



Vaswani Industries Limited

POWER • SPONGE IRON • STEEL

• CIN - L28939CT2003PLC015964 • GSTN 22AABCV9564E1ZB



VIL/SECRETARIAL/2019-20

BY LISTING PORTAL

| | |
|--|---|
| Listing Department National Stock Exchange of India Ltd, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra, Kurla Complex, Bandra (East), Mumbai, 400 051 | