  
**DATED: 03.09.2020**

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

To,

The Members of Vaswani Industries  
Limited Bahesar Road, Near Cycle  
Park, Vill – Sondra Phase-II,  
Industrial Area, Siltara  
Raipur (C.G.) 493221

1. We have examined the compliance of conditions of Corporate Governance by Vaswani Industries Limited for the year ended 31<sup>st</sup>March, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither as assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Sd/-  
Satish Kumar Batra  
M. No. - FCS1316  
C.P. No.2875**

**UDIN NO: F001316B000654078**

**PLACE: RAIPUR (C.G.)  
DATED: 03/09/2020**

## **CEO/CFO CERTIFICATION**

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

- a. They we have reviewed financial statements and the cash flow statement for the year ending 31<sup>st</sup> March, 2020 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.

**RAIPUR, 30<sup>th</sup> July, 2020**

**Sd/-  
Yashwant Vaswani  
(Whole-time Director)**

**Sd/-  
Sudha Vaswani  
(Director)**

## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
VASWANI INDUSTRIES LIMITED,  
Bahesar Road, Near Cycle Park, Vill – Sondra  
Phase-II, Industrial Area, Siltara  
Raipur (C.G.) 493221

Dear Sir,

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

- (a) I declare that up to the date of this certificate, I did not have any material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/ transaction. However, if and when I intend to enter into any such relationships/ transactions, whether material or non-material I shall seek prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship /transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the board level or at one level below the board and also have not been an executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or an executive during the preceding three years, of any of the following:
- (i) the statutory audit firm or the internal audit firm that is associated with the Company, and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the Company.
- (d) I have not been a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director; and was not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares.

Independent Directors of Vaswani Industries Limited

Ashok Suri – Independent Director DIN - 00291897 Date : 01/04/2019 Place : Raipur	Sanjay Jadwani – Independent Director DIN - 05139093 Date : 01/04/2019 Place : Raipur	Satyawati Parashar – independent Director DIN - 00761009 Date: 01/04/2019 Place : Raipur
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## INDEPENDENT AUDITORS' REPORT

**TO  
THE MEMBERS OF  
VASWANI INDUSTRIES LTD.  
RAIPUR**

Report on the audit of the Standalone Financial Statements

### **Opinion**

We have audited the standalone financial statements of VASWANI INDUSTRIES LTD. ("the Company"), which comprise the standalone Balance Sheet as at 31 March 2020, and the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and standalone Statement of Cash Flows ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matters**

We draw attention to the following matters in the notes to the standalone financial statements:-

- (i) Note No. 27 (a) to the standalone financial statements which describes regarding certain disclosures relating to SSI Enterprises.
- (ii) Note No. 27 (b) to the standalone Financial statements which describes regarding certain disclosures relating to Micro/Small/Medium Enterprises

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p><b>Key Audit Matter:</b></p>
<p><u>Evaluation of Uncertain Tax Position</u></p>
<p>The company has uncertain tax positions including matter under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>
<p>Refer Note no. 30 of Financial Statement</p>
<p><b>Audit Response:</b></p>
<p><u>Principal Audit Procedure</u></p>
<p>Obtained details of completed tax assessment and demand for the year ended March 31, 2020 from management. We involved our internal expert to change the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedent and other ruling and evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of the new information in respect of uncertain tax as at April 1, 2019 to evaluate whether my change was required to management's position on these uncertainties.</p>

### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought & obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with this report are in agreement with the books of accounts;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the Basis of written representations received from the Directors as on March 31st, 2019, and taken on record by Board of Directors, two Directors are Mr. Ravi Vaswani & Pawan Kumar Jha are disqualified as on March 31st, 2019, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the Internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' to this report.
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note No. 29 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

#### **FOR, AMITABH AGRAWAL & CO.**

CHARTERED ACCOUNTANTS  
FIRM REGN. NO.006620C  
UDIN - 20075315AAAAAU3068

**Sd/-**

**(AMITABH AGRAWAL)**

PARTNER

M.NO.075315

PLACE: RAIPUR (C.G.)

DATED: 30<sup>th</sup> July, 2020

**ANNEXURE "A" TO THE AUDITORS' REPORT**  
**[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our**  
**Report of even date to the members of**  
**VASWANI INDUSTRIES LTD.**  
**On the accounts of the company for the year ended 31<sup>st</sup>March, 2020]**

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

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The major assets have been physically verified by the management on a sample basis during the year and in our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies noticed on such verification.
  - c) We have inspected the original title deeds of immovable properties of the company held as fixed assets which are in the custody of the company. We have obtained third party confirmations in respect of immovable properties of the company held as fixed assets which are in the custody of third parties such as mortgages. Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.
- (ii) As explained to us and according to the information provided by the management, the inventory has been physically verified at reasonable interval during the year by the management. The discrepancies noticed on verification between physical stock and book stocks, wherever ascertained were not significant and have been properly dealt in the books of the accounts.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the act, with respect to the loans and investments made. The company has neither issued any guarantee nor has provided any security on behalf of any party.
- (v) In our opinion and according to the information and explanation given to us, the Company did not receive any deposits covered under section 73 to 76 of the company Act and rules framed there under with regards to deposits accepted from the public during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these accounts & records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, Employee State Insurance, income tax, sales tax, service tax, duty of Excise, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.
  - b) However as per records and according to the information and explanation given to us, the following dues of sales tax, wealth tax, custom duty, excise duty, vat have not been deposited by the company with the concerned authorities on account of dispute :-

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

- (viii) According to the information & explanations given to us, the Company has not defaulted in repayment of the dues to financial institutions or banks or debenture holders.
- (ix) Based on the information and explanations given to us and records of the company examined by us, the company has not raise money by way of further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, the transactions with the related parties are in compliance with Section 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by applicable accounting standards wherever required.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence reporting under paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, clause 3 (xv) of the order is not applicable to the Company and hence not commented upon.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR, AMITABH AGRAWAL & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.006620C  
UDIN - 20075315AAAAAU3068**

**Sd/-  
(AMITABH AGRAWAL)  
PARTNER  
M.NO.075315  
PLACE: RAIPUR (C.G.)  
DATED: 30<sup>th</sup>July, 2020**

## **ANNEXURE B TO THE AUDITORS' REPORT**

**[Referred to in paragraph 2 (F) under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members.**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of VASWANI INDUSTRIES LTD. (the Company) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as Required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statement.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR, AMITABH AGRAWAL & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.006620C  
UDIN - 20075315AAAAAU3068**

**Sd/-  
AMITABH AGRAWAL  
(Partner)  
M.NO.075315**

**PLACE: RAIPUR (C.G.)  
DATED: 30<sup>th</sup> July, 2020**

**BALANCE SHEET & PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2020**

S.NO.	Particulars	Note	As at March 31, 2020 2019-20	As at March 31, 2019 2018-19
<b>I</b>	<b>ASSETS</b>			
A	Non- current Assets			
a	Property ,Plant & equipment	<b>1</b>	594,698,390	544,029,641
b	Capital Work in progress		-	-
c	Investment property		-	-
d	Goodwill		-	-
e	Other Intangible Assets		-	-
f	Intangible assets under development		-	-
g	Biological Assets other than bearer plants		-	-
h	Financial Assets			
	(i) Investments	<b>2</b>	72,187,573	72,187,573
	(ii) Trade receivables		-	-
	(iii) Loans & Advances	<b>3</b>	137,790,672	151,543,319
i	Deferred tax assets (net)		-	-
j	Other non-current assets	<b>4</b>	18,561,149	34,617,019
	<b>Total Non Current Assets</b>	<b>A</b>	<b>823,237,784</b>	<b>802,377,552</b>
<b>B</b>	<b>Current assets</b>			
a	Inventories	<b>5</b>	371,338,271	510,588,755
b	Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	<b>6</b>	540,442,257	428,962,486
	(iii) Cash and cash equivalents	<b>7</b>	9,054,137	3,875,538
	(iv) Bank balances other than(iii) above	<b>8</b>	-	-
	(v) Loans & Advances	<b>3</b>	153,467,987	214,755,149
	(vi) Others		-	-
c	Current Tax Assets (Net)		-	-
d	Other current assets	<b>4</b>	60,838,032	22,426,984
	<b>Total Current Assets</b>	<b>B</b>	<b>1,135,140,684</b>	<b>1,180,608,913</b>
	<b>Total Assets</b>	<b>I=(A+B)</b>	<b>1,958,378,469</b>	<b>1,982,986,465</b>
<b>II</b>	<b>Equity and Liabilities</b>			
	<b>Equity</b>			
a	Equity Share Capital	<b>9</b>	300,000,000	300,000,000
b	Other Equity	<b>10</b>	677,996,563	625,719,949
	<b>Total Equity</b>	<b>II</b>	<b>977,996,563</b>	<b>925,719,949</b>
<b>III</b>	<b>Liabilities</b>			
<b>A</b>	<b>Non Current Liabilities</b>			
a	Financial Liabilities			
	i. Borrowings	<b>11</b>	88,637,936	112,986,872
	ii. Trade payables		-	-
	iii. Other financial liabilities (other than those specified in item (b))		-	-
b	Provisions	<b>14</b>	4,872,018	3,413,451
c	Deferred tax liabilities (Net)		56,874,379	30,021,879
d	Other non-current liabilities	<b>12</b>	-	-
	<b>Total Non Current Liabilities</b>	<b>A</b>	<b>150,384,333</b>	<b>146,422,202</b>
<b>B</b>	<b>Current Liabilities</b>			
a	Financial Liabilities			
	i. Borrowings	<b>11</b>	441,059,515	394,499,522
	ii. Trade payables	<b>13</b>		
	- Dues to Micro & Small Enterprises		-	-
	- Dues to others		285,383,172	415,451,871
	iii. Other financial liabilities (other than those specified in item (c))		-	-
b	Other current liabilities	<b>12</b>	30,314,365	30,159,105
c	Provisions	<b>14</b>	73,240,520	70,733,816
d	Current Tax Liabilities (Net)			
	<b>Total Current Liabilities</b>	<b>B</b>	<b>829,997,572</b>	<b>910,844,314</b>
	<b>Total Liabilities</b>	<b>III=(A+B)</b>	<b>980,381,905</b>	<b>1,057,266,516</b>
	<b>Total Equity and Liabilities</b>	<b>II+ III</b>	<b>1,958,378,469</b>	<b>1,982,986,465</b>

The accompanying notes form an integral part of Standalone Financial Statements As per our report of even date attached

For, AMITABH AGRAWAL & COMPANY  
 CHARTERED ACCOUNTANTS  
 FIRM REG NO. -006620C  
 UDIN: 20075315AAAAAU3068  
 Sd/-  
**(AMITABH AGRAWAL)**  
 PARTNER

MEMBERSHIP NO: 075315  
 Place: Raipur  
 Date: 30.07.2020

BY ORDER OF THE BOARD  
 FOR VASWANI INDUSTRIES LIMITED

Sd/-  
**YASHWANT VASWANI** DIRECTOR

DIN:01647208

Sd/-  
**SUDHA VASWANI**  
 DIRECTOR

DIN:02909309

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

S.NO	Particulars		Year ended	
			31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
			(Audited)	(Audited)
I	Revenue From Operations	15	3,524,411,553	3,191,222,959
II	Other Income	16	3,524,411,553	3,191,222,959
III	<b>Total Income from Operations</b>	<b>I+II</b>	<b>20,812,080</b>	<b>5,269,826</b>
IV	<b>EXPENSES</b>		<b>3,545,223,633</b>	<b>3,196,492,785</b>
	a. Cost of Materials Consumed	17	1,691,933,311	2,063,678,494
	b. Cost of Traded Goods		1,315,342,869	486,504,851
	c. Changes in Inventories of Finished Goods & Traded Goods	18	(19,534,418)	(57,459,038)
	d. Employees Benefits Expenses	19	54,260,106	46,226,154
	e. Finance Costs	20	102,660,003	95,207,767
	f. Depreciation and Amortization Expenses		53,680,876	52,054,611
	g. Other Expenses	21	345,242,678	477,275,456
	<b>Total expenses (a+b+c+d+e+f+g)</b>	<b>IV</b>	<b>3,543,585,426</b>	<b>3,163,488,295</b>
V	<b>Profit/Loss before exceptional items and tax</b>	<b>(III-IV)</b>	<b>1,638,207</b>	<b>33,004,490</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit/Loss before and tax</b>	<b>V-VI</b>	<b>1,638,207</b>	<b>33,004,490</b>
VIII	<b>Tax Expense</b>			
	a) Current Tax		265,000	7,066,700
	Less: MAT Credit		(265,000)	(7,066,700)
	b) Income tax of earlier years		-	57,050
	c) Deferred Tax		26,852,500	21,342,168
IX	<b>Profit/(loss) for the period</b>	<b>VII-VIII</b>	<b>(25,214,293)</b>	<b>11,605,272</b>
X	<b>Other comprehensive income</b>			
	A. (i) Items that will not be reclassified to profit and loss:		93,682,907	211,685
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(16,192,000)	(43,600)
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	<b>Total Comprehensive Income for the period</b>	<b>IX+X</b>	<b>52,276,614</b>	<b>11,773,357</b>
	[Comprising Profit (Loss) and Other comprehensive Income for the period]			
XII	<b>Paid-up Share Capital (par value Rs. 10/- each fully paid up)</b>		<b>30,000,000</b>	<b>30,000,000</b>
XIII	<b>Earnings per equity share (Par value Rs. 10 each)</b>			
	i) Basic		<b>(0.84)</b>	<b>0.39</b>
	ii) Diluted		<b>(0.84)</b>	<b>0.39</b>

The accompanying notes form an integral part of Standalone Financial Statements As per our report of even date attached

For, **AMITABH AGRAWAL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG NO. - 006620C**  
**UDIN: 20075315AAAAAU3068**

**BY ORDER OF THE BOARD**  
**FOR VASWANI INDUSTRIES LIMITED**

Sd/-  
**(AMITABH AGRAWAL)**  
**PARTNER**  
**MEMBERSHIP NO: 075315**

Sd/-  
**YASHWANT VASWANI**  
**DIRECTOR**  
**DIN:01647208**

Sd/-  
**SUDHA VASWANI**  
**DIRECTOR**  
**DIN:02909309**

Place: Raipur  
Date: 30.07.2020

**CASH FLOW STATEMENT AS AT 31ST MARCH, 2020**

Particulars	(Amount in Rs.) As at March 31, 2020	(Amount in Rs.) As at March 31, 2019
<b>A) Cash Flow From Operating Activities :-</b>		
<b>1. Net Profit/(Loss) before Taxes and Exceptional Items</b>	1,638,207	33,004,490
Adjustments for:-		
Depreciation	53,680,876	52,054,611
Interest Charged to P & L A/c	102,660,003	95,207,767
Loss on sale of Fixed Assets	46,042	-
Other Non cash items	(16,192,000)	43,600
<b>2. Operating Profit before Working Capital Changes</b>	141,833,128	180,310,468
Adjustments for:-		
Decrease/(Increase) in current assets & other	80,455,346	(253,296,336)
Increase/(Decrease) in Payables	(125,030,627)	167,347,547
<b>Cash generated from Operations</b>	<b>97,257,847</b>	<b>94,361,679</b>
Direct Taxes Paid	-	-
<b>Net Cash from Operating Activity(A)</b>	<b>97,257,847</b>	<b>94,361,679</b>
<b>B) Cash Flow From Investing Activities :-</b>		
Purchase of Fixed Assets	(11,930,302)	(21,217,672)
Sale of Fixed Assets	300,000	-
Sale of Investment	-	-
<b>Net Cash from Investing Activity (B)</b>	<b>(11,630,302)</b>	<b>(21,217,672)</b>
<b>C) Cash Flow From Financing Activities :-</b>		
Proceed from Bank Borrowing (Net)	22,211,057	28,105,849
Interest Paid	(102,660,003)	(95,207,767)
<b>Net Cash From Financing Activities (C)</b>	<b>(80,448,946)</b>	<b>(67,101,918)</b>
<b>D) Net Increase / (Decrease) in Cash &amp; Cash Equivalents ((A)+(B)+( C ))</b>	<b>5,178,599</b>	<b>6,042,088</b>
<b>E) Cash and Cash Equivalent at beginning of the Year</b>	<b>3,875,538</b>	<b>(2,166,551)</b>
<b>F) Cash and Cash Equivalent at end of the Year (D+E)</b>	<b>9,054,137</b>	<b>3,875,538</b>

NOTE:-

Previous Year figures have been regrouped / recast wherever necessary.

The accompanying notes form an integral part of Standalone Financial Statements.

As per our report of even date attached

**For, AMITABH AGRAWAL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG NO. -006620C**  
**UDIN: 20075315AAAAAU3068**

Sd/-  
**(AMITABH AGRAWAL)**  
**PARTNER**  
**MEMBERSHIP NO: 075315**

**BY ORDER OF THE BOARD**  
**FOR VASWANI INDUSTRIES LIMITED**

Sd/-  
**YASHWANT VASWANI**  
**DIRECTOR**  
**DIN:01647208**

Sd/-  
**SUDHA VASWANI**  
**DIRECTOR**  
**DIN:02909309**

**Place: Raipur Date:**  
**30.07.2020**

**STATEMENT OF CHANGES IN EQUITY**

**A. Equity Share capital**

Balance as at April 1, 2019 (In Rupees)	Changes in Equity Share Capital during the Year	Balance as at March 31, 2020 (In Rupees)
30000000	0	30000000

Balance as at April 1, 2018 (In Rupees)	Changes in equity Share Capital during the Year	Balance as at March 31, 2019 (In Rupees)
30000000	0	30000000

**B. Other Equity**

		Share application on money pending allotment	Equity component of compound financial instrument	Reserve and Surplus					Total
				Revaluation Reserve	Securities Premium Reserve	General Reserve	Misc. Expenditure	Retained Earning (Surplus/ deficit in profit & loss account)	
<b>Balance as at April, 2019</b>	<b>A</b>			-	486,477,229	11,370,735	(3,541,825)	131,413,811	625,719,950
Profit for the year	<b>B</b>					-	-	(25,214,293)	(25,214,293)
Other Comprehensive Income	<b>C</b>			76,573,365		-		917,542	77,490,907
Transfer to the P/L account	<b>D</b>						-	-	-
<b>Total comprehensive</b>	<b>E=B+C</b>			<b>76,573,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,296,752)</b>	<b>52,276,614</b>
Dividends	<b>F</b>								-
Transfer to General Reserve	<b>G</b>								-
<b>Balance as at March, 2020</b>	<b>H</b>			<b>76,573,365</b>	<b>486,477,229</b>	<b>11,370,735</b>	<b>(3,541,825)</b>	<b>107,117,060</b>	<b>677,996,563</b>
<b>Balance as at April, 2018</b>	<b>A</b>			-	<b>486,477,229</b>	<b>10,210,207</b>	<b>(3,541,825)</b>	<b>71,993,816</b>	<b>565,139,427</b>
Profit for the year	<b>B</b>					1,160,527		11,605,272	<b>12,765,799</b>
Other Comprehensive Income	<b>C</b>							48,975,250	<b>48,975,250</b>
Transfer to the P/L account	<b>D</b>								-
<b>Total comprehensive</b>	<b>E=B+C</b>			<b>-</b>	<b>-</b>	<b>1,160,527</b>	<b>-</b>	<b>60,580,522</b>	<b>61,741,049</b>
Dividends	<b>F</b>								-
Transfer to General Reserve	<b>G</b>							1,160,527	<b>1,160,527</b>
<b>Balance as at March, 2019</b>	<b>H</b>			<b>-</b>	<b>486,477,229</b>	<b>11,370,734</b>	<b>(3,541,825)</b>	<b>131,413,811</b>	<b>625,719,949</b>

As per our report of even date attached  
**For, AMITABH AGRAWAL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG NO. - 006620C**  
**UDIN: 20075315AAAAAU3068**

**BY ORDER OF THE BOARD**  
**FOR VASWANI INDUSTRIES LIMITED**

Sd/-  
**(AMITABH AGRAWAL)**  
**PARTNER**  
**MEMBERSHIP NO: 075315**

Sd/-  
**YASHWANT VASWANI**  
**DIRECTOR**  
**DIN:01647208**

Sd/-  
**SUDHA VASWANI**  
**DIRECTOR**  
**DIN:02909309**

**Place: Raipur**  
**Date:30.07.2020**

**NOTE 1 PROPERTY, PLANT & EQUIPMENT**

<b>FIXED ASSETS</b>													
	<b>GROSS BLOCK</b>					<b>DEPRECIATION</b>						<b>NET BLOCK</b>	
<b>NAME OF ASSETS</b>	<b>OPENING BALANCE AS ON 01.04.2019</b>	<b>ADD/(LESS) ON REVALUATION OF ASSETS</b>	<b>ADDITION DURING THE YEAR</b>	<b>DEDUCTION /ADJUSTMENTS DURING THE YEAR</b>	<b>TOTAL AS ON 31.03.2020</b>	<b>DEP. OPENING AS ON 01.04.2019</b>	<b>DEPRECIATION DURING THE PERIOD</b>	<b>DEP ON NULL ASSETS ADJU. THRU. RESERVES</b>	<b>NET DEPRECIATION ON CHARGEABLE DURING THE PERIOD</b>	<b>DEP REVERSE ON SALE</b>	<b>TOTAL AS ON 31.03.2020</b>	<b>BALANCE AS ON 31.03.2020</b>	<b>BALANCE AS ON 31.03.2019</b>
<b>SPONGE DIVISION</b>													
FREEHOLD LAND	12,228,635	92,765,365	-	-	104,994,000	-	-	-	-	-	-	104,994,000	12,228,635.00
GARDEN	111,169	-	-	-	111,169	111,169	-	-	-	-	111,169	-	-
SITE DEVELOPMENT & BOREWELL	2,549,436	-	1,670,341	-	4,219,777	2,549,436	222,216.00	-	222,216	-	2,771,652	1,448,124.86	-
BUILDING & CIVIL WORK (SPONGE)	52,880,061	-	1,281,469	-	54,161,530	19,687,876	1,937,289	-	1,937,289	-	21,625,165	32,536,365	33,192,185.00
PLANT & MACHINERY (K-1)	80,564,483	-	-	-	80,564,483	50,728,374	2,710,800	-	2,710,800	-	53,439,174	27,125,309	29,836,109.00
PLANT & MACHINERY (K-2)	70,701,840	-	393,387	-	71,095,227	42,054,133	2,634,851	-	2,634,851	-	44,688,984	26,406,243	28,647,707.00
PLANT & MACHINERY (K-3)	80,361,934	-	-	-	80,361,934	32,759,529	3,173,494	-	3,173,494	-	35,933,023	44,428,911	47,602,405.00
PLANT & MACHINERY (CRUSHER DIVISION)	35,481,414	-	-	-	35,481,414	12,917,332	2,442,399	-	2,442,399	-	15,359,731	20,121,683	22,564,082.00
JAW CRUSHER	716,674	-	-	-	716,674	696,508	-	(15,668)	(15,668)	-	680,840	35,834	20,166.00
TOOLS & EQUIPMENTS	55,508	-	-	-	55,508	54,042	-	(1,309)	(1,309)	-	52,733	2,775	1,466.00
POLLUTION CONTROL EQ. (SPONGE)	30,348,267	-	430,000	-	30,778,267	25,424,506	3,013,997	-	3,013,997	-	28,438,503	2,339,764	4,923,761.00
<b>COMMERCIAL VEHICLE</b>													
VEHICLE (JCB Loader)	10,468,809	-	-	-	10,468,809	8,044,809	627,808	-	627,808	-	8,672,617	1,796,193	2,424,000.59
HYWA JB 3513 & CG 04 JA 5012 & 5013	1,280,000	-	621,850	-	1,901,850	690,677	186,310	-	186,310	-	876,987	1,024,863	589,323.42
MINI BUS	860,716	-	-	-	860,716	860,716	-	-	-	-	860,716	-	-
CGO4JB/0822(DI 207)	452,430	-	-	-	452,430	452,430	-	-	-	-	452,430	-	-
ELECTRICAL INSTALLATION (K-1)	7,959,294	-	-	-	7,959,294	7,959,294	-	-	-	-	7,959,294	-	-
ELECTRICAL INSTALLATION (K-2)	8,396,093	-	-	-	8,396,093	8,396,093	-	-	-	-	8,396,093	-	-
ELECTRICAL INSTALLATION (K-3)	13,503,821	-	-	-	13,503,821	12,828,630	-	-	-	-	12,828,630	675,191	675,191.00
GENERATOR SET (500KVA)	2,250,000	-	-	-	2,250,000	1,077,876	39,416	-	39,416	-	1,117,292	1,132,708	1,172,124.00
OFFICE EQUIPMENTS (SPONGE)	1,909,369	-	136,718	-	2,046,087	1,015,514	124,945	-	124,945	-	1,140,459	905,628	893,855.00
COMPUTER & SOFTWARE (SPONGE)	6,547,211	-	127,488	-	6,674,699	5,624,579	1,002,684	-	1,002,684	-	6,627,263	47,436	922,631.71
FURNITURE & FIXTURES (SPONGE)	788,403	-	2,714	-	791,117	722,053	27,567	-	27,567	-	749,620	41,497	66,350.11
LAB EQUIPMENT	576,474	-	4,291	-	580,765	576,474	126	-	126	-	576,600	4,165	-

CG 04HN 8164 (HERO MOTORCYCLE)	43,700	-	-	-	43,700	29,655	5,931	-	5,931	-	35,586	8,114	14,045.00
CG18B8789(MOTORCYCLE)	18,500	-	-	-	18,500	17,859	-	(284)	(284)	-	17,575	925	641.00
CG04K9343(CD DAWN)	39,315	-	-	-	39,315	29,143	4,294	-	4,294	-	33,437	5,878	10,172.00
<b>FOUR WHEELER</b>													
MARUTI VAN CG04 HA/4204	82,000	-	-	-	82,000	65,875	12,025	-	12,025	-	77,900	4,100	16,125.00
AUDI Q5 CAR	4,983,466	-	-	-	4,983,466	4,983,466	-	-	-	-	4,983,466	-	-
WEIGHING MACHINE (SPONGE)	910,443	-	-	-	910,443	520,758	70,515	-	70,515	-	591,273	319,170	389,685.00
BMW 520 DM SPORT CAR	4,555,516	-	-	-	4,555,516	948,546	540,968	-	540,968	-	1,489,514	3,066,002	3,606,969.55
MARUTI VAN CG 04 HC 8202	200,000	-	-	-	200,000	32,243	23,750	-	23,750	-	55,993	144,007	167,757.00
MARUTI SWIFT	795,743	-	-	-	795,743	106,485	94,494	-	94,494	-	200,979	594,764	689,258.34
FORTUNER	3,612,480	-	-	-	3,612,480	205,190	428,982	-	428,982	-	634,172	2,978,308	3,407,290.00
MERCIDISE CAR	8,752,471	-	-	-	8,752,471	85,427	1,039,356	-	1,039,356	-	1,124,783	7,627,688	8,667,044.00
TRACTOR	-	-	325,000	-	325,000	-	38,699	-	38,699	-	38,699	286,301	-
<b>TOTAL</b>	<b>444,985,675</b>	<b>92,765,365</b>	<b>4,993,258</b>	<b>-</b>	<b>542,744,298</b>	<b>242,256,697</b>	<b>20,402,916</b>	<b>(17,261)</b>	<b>20,385,655</b>	<b>-</b>	<b>262,642,352</b>	<b>280,101,946</b>	<b>202,728,979</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>434,588,134</b>	<b>-</b>	<b>15,652,905</b>	<b>-</b>	<b>450,241,039</b>	<b>223,754,046</b>	<b>19,354,788</b>	<b>-</b>	<b>19,354,788</b>	<b>-</b>	<b>243,108,834</b>	<b>207,132,205</b>	<b>210,834,089</b>
<b>POWER PLANT DIVISION</b>													
BUILDING & CIVIL WORK *	15,759,556	-	-	-	15,759,556	5,674,369	555,416	-	555,416	-	6,229,785	9,529,771	10,085,187
ELECTRICAL INSTALLATION*	72,891,727	-	-	-	72,891,727	72,891,727	-	-	-	-	72,891,727	-	-
PLANT & MACHINERY *	363,364,763	-	1,434,270	-	364,799,033	143,030,299	7,666,786	-	7,666,786	-	150,697,085	214,101,948	220,334,464
SITE DEVELOPMENT	76,187,500	-	17,500	-	76,205,000	49,635,378	15,240,081	-	15,240,081	-	64,875,459	11,329,541	26,552,122
HERO HONDA CD DAWN	68,315	-	-	-	68,315	68,315	-	-	-	-	68,315	-	-
GENERATOR 400 KVA	2,304,443	-	-	-	2,304,443	1,304,272	36,197	-	36,197	-	1,340,469	963,974	1,000,171
GENERATOR 500 KVA	2,326,500	-	-	-	2,326,500	884,386	45,290	-	45,290	-	929,676	1,396,824	1,442,114
GENERATOR 08 MW	10,989,975	-	-	-	10,989,975	5,977,460	181,406	-	181,406	-	6,158,866	4,831,109	5,012,515
OFFICE EQUIPMENT	554,917	-	-	-	554,917	469,124	18,337	-	18,337	-	487,461	67,456	85,793
COMPUTER & SOFTWARE	1,765,961	-	-	-	1,765,961	1,674,285	1,342	-	1,342	-	1,675,627	90,334	91,676
FURNITURE & FIXTURES	704,582	-	-	-	704,582	669,353	-	-	-	-	669,353	35,229	35,229
HYDROLIC CRANE	654,601	-	-	-	654,601	518,422	57,498	-	57,498	-	575,920	78,681	136,179
CRANE 10MT	4,649,350	-	-	-	4,649,350	3,353,379	386,737	-	386,737	-	3,740,116	909,234	1,295,971
CRANE 25MT	4,190,701	-	-	-	4,190,701	3,331,873	362,614	-	362,614	-	3,694,487	496,214	858,828
CG04DB/5309(MOBILE CRANE)	716,914	-	-	-	716,914	516,370	58,621	-	58,621	-	574,991	141,923	200,544
CG04 JA9541/8623 (TIPPER)	2,850,576	-	-	-	2,850,576	2,850,576	-	-	-	-	2,850,576	-	-
LOADER AL 170	3,974,065	-	-	-	3,974,065	3,974,065	-	-	-	-	3,974,065	-	-
<b>TOTAL</b>	<b>563,954,446</b>	<b>-</b>	<b>1,451,770</b>	<b>-</b>	<b>565,406,216</b>	<b>296,823,653</b>	<b>24,610,325</b>	<b>-</b>	<b>24,610,325</b>	<b>-</b>	<b>321,433,978</b>	<b>243,972,238</b>	<b>267,130,793</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>559,785,665</b>	<b>-</b>	<b>4,168,780</b>	<b>-</b>	<b>563,954,446</b>	<b>272,415,832</b>	<b>24,407,821</b>	<b>-</b>	<b>24,407,821</b>	<b>-</b>	<b>296,823,653</b>	<b>267,130,793</b>	<b>287,369,833</b>

<b>STEEL DIVISION</b>														
PLANT & MACHINERY	94,255,463	-	-	-	94,255,463	50,107,769	5,740,224	-	5,740,224	-	55,847,993	38,407,470	44,147,694	
PLANT & MACHINERY UNIT-II	16,415,988	-	4,621,000	-	21,036,988	8,047,094	1,284,278	-	1,284,278	-	9,331,372	11,705,616	8,368,894	
BUILDING & CIVIL WORK	8,917,838	-	-	-	8,917,838	1,983,985	302,215	-	302,215	-	2,286,200	6,631,638	6,933,853	
BUILDING & CIVIL WORK UNIT II	4,410,000	-	-	-	4,410,000	3,088,616	149,450	-	149,450	-	3,238,066	1,171,934	1,321,384	
ELECTRICAL INSTALLATION	3,341,315	-	-	-	3,341,315	3,341,315	-	-	-	-	3,341,315	-	-	
LOADER(770 NEW) CARRARO HD	1,573,121	-	-	-	1,573,121	1,573,121	-	-	-	-	1,573,121	-	-	
LOADER	5,222,244	-	-	-	5,222,244	852,137	620,141	-	620,141	-	1,472,278	3,749,966	4,370,107	
SITE DEVELOPMENT UNIT II	52,640	-	-	-	52,640	52,640	-	-	-	-	52,640	-	-	
ROAD	-	-	897,394	-	897,394	-	175,234	-	175,234	-	175,234	722,160	-	
COMPUTER & SOFTWARE (STEEL)	120,181	-	-	-	120,181	120,181	-	-	-	-	120,181	-	-	
CAR	-	-	-	-	-	-	-	-	-	-	-	-	-	
ALTO CAR (CG04DZ/3377)	314,994	-	-	-	314,994	299,244	-	-	-	-	299,244	15,750	15,750	
ALTO CAR (CG04HC/6778)	314,995	-	-	-	314,995	299,245	-	-	-	-	299,245	15,750	15,750	
OFFICE EQUIPMENT	29,131	-	-	-	29,131	29,131	-	-	-	-	29,131	-	-	
<b>TOTAL</b>	<b>134,967,910</b>	<b>-</b>	<b>5,518,394</b>	<b>-</b>	<b>140,486,304</b>	<b>69,794,479</b>	<b>8,271,542</b>	<b>-</b>	<b>8,271,542</b>	<b>-</b>	<b>78,066,021</b>	<b>62,420,284</b>	<b>65,173,432</b>	
<b>PREVIOUS YEAR TOTAL</b>	<b>128,349,678</b>	<b>-</b>	<b>1,395,988</b>	<b>-</b>	<b>129,745,666</b>	<b>61,783,210</b>	<b>7,159,132</b>	<b>-</b>	<b>7,159,132</b>	<b>-</b>	<b>68,942,342</b>	<b>60,803,324</b>	<b>66,566,468</b>	
<b>OFFICE BUILDING</b>														
BUILDING & CIVILWORKS	11,728,392	-	-	-	11,728,392	3,354,830	392,834	-	392,834	-	3,747,664	7,980,728	8,373,562	
ELECTRICAL INSTALLATION	1,874,744	-	-	-	1,874,744	1,804,664	-	(23,657)	(23,657)	-	1,781,007	93,737	70,080	
OFFICE EQUIPMENTS	1,893,453	-	-	-	1,893,453	1,893,453	-	-	-	-	1,893,453	-	-	
FURNITURE & FIXTURES	2,589,145	-	-	-	2,589,145	2,471,867	-	(12,180)	(12,180)	-	2,459,687	129,457	117,278	
CG04HU7736 (CAR-I-20)	766,470	-	-	766,470	-	364,072	56,357	-	56,357	420,429	-	-	402,398	
<b>TOTAL</b>	<b>18,852,204</b>	<b>-</b>	<b>-</b>	<b>766,470</b>	<b>18,085,734</b>	<b>9,888,886</b>	<b>413,354</b>	<b>(35,837)</b>	<b>413,354</b>	<b>-</b>	<b>9,881,811</b>	<b>8,203,922</b>	<b>8,963,318</b>	
<b>PREVIOUS YEAR TOTAL</b>	<b>18,852,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,852,204</b>	<b>8,756,016</b>	<b>1,132,870</b>	<b>-</b>	<b>1,132,870</b>	<b>-</b>	<b>9,888,886</b>	<b>8,963,318</b>	<b>10,096,188</b>	
<b>GRAND TOTAL</b>	<b>1,162,760,235</b>	<b>92,765,365</b>	<b>11,963,422</b>	<b>766,470</b>	<b>1,266,722,552</b>	<b>618,763,714</b>	<b>53,698,137</b>	<b>(53,098)</b>	<b>53,680,876</b>	<b>-</b>	<b>672,024,161</b>	<b>594,698,390</b>	<b>543,996,522</b>	
<b>PREVIOUS YEAR GRAND TOTAL</b>	<b>1,141,575,682</b>	<b>-</b>	<b>21,217,672</b>	<b>-</b>	<b>1,162,793,355</b>	<b>566,709,104</b>	<b>52,054,611</b>	<b>-</b>	<b>52,054,611</b>	<b>-</b>	<b>618,763,714</b>	<b>544,029,641</b>	<b>574,866,579</b>	

**NOTE 2 NON CURRENT INVESTMENTS**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Investment In Equity Instruments</b>		
<b>Quoted Shares</b>		
Reliance Power Limited	1,069	1,069

26 (PY 26) Shares of Rs 10 each		
<b>Unquoted Shares</b>		
Vaswani Ispat Limited 5000 (PY 5000) Shares of Rs 10 each	50,000	50,000
Vimla Infrastructure (I) Pvt. Ltd. 510 (PY 510) Shares of Rs 10 each	1,432,269	1,432,269
Shubh Infrastructures Limited 7134 (PY 7134) Shares of Rs 10each	71,340	71,340
CG Sponge Mfg Consortium Coal Fields Pvt Ltd 1175466 (PY 1175466) Shares of Rs 10 each	8,521,645	8,521,645
CG Ispat Pvt. Ltd. 2077250 (PY 2077250) Shares of Rs 10 each	62,111,250	62,111,250
	<b>72,187,573</b>	<b>72,187,573</b>
Aggregate Amount of Quoted Investment	1,069	1,069
Aggregate Amount of Unquoted Investment	72,186,504	72,186,504

**NOTE 3 LOANS &  
ADVANCES A: NON  
CURRENT**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Loans & Advances to Related Parties	475,000	475,000
Unsecured, considered good		
(b) Deposits	87,194,233	101,211,880
Unsecured, considered good		
(c) MAT Credit Entitlement	50,121,439	49,856,439
<b>TOTAL</b>	<b>137,790,672</b>	<b>151,543,319</b>

**B: CURRENT**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Advance to Employees	1,268,909	1,126,719
(b) Advance to Suppliers of Raw Materials & Others	147,500,638	194,026,478
(c) Balances with government authorities	-	16,016,839
(d) Other Advances	4,698,440	3,585,113
<b>TOTAL</b>	<b>153,467,987</b>	<b>214,755,149</b>

**NOTE 4: OTHER  
ASSETS A: NON  
CURRENT ASSETS**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Long-term trade receivables		
Trade receivables outstanding for a period exceeding one year from the date they were due for payment		
Unsecured, considered good	-	-
Unsecured ,Considered doubtful	18,561,149	34,617,019
<b>TOTAL</b>	<b>18,561,149</b>	<b>34,617,019</b>

**B: CURRENT ASSETS**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Interest Accrued But not Due	2,776,475	1,088,594

TCS Receivable	131,424	180,635
TDS Receivable	946,271	469,626
Income Tax Refundable AY (2013-14)	769,529	769,529
Income Tax Refundable AY (2018-19)	16,191	16,191
Advance Payment of Income Tax	1,500,000	6,500,000
Prepaid Expenses	2,193,633	1,853,721
VAT Receivable	1,785,096	1,785,096
GST Receivable (For Import Coal)	46,432,361	6,868,965
GST Receivable (RCM)	280,274	-
Deposit with CG Ispat Bhumi Limited	1,200,000	1,200,000
Entry Tax Receivable	1,289,310	1,289,310
Performance Incentive Receivable	1,159,780	-
Interest Receivable from CSPDCL	357,688	405,318
<b>TOTAL</b>	<b>60,838,032</b>	<b>22,426,984</b>

**NOTE 5: INVENTORIES**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>(a) Raw Material</b>		
Iron Ore	66,321,091	76,760,178
Coal (SID)	44,657,723	193,699,779
Dolomite	344,907	362,671
MS Scrap	19,511,519	37,601,791
Pig Iron	9,658,293	9,573,067
Ferro Silicon	44,448	380,605
Sponge Iron	1,689,349	129,369
Silico Manganese	2,041,023	2,943,553
Petro Coke (CPC)	470,603	1,066,546
Coal (Power)	1,807,497	1,393,011
<b>Total (a)</b>	<b>146,546,453</b>	<b>323,910,570</b>
<b>(b) Stores</b>		
Sponge Iron Division	25,443,573	4,594,967
Steel Division	43,649,603	43,774,570
Power Division	4,338,086	6,482,510
<b>Total (b)</b>	<b>73,431,262</b>	<b>54,852,047</b>
<b>(c) Finished Goods</b>		
Sponge Iron	57,343,523	46,108,662
Char & Dolochar	1,609,641	18,800
Billets	41,143,759	28,302,108
End Cutting	1,905,857	3,342,019
Slag Scrap	1,677,375	3,912,650
Ingot	4,259,639	6,156,562

Runner Riser	502,340	994,096
Fly Ash	305,422	378,241
<b>Total (c)</b>	<b>108,747,556</b>	<b>89,213,138</b>
<b>(d) Traded Goods</b>		
Land	42,613,000	42,613,000
<b>Total (d)</b>	<b>42,613,000</b>	<b>42,613,000</b>
<b>TOTAL (a)+(b)+(c)+(d)</b>		
	<b>371,338,271</b>	<b>510,588,755</b>

**NOTE 6: TRADE RECEIVABLES**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	41,741,514	77,734,453
Trade receivables others		
Unsecured, considered good	498,700,743	351,228,033
<b>TOTAL</b>	<b>540,442,257</b>	<b>428,962,486</b>

**NOTE 7: CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 20120	As at 31 March, 2019
(a) Cash in hand	2,397,069	1,104,465
(b) Balance with Banks in Current Accounts	6,657,068	2,771,073
<b>TOTAL</b>	<b>9,054,137</b>	<b>3,875,538</b>

**NOTE 8: OTHER BALANCES WITH BANK**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Earmarked Balances with Bank	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 9: EQUITY SHARE CAPITAL**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares		Number of shares	
<b>(a) Authorised</b>				
Equity shares of ` 10 each with voting rights	34,750,000	347,500,000	34,750,000	347,500,000
Preference shares of ` 10 each	250,000	2,500,000	250,000	2,500,000
<b>(b) Issued</b>				
Equity shares of ` 10 each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ` 10 each with voting rights	30,000,000	300,000,000	30,000,000	300,000,000

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue	Other changes	Closing Balance
Equity shares with voting rights				
<b>Year ended 31 March, 2020</b>				
- Number of shares	30,000,000	-	-	30,000,000
- Amount (Rs.)	300,000,000	-	-	300,000,000
<b>Year ended 31 March, 2019</b>				
- Number of shares	30,000,000	-	-	30,000,000
- Amount (Rs.)	300,000,000	-	-	300,000,000
- Amount (Rs.)	<b>3,000,000,000</b>	-	-	<b>3,000,000,000</b>

**Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
<u>Equity shares with voting rights</u>				
Ravi Vaswani	8,492,160	28.31	8,492,160	28.31
Yashwant Ravi Vaswani	2,910,840	9.70	2,910,840	9.70
Manisha Vaswani	1,922,175	6.41	1,922,175	6.41
Sudha Vaswani	4,113,825	13.71	4,113,825	13.71

**Note 10 OTHER EQUITY**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Securities premium account		
Opening balance	486,477,229	486,477,229
Add: Addition during the Year	-	-
Less: Utilized during the year	-	-
Closing balance	<b>486,477,229</b>	<b>486,477,229</b>
(b) General reserve		
Opening balance	11,370,735	10,210,207
Add: Transfer during the year	-	1,160,527
Closing balance	<b>11,370,735</b>	<b>11,370,735</b>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	129,006,611	118,561,866
Add: Profit / (Loss) for the year	(25,214,293)	11,605,272
Less : Transfer to General Reserve	-	(1,160,527)
Closing balance	<b>103,792,318</b>	<b>129,006,611</b>
(d) Other Comprehensive Income	3,324,741	2,407,199
(e) Revaluation Reserve		
Opening balance	-	-
Addition during the year (Net of tax effect)	76,573,365	-

	<b>76,573,365</b>	
(e) Misc. Expenditure	(3,541,825)	(3,541,825)
<b>TOTAL</b>	<b>677,996,563</b>	<b>625,719,949</b>

**NOTE 11: BORROWINGS**  
**A. NON CURRENT**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>SECURED LOANS</b>		
HDFC Bank Ltd. (Loader)	-	1,038,331
BMW India Financial Limited	-	324,416
India Bulls Financial Services Pvt. Ltd.	88,637,936	109,473,609
HDFC Bank Ltd. (Car)	-	2,150,516
<b>Total Secured Loan</b>	<b>88,637,936</b>	<b>112,986,872</b>
<b>Total</b>	<b>88,637,936</b>	<b>112,986,872</b>

**B. CURRENT**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Cash credit with SBI, Raipur -5840	198,296,871	165,628,139
Cash credit with IDBI Bank Ltd a/c-0073	99,936,331	101,871,056
State Bank of India-SLC (36150894055)	49,500,000	50,554,866
Cash credit with BOB, SSI branch, Raipur -16	69,991,326	69,820,081
Current Maturities of Long Term Debt	23,334,987	6,625,380
	<b>441,059,515</b>	<b>394,499,522</b>

**NOTE 12: OTHER LIABILITIES**  
**A. NON CURRENT**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>TOTAL</b>	-	-

**B. CURRENT**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Other payables		
- Advance from Customer	30,314,365	30,159,106
<b>TOTAL</b>	<b>30,314,365</b>	<b>30,159,106</b>

**NOTE 13 TRADE PAYABLES**

PARTICULARS	As at 31 March, 2020	As at 31 March, 2019
Creditor for Raw Material	208,563,779	355,353,049
Creditor for Expenses & Services	43,554,893	33,845,530
Creditors For Stores (Power)	33,264,501	26,253,291
	<b>285,383,172</b>	<b>415,451,871</b>

**NOTE 14 PROVISIONS**  
**A. NONCURRENT**

<b>PARTICULARS</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Provision for Employee Benefit (Gratuity)	4,872,018	3,413,451
	<b>4,872,018</b>	<b>3,413,451</b>

**B. CURRENT**

<b>PARTICULARS</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Provision for Employee Benefit		
- Salary Payable	4,364,496	3,401,676
- Gratuity	3,208,529	2,660,466
Provision for Tax		
- Income Tax	265,000	7,110,300
Other Provisions		
- ESI Payable	80,968	88,271
- PF Payable	195,013	134,843
- TDS & TCS Payable	994,592	773,942
- GST Payable (RCM)	280,274	2,991,635
- GST Payable	23,121,351	4,892,547
- Electricity Duty Payable	40,730,297	37,446,877
- Custom Duty Payable	-	8,773,259
- Handling Charges Payable	-	2,460,000
	<b>73,240,520</b>	<b>70,733,816</b>

**Note 15 Revenue from operations**

	<b>Particulars</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
(a)	<b>Sale of products</b>		
	Manufactured Goods	2,192,144,691	2,639,896,702
	Traded Goods	1,332,266,862	551,326,257
		3,524,411,553	3,191,222,959
	<b>Total (a)</b>	<b>3,524,411,553</b>	<b>3,191,222,959</b>

**Note 16 Other income**

	<b>Particulars</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
(a)	Interest Income	4,742,178	4,818,567
(b)	Rent Income	473,500	396,000
(c)	Interest Received on Bill Purchased	-	55,259
(d)	Sundry Balances Written/Off	935,740	-
(e)	Refund (Coal Sampling)	5,833,591	-
(f)	Misc. Receipt	63,218	-
(g)	Commission Income	8,645,200	-
(h)	USD Conversion Charges Coal	118,653	-
	<b>Total</b>		<b>5,269,826</b>

		<b>20,812,080</b>
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**Note 17 Cost of Material Consumed**

	<b>Particulars</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
(a)	<b><u>Sponge Division</u></b>		
	<b>(i) Iron Ore</b>		
	Opening Stock	76,760,178	59,980,139
	Add: Purchase	548,209,178	675,149,191
	Add: Other Expenses	157,062,052	-
	Add: Freight Inward & Unloading Charges	27,064,481	143,193,923
		809,095,889	878,323,253
	Less: Quality Difference	-	1,999,414
	Less: Cost of Trading Purchase	-	31,264,050
	Less: Closing Stock	66,321,091	76,760,178
	<b>Iron Ore Consumed</b>	<b>742,774,798</b>	<b>768,299,611</b>
	<b>(ii) Coal</b>		
	Opening Stock	193,699,779	104,737,985
	Add: Purchase	340,665,405	550,113,056
	Add: Quality Difference	-	506,508
	Add: Commission on Coal Purchase	-	10,402,694
	Add: Other Charges Coal	32,931,535	72,359,818
	Add: Freight Inward & Unloading Charges	117,567,326	144,768,157
		684,864,045	882,888,217
	Less: Transfer to Power Division	72,847,184	99,849,227
	Less: Sale Value of Coal at Port	-	30,040,290
	Less: Cost of Trading Purchase	216,480,636	-
	Less: Quality Difference	79,309	-
	Less: Closing Stock	44,657,723	193,699,779
	<b>Coal Consumed</b>	<b>350,799,192</b>	<b>559,298,921</b>
	<b>(iii) Dolomite</b>		
	Opening Stock	362,671	1,252,285
	Add: Purchase	4,756,034	4,323,766
	Add: Freight Inward & Unloading Charges		

		5,596,104	5,710,014
		10,714,808	11,286,065
	Less: Closing Stock	344,907	362,671
	<b>Dolomite Consumed</b>	<b>10,369,901</b>	<b>10,923,394</b>
	<b>(iv) Stores &amp; Spares</b>		
	Opening Stock	4,594,967	18,668,102
	Add: Purchase	42,675,751	15,771,427
		47,270,718	34,439,529
	Less: Closing Stock	25,443,573	4,594,967
	<b>Stores Consumed</b>	<b>21,827,145</b>	<b>29,844,562</b>
	<b>Total (a): Material Consumed Sponge Division</b>	<b>1,125,771,036</b>	<b>1,368,366,489</b>
(b)	<b><u>Steel Division</u></b>		
	<b>(i) MS Scrap</b>		
	Opening Stock	37,601,791	13,431,088
	Add: Purchase	389,666,575	520,048,842
	Add: Carriage Inward	7,786,577	4,171,476
	Add: Loading & Unloading Charges & Handling Charges	1,672,237	404,596
	Add: Terminal Tax on Scrap	980,523	419,495
		437,707,703	538,475,497
	Less: Cost of Trading Purchase	115,384,901	140,188,950
	Less: Closing Stock	19,511,519	37,601,791
	Less: Quality Difference	986	-
	<b>MS Scrap Consumed</b>	<b>302,810,297</b>	<b>360,684,756</b>
	<b>(ii) Pig Iron</b>		
	Opening Stock	9,573,067	37,961
	Add: Purchase	929,757,825	87,761,766
	Add: Carriage Inward & Freight	2,595,526	5,335,852
	Add: Loading & Unloading Charges	186,444	43,501
		942,112,861	93,179,080
	Less: Discount on Pig Iron	3,901,221	100,980
	Less: Cost of Trading Purchase	887,130,818	35,158,100
	Less: Closing Stock		

		9,658,293	9,573,067
	<b>Pig Iron Consumed</b>	<b>41,422,529</b>	<b>48,346,933</b>
	<b>(iii) Ferro Silicon</b>		
	Opening Stock	380,605	417,262
	Add: Purchase	514,075	1,225,400
	Add: Loading & Unloading Charges	-	2,491
	Add: Carriage Inward & Freight	-	92,699
		894,680	1,737,852
	Less: Closing Stock	44,448	380,605
	<b>Ferro Silicon Consumed</b>	<b>850,232</b>	<b>1,357,247</b>
	<b>(iv) Sponge Iron</b>		
	Opening Stock	129,369	2,828,502
	Add: Purchase	35,497,989	55,605,235
	Add: Loading & Unloading Charges	131,746	83,100
	Add: Carriage Inward & Freight	1,297,763	1,853,989
		37,056,867	60,370,826
	Less: Closing Stock	1,689,349	129,369
	<b>Sponge Iron Consumed</b>	<b>35,367,518</b>	<b>60,241,457</b>
	<b>(v) Silico Manganese</b>		
	Opening Stock	2,943,553	1,528,024
	Add: Purchase	42,481,020	50,190,827
	Add: Loading & Unloading Charges	-	2,657
	Add: Carriage Inward & Freight	519,105	926,995
		45,943,678	52,648,503
	Less: Cost of Trading Purchase	180,355	2,545,800
	Less: Closing Stock	2,041,023	2,943,553
	<b>Silico Manganese Consumed</b>	<b>43,722,300</b>	<b>47,159,150</b>
	<b>(vi) Petro Coke (CPC)</b>		
	Opening Stock	1,066,546	114,310
	Add: Purchase	10,439,644	10,987,186
	Add: Loading & Unloading Charges	-	2,455
	Add: Carriage Inward & Freight	129,776	370,798
		11,635,967	11,474,749

	Less: Cost of Trading Purchase	4,074	-
	Less: Closing Stock	470,603	1,066,546
	<b>Petro Coke Consumed</b>	<b>11,161,290</b>	<b>10,408,203</b>
	<b>(vii) Stores &amp; Spares</b>		
	Opening Stock	43,774,570	28,468,102
	Add: Purchase	41,152,169	68,886,652
		84,926,739	97,354,754
	Less: Closing Stock	43,649,603	43,774,570
	<b>Stores &amp; Spares Consumed</b>	<b>41,277,136</b>	<b>53,580,184</b>
	<b>Total (b): Material Consumed Steel Division</b>	<b>476,611,302</b>	<b>581,777,929</b>
(c)	<b><u>Power Division</u></b>		
	<b>(i) Coal</b>		
	Opening Stock	1,393,011	50,717
	Add: Purchase	-	-
	Add: Transfer from Sponge Division	72,847,184	99,849,227
		74,240,195	99,899,944
	Less: Transfer to Sponge Division	-	-
	Less: Closing Stock	1,807,497	1,393,011
	<b>Coal Consumed</b>	<b>72,432,698</b>	<b>98,506,933</b>
	<b>(ii) Stores &amp; Spares</b>		
	Opening Stock	6,482,510	5,233,927
	Add: Purchase	14,973,851	16,275,726
		21,456,361	21,509,653
	Less: Closing Stock	4,338,086	6,482,510
	<b>Stores &amp; Spares Consumed</b>	<b>17,118,275</b>	<b>15,027,143</b>
	<b>Total (c): Material Consumed Power Division</b>	<b>89,550,973</b>	<b>113,534,076</b>
	<b>Total Material Consumed: (a)+(b)+(c)</b>	<b>1,691,933,311</b>	<b>2,063,678,494</b>

**Note 18 Change in Inventory of Finished Goods & Traded Goods**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	<b><u>Opening Stock</u></b>		

	<b>(i) Finished Goods</b>		
	Sponge Iron	46,108,662	10,375,354
	Char & Dolochar	18,800	131,144
	Billets	28,302,108	15,724,576
	End Cutting	3,342,019	982,626
	Slag Scrap	3,912,650	408,450
	Ingot	6,156,562	3,120,006
	Runner Riser	994,096	894,730
	Fly Ash	378,241	117,214
	<b>Total (i)</b>	<b>89,213,138</b>	<b>31,754,100</b>
	<b>(ii) Traded Goods</b>		
	Land	42,613,000	42,613,000
	<b>Total (ii)</b>	<b>42,613,000</b>	<b>42,613,000</b>
	<b>Total (a) = (i)+(ii)</b>	<b>131,826,138</b>	<b>74,367,100</b>
(b)	<b><u>Closing Stock</u></b>		
	<b>(i) Finished Goods</b>		
	Sponge Iron	57,343,523	46,108,662
	Char & Dolochar	1,609,641	18,800
	Billets	41,143,759	28,302,108
	End Cutting	1,905,857	3,342,019
	Slag Scrap	1,677,375	3,912,650
	Ingot	4,259,639	6,156,562
	Runner Riser	502,340	994,096
	Fly Ash	305,422	378,241
	<b>Total (i)</b>	<b>108,747,556</b>	<b>89,213,138</b>
	<b>(ii) Traded Goods</b>		
	Land	42,613,000	42,613,000
	<b>Total (ii)</b>	<b>42,613,000</b>	<b>42,613,000</b>
	<b>Total (b) = (i)+(ii)</b>	<b>151,360,556</b>	<b>131,826,138</b>
	<b>Total: (a)-(b)</b>	<b>(19,534,418)</b>	<b>(57,459,038)</b>

**Note 19 Employee benefits expense**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a) <b><u>Salaries &amp; Allowances</u></b>		

	Salary		
	- Sponge Division	21,947,581	16,236,554
	- Steel Division	3,583,890	2,763,454
	- Power Division	7,899,588	7,596,142
	Bonus		
	- Sponge Division	1,080,174	858,621
	- Steel Division	284,229	223,136
	- Power Division	625,678	607,297
	House Rent Allowance		
	- Sponge Division	1,690,789	1,385,461
	- Steel Division	364,396	270,600
	- Power Division	1,129,348	1,046,221
	Convaynce Allowance		
	- Sponge Division	300	-
	Education Allowance		
	- Sponge Division	15,500	24,000
	- Steel Division	9,500	12,000
	- Power Division	65,000	65,500
	Special Allowance		
	- Sponge Division	3,732,235	2,305,475
	- Steel Division	859,592	775,761
	- Power Division	2,188,426	1,944,380
	Incentive		
	- Sponge Division	48,236	-
	- Steel Division	6,700	-
	- Power Division	36,997	-
	Director Remuneration	2,583,501	3,292,034
	Director Remuneration (Other Benefits)	319,956	639,912
	<b>Total (a)</b>	<b>48,471,616</b>	<b>40,046,548</b>
(b)	<b><u>Contribution to PF, ESIC &amp; Others</u></b>		
	Employers Contribution to ESI	790,985	782,385
	Employers Contribution to PF	1,291,343	782,109
	Gratuity	1,672,876	1,820,451

	<b>Total (b)</b>	<b>3,755,204</b>	<b>3,384,945</b>
(c)	<b><u>Staff Welfare Expenses &amp; Others</u></b>		
	Medical Expenses		
	- Sponge Division	802,608	664,520
	- Steel Division	223,996	114,445
	- Power Division	534,513	432,804
	Employee Compensation	-	1,300,000
	Staff Welfare Exp.	472,169	100,732
	Others	-	182,160
	<b>Total (c)</b>	<b>2,033,286</b>	<b>2,794,661</b>
	<b>Total Employee Benefit Expenses: (a)+(b)+(c)</b>	<b>54,260,106</b>	<b>46,226,154</b>

#### Note 20 Finance costs

Particulars		For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	<b><u>Interest expense on:</u></b>		
	CC Account (IDBI)	12,343,905	12,204,681
	CC Account (SBI)	17,438,147	15,749,625
	CC Account (BOB)	8,452,352	9,939,943
	Car Loan (MERCEDES)	361,625	-
	LC	20,918,486	18,170,701
	Forex Charges	-	7,517,800
	SLC a/c (SBI)	7,520,739	5,818,976
	Late Payment of Tax	232,170	72,660
	Late Payment of GST	2,054,429	2,393,075
	Car Loan (BMW)	87,182	180,092
	India Bulls	16,230,752	9,312,628
	Equipment Loan , Loader (HDFC)	183,121	307,071
	Income Tax	60,300	66,823
	Service Tax	2,656	-
	Others	1,908,009	640,080
	<b>Total (a)</b>	<b>87,793,872</b>	<b>82,374,155</b>

(b)	<b><u>Bank Charges</u></b>		
	Bank Charges & Commission	14,866,131	12,833,612
	<b>Total (b)</b>	<b>14,866,131</b>	<b>12,833,612</b>
	<b>Total : (a)+(b)</b>	<b>102,660,003</b>	<b>95,207,767</b>

**Note 21 Other expenses**

<b>Particulars</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
<b><u>(a) Manufacturing Expenses</u></b>		
Electricity, Fuel & Water		
- Electricity Charges	151,768,548	286,488,497
- Electricity from CSPDCL	51,884,549	35,899,127
- Gas Refilling Charges	4,139,736	4,603,650
- Water Charges	5,675,096	2,871,408
Freight		
- Carriage Inward & Freight	648,881	2,216,261
- Material Shifting Charges	152,869	607,963
Repair & Maintenance		
- Plant & Machinery (Sponge)	25,059,882	24,050,268
- Plant & Machinery (Steel)	1,817,778	2,711,492
- Plant & Machinery (Power)	7,759,609	7,285,253
- Vehicle	-	14,018,625
Labour Charges		
- Production Charges	30,076,796	29,062,794
- Labour Welfare Charges	-	215,000
Other Manufacturing Expenses		
- Pollution Control Expenses	720,000	385,000
- Slag Crushing Charges	3,852,481	4,209,261
<b>Total Manufacturing Expenses (a)</b>	<b>283,556,226</b>	<b>414,624,599</b>
<b><u>(b) Administrative &amp; Other Expenses</u></b>		
Commission Expenses		
- Commission Sales	2,914,293	3,448,310
Travelling & Conveyance Expenses		
- Conveyance Expenses	1,407,620	1,107,252
- Travelling Expenses		

	4,721,200	2,992,843
Rent, Rates & Taxes		
- Excise Duty Paid (on Dolochar Sales)	-	2,975,449
- Entry Tax Paid	2,017,432	2,872,643
- Electricity Duty (Power)	9,464,604	24,127,492
- Vehicle Hire Charges	5,689,436	2,508,614
- Facility Fees	214,500	234,000
- Maintenance And Street Light Charges(Siltara)	181,500	363,000
- Import Charges (Steel)	61,003	184,261
- Sales Tax Paid	-	17,000
- CST Paid	-	9,000
- Rent & Taxes (Lagan)	85,145	-
- Custom Duty on Mould	39,724	-
- Excise Duty Paid (SVLDRS)	356,290	-
Insurance Expenses		
- Insurance Charges	1,527,846	1,104,311
- Transit Insurance	-	150,000
Legal & Professional Expenses		
- Legal & Professional Charges	2,439,455	2,796,986
- Consultany Charges	209,960	404,682
- Payment to Auditors	200,000	200,000
- Payment to Internal Auditors	-	675,000
Repair & Maintanance		
- Computer	11,370	104,821
Telephone, Printing, Stationary & Postage Expenses		
- Printing & Stationary	485,178	641,390
- Postage & Courier	69,318	128,165
- Telephone Expenses	233,762	290,011
Freight		
- Carriage inward	1,470,962	538,087
- Carriage inward (Power)	881,908	-
- Freight on Sale of Billet	-	192,085

- Unloading Charges (Store)	29,804	8,329
Other Misc. Expenses		
- Advertisement & Publicity	81,000	7,259
- CSR Social Development	826,596	696,993
- CSR A/c Plantation & Gardening Exp.	435,695	205,784
- Donation	-	605,000
- Excise Duty Paid	-	470,744
- Filing Fees	31,100	11,650
- Initiation Fee	120,000	90,000
- Inspection Fees	41,834	20,000
- Licence & Registration	1,573,235	524,935
- Licence & Registration (Power)	24,300	44,900
- Security Guard Expenses	706,902	973,888
- Membership Fees	92,097	53,417
- Office Expenses (SID)	421,717	109,497
- Office Expenses (Power)	96,282	137,514
- Office Expenses (Steel)	23,502	68,944
- Preliminary Exp. Written off	3,541,825	3,541,825
- Vehicle Miscellaneous Expenses	14,082,284	-
- USD Conversion Charges Coal	-	2,197,455
- Packing Charges	214,790	-
- Misc. Expenses	866,889	80,198
- Late Fees	256,650	-
- Sundry Balances Written Off	-	(29,028)
- Nmet (IO)	671,877	433,604
- Rate Difference	16,139	-
- Analysis Charges	3,000	29,513
- Medical Expenses	939,215	-
- Service Tax Paid (Transportation) SID	5,903	-
- Sales Promotion Expenses	1,190,402	-
- Handling & Forwarding Charges (Steel)	-	3,155,441

- Operation Charges (Power)	642,000	413,612
- Repair & Renewals	-	575,000
- Rounding Off	22,866	8,531
- Repair & Renewals	-	148,851
- Loss on Sale of Fixed Asset	46,042	-
- Freight Charges (Store & SID)	-	1,600
<b>Total Administrative &amp; Other Expenses (b)</b>	<b>61,686,452</b>	<b>62,650,857</b>
<b>Total Other Expenses (a)+(b)</b>	<b>345,242,678</b>	<b>477,275,456</b>

**Note 21 Other expenses (contd.)**

**Notes:**

<b>Particulars</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - Statutory Audit	200,000	200,000
-Internal Audit	-	675,000
<b>Total</b>	<b>200,000</b>	<b>875,000</b>

**NOTES FORMING PART OF FINANCIAL STATEMENT**

**NOTES ON ACCOUNTS: -**

22. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
23. In the Opinion of the Board of directors, the loans, advances and other current & non-current assets have a value on realization in the ordinary course of business, at least equal to the amounts of which these are stated and that the provisions for the known liabilities are adequate and not in excess of the amount reasonably necessary.
24. The outstanding balance at the year end in respect of Sundry Creditors, Loans and Advances, Deposits and certain Bank Accounts are subject to confirmation / reconciliation from the respective parties and the same have been reckoned in these accounts as per the balances appearing in the books. Any further adjustments arising out of reconciliation will be accounted for as and when such reconciliation is completed. The company however does not expect any material effect in a particular year or in future years.
25. 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, Bhadramaruti Concast Private Limited**". No Provision has been made as matter is under court proceedings.
26. In the opinion of the management there is no such events occurred after the date of Balance sheet, which needs disclosure in these accounts.

27. (a) Company has purchased raw material and other consumables from different firms and company, but the company has not identified its status whether the same are either SSI Units or others, hence the particulars are not mentioned here.

(b) In respect of Micro / Small / Medium Enterprises Development Act 2006, certain disclosures are required to be made relating to Micro/Small/Medium Enterprises. The company is in the process of compiling relevant information's from its suppliers about their coverage under the act since the relevant information is not readily available, no disclosure have been made in the accounts.

28. Details as required by Ind AS 19 Employee Benefits are given below:

a) **Defined Contribution Plans:**

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

Particulars	31-03-2020	31-03-2019
Contribution to Provident fund	12,91,343	782,109
Contribution to ESIC	790,985	782,385

b) **Defined Benefit Plans**

Description	2019-20	2018-19
<b>1. Reconciliation of opening and closing balances of obligations</b>		
a. Obligation at the beginning of the year	48,91,428	4,447,711
b. Current Service Cost	1,340,259	1,477,977
c. Interest Cost	332,617	342,474
d. Actuarial (Gain) / Loss	(917,542)	(1,376,734)
e. Benefits Paid	--	--
f. Obligation at the end of the year	5,646,762	48,91,428
<b>2. Change in Fair Value of Plan Assets</b>		
a. Fair Value of plan assets at the beginning of the year	--	--
b. Acquisition Adjustment	--	--
c. Expected return on plan assets	--	--
d. Actuarial Gain / (Loss)	--	--
e. Contribution made by the company	--	--
f. Benefits Paid	--	--
g. Fair Value of plan assets at the end of the year	--	--
<b>3. Reconciliation of fair value of plan assets and obligations</b>		
a. Present value of obligation at the end of the year	5,646,762	48,91,428
b. Fair value of plan assets at the end of the year	--	--
c. Amount recognized in the balance sheet (Assets) / Liability	5,646,762	48,91,428
<b>4. Expenses recognised during the year</b>		
a. Current Service Cost	1,340,259	1,477,977
b. Interest Cost	332,617	342,474
c. Expected return on plan assets	--	--
d. Actuarial (gains) / loss	(917,542)	(1,376,734)
e. Expenses recognised during the year	755,334	443,717
<b>5. Assumptions</b>		
a. Discount Rate (per annum)	6.80%	7.70%
b. Estimated rate of return on plan assets (per annum)	--	--
c. Rate of escalation in salary	6.00%	7.00%
<b>6. Bifurcation of Present Value of Obligation at the end</b>		
Current Liability (Amount due within One Year)	774,744	1,477,977
Non-Current Liability (Amount due over One Year)	4,872,018	3,413,451
<b>Present Value of Obligation as at the end</b>	<b>5,646,762</b>	<b>4,891,428</b>

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

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

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

Particular	2019-20	2018-19
- Sales Tax & Entry Tax	15,990,000	15,990,000
- Customs Duty	8,602,704	8,602,704
- Bank Guarantee	62,310,000	--
- Letter of Credit	65,393,987	--

### 31. Deferred Tax :

PARTICULARS	31-03-2020	31-03-2019
Deferred Tax Liabilities:- Difference in WDV as per Books of Accounts & WDV under Income Tax Act	331,096,132	252,043,964
Deferred Tax Assets:- Unabsorbed Depreciation and Business Loss and Expenses allowed on payment basis	112,348,518	144,129,232
Net Timing Difference	218,747,614	107,914,732
Total deferred tax Assets/(Liabilities) to be recognized Deferred Tax Assets/(Liabilities) previously recognized	(56,874,379)	(30,021,879)
	30,021,879	8,679,711
Net deferred tax assets/(Liability) created during the year	(26,852,500)	(21,342,168)

### 32. Segment-wise Revenue Results:

Basis of Preparation

Business Segment:- Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Steel, Power, Real State & Fabrics have been identified as the business segments.

PARTICULARS	Current year (2019-20)	Previous year (2018-19)
<b>1. Segment Revenue</b>		
<input type="checkbox"/> Iron & Steel	3,195,481,555	2,993,946,621
<input type="checkbox"/> Power	2,08,671,638	202,546,163
<input type="checkbox"/> Real Estate	--	--
<input type="checkbox"/> Agri Division	1,41,070,440	--
Sub - total	3,545,223,633	3,196,492,784
Less: Inter- Segment Revenue	2,03,666,168	197,502,232
Net Segment Revenue	3,341,557,465	2,998,990,552
<b>2. Segment Result ( Profit /Loss before Tax and interest from each segment )</b>		
<input type="checkbox"/> Iron & Steel	41,44,659	202,878,323
<input type="checkbox"/> Power	55,245,196	(74,666,066)
<input type="checkbox"/> Real Estate	--	--
<input type="checkbox"/> Agri Division	44,908,355	--
Sub - total	104,298,210	128,212,257
Less: Financial Costs	102,660,003	95,207,767
Profit before Tax	1,638,207	33,004,490

Less: Provision For Tax	26,852,500	21,399,218
<b>Profit After Tax</b>	<b>(25,214,293)</b>	<b>11,605,272</b>
Add: Other Comprehensive Income (Net of tax effect)	77,490,907	168,085
<b>Total Comprehensive Income for the period</b>	<b>52,276,614</b>	<b>11,773,357</b>
<b>3. Other Information</b>		
<b>I Segment Assets</b>		
<input type="checkbox"/> Iron & Steel	1,468,206,776	1,557,535,496
<input type="checkbox"/> Power	2,58,627,165	284,347,873
<input type="checkbox"/> Real Estate Division	42,613,000	42,613,000
<input type="checkbox"/> Agri Division	46,851,785	--
<input type="checkbox"/> Un- allocated Assets	142079742	98,490,096
<b>Total Assets</b>	<b>1,958,378,468</b>	<b>1,982,986,464</b>
<b>II Segment Liabilities</b>		
<input type="checkbox"/> Iron & Steel	8,43,451,558	537,645,499
<input type="checkbox"/> Power	--	--
<input type="checkbox"/> Real Estate Division	--	--
<input type="checkbox"/> Agri Division	1,943,430	--
<input type="checkbox"/> Un- allocated Liabilities	78,112,538	74,147,267
<b>Total Liabilities</b>	<b>9,23,507,526</b>	<b>611,792,766</b>

Geographical Segment: - The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

### 33. Earning per share

Particulars	31-03-2020	31-03-2019
Net Profit/(Loss) for the year	(25,214,293)	11,605,272
Weighted Average No. of Equity Shares	30,000,000	30,000,000
Earnings per share	(0.84)	0.39

### 34. Foreign Exchange Earning and Outgo :

S.No.	Particulars	2019-20	2018-19
1	CIF Value of Import - Raw Material - Stores & Spares	77,375,676 482,418	267,284,021 --
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

### 35. Related Party Disclosures :

In accordance with the requirements of Ind AS 24 on related party disclosures name of the related party, related party relationship, transaction and outstanding balances are, as detail below:

a) Name of the related parties -

Group Companies/ Associates	Key Management Personnel & Directors	Relatives of Key management
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		<b>Personnel</b>
1. M/S Kwaliti Foundry Industries 2. C.G.Ispat Pvt. Ltd. 3. Cosmos Castings (India) Limited 4. Vaswani Ispat Ltd. 5. Vaswani Cement Ltd. 6. Vaswani Energy Ltd. 7. Shubh Infrastructure Ltd. 8. Gold Star Steels Pvt. Ltd. 9. Vaswani Enterprises.	1. Shri Ravi Vaswani (Retired on 24.04.2019) 2. Smt. Sudha Vaswani 3. Shri Yashwant Vaswani 4. Ashok Kumar Suri 5. Pawan Kumar Jha (Retired on 24.04.2019) 6. Satyawati Parashar 7. Lekhu Mulchandani Thadaram (Retired on 14.02.2020) 8. Sanjay Jadwani 9. Ragini Shukla (Ceased on 14.02.2020) 10. Kushal Vaswani 11. Babu Lal Baghwar	1.Smt. Manisha Vaswani 2. Pramod Vaswani

b) Following are the transaction with related parties as defined under Ind AS -24 on "Related Party Disclosures":

<b>Name</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>Amount of transaction in 2019-20 (2018-19)</b>	<b>Amount Outstanding as at 31/03/2020 (31/03/2019)</b>
Ravi Vaswani (Retired on 24.04.2019)	Chairman & M.D.	Remuneration	-- (1,519,956)	2,514,297 (1,582,139)
Yashwant Vaswani	Whole Time Director	Remuneration	1,519,956 (1,519,956)	3,187,743 (1,135,696)
Kushal Vaswani	CFO	Salary	1,200,000 (1,200,000)	4,112,450 (999,851)
Sudha Vaswani	Director	Remuneration	1,200,000 (430,000)	468,663 (90,942)
Manisha Vaswani	Relative of KMP	Salary	1,200,000 (430,000)	419,346 (492,914)
Pawan Kumar Jha (Retired on 24.04.2019)	Director	Remuneration	-- (462,034)	-- (0.00)
Ragini Shukla (Ceased on 14.02.2020)	Company Secretary	Salary	150,000 (180,000)	0.00 (0.00)
M/s Kwaliti Foundry Industries	Proprietorship Firm in which Director has Significant influence	Sale of Goods	145,528,571 (236,679,206)	44,611,611 (43,072,687)
		Purchase of Goods	33,285,429 (45,933,765)	
C.G. Ispat Private Limited	Associate Company	Sale of Goods	8,75,266,458 (1,107,709,268)	325,336,773 (239,242,224)
		Purchase /Services	182,723,177 (149,614,093)	
Gold Star Steel Pvt. Ltd.	Relative is Director	Sale of Goods	0.00 (5,056,422)	0.00 (0.00)
Babu Lal Baghwar	Director	Remuneration	1,83,501 (0.00)	0.00 (0.00)

36. The Company has revalued its "Freehold Land" as on 28.06.2019 in accordance with Indian Accounting Standard (Ind AS) 16 - "Property, Plant & Equipment". Revaluation has been done on the basis of the report of the Independent valuer, as per the report of the independent valuer fair value has been determined on the basis of the "Guideline rate obtained from the Registrar office". The original cost of the "Freehold Land" before revaluation was Rs. 122.29 Lakh, Revaluation surplus of Rs. 927.65 Lakh has been created during the year, and after revaluation carrying amount of "Freehold Land" is Rs. 1049.94 Lakh. The revaluation surplus created is not available for distribution to shareholders. Consequently, Tax effect on revaluation surplus of Rs.161.92 Lakh has also been recognized. Accordingly, the revaluation surplus (net of tax effect) of Rs.765.73 Lakh has been shown under the head Revaluation reserve in Note 10 "Other Equity" of Balance Sheet.
37. The company's operations were effected from 24th March 2020 to 30th April, 2020 due to suspension of production across all plants following nationwide lockdown imposed by Government of India, in view of pandemic COVID-19. Accordingly the Company has re-started operations in phased manner from 1st May 2020 normally. The company had availed moratorium facility for the period of March' 20 to July' 20 for Cash Credit facilities availing from various banks. However the company has been regular in payment of interest & installment of Long term loans availing from NBFC & Banks.

**AS PER OUR REPORT OF EVEN DATE  
FOR, AMITABH AGRAWAL & COMPANY  
CHARTERED ACCOUNTANTS  
FRN 006620C  
UDIN - 20075315AAAAAU3068**

**FOR AND ON BEHALF OF THE BOARD  
VASWANI INDUSTRIES LIMITED  
CIN : L28939CT2003PLC015964**

**AMITABH AGRAWAL  
PARTNER  
M.NO.075315  
Date : 30.07.2020**

**YASHWANT VASWANI  
DIRECTOR  
DIN : 01647208**

**SUDHA VASWANI  
DIRECTOR  
DIN: 02909309**

## **VASWANI INDUSTRIES LTD.**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **a. Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st april 2017.

#### **b. Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 133 of the Companies Act, 2013 and other relevant provisions thereof. The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 2013. Based on the nature of activity rendered by the Company and the time between the cost incurred and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

#### **c. Use of Estimates**

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

#### **d. Property, Plant & Equipment (PPE)**

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

#### **e. 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

#### **f. Depreciation**

- a) Depreciation on fixed assets has been provided on Straight Line Method Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- b) Depreciation on addition to / deduction from fixed assets is being provided on pro-rata basis from/ to the date of acquisition/ disposal.

#### **g. Inventories**

Inventories i.e. stores consumables are valued at cost (exclusive of duties & taxes). 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.

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

##### **(i) Financial assets (other than a fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

##### **(ii) Non-Financial assets:**

###### **Property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

#### **i. Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

##### **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**j. Revenue**

The Company manufactures and sells a range of steel and other products.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the retrospective effect method. The adoption of the new standard did not have a material impact on the Company.

**Sale of products**

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**Sale of power**

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Company doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

**k. Other income**

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

**l. 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.

**m. Accounting for Taxes on Income**

- (a) 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.
- (b) 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.

- (c) 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.
- (d) 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.

#### **n. Cash Flow Statement**

Cash flows are reported using the indirect method prescribed in the relevant Accounting Standard , whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **o. Foreign Currency Transaction**

The financial statements of the Company are presented in Indian Rupees ('`'), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First-time adoption of Indian Accounting Standards" are added/deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

Exchange differences arising on the re-translation or settlement of other monetary items are included in the statement of profit and loss for the period.

#### **p. Provision and Contingencies**

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

#### **q. Employee Benefits:-**

- a. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss A/c of the year when the contributions to the Government Funds is due.
- b. Gratuity Liability is defined benefit obligations and is provided for on the basis of Actuary Valuation obtained from Registered Actuary.
- 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.

- e. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**r. 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 sells its products within India. The condition prevailing in India being uniform. So no separate geographical segment disclosure is considered necessary.

**s. Research & Development Expenditure:-**

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

**t. 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.

**u. Events Occurring After the Balance Sheet Date:**

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

# **Vaswani Industries Limited**

**POWER • SPONGE IRON • STEEL**

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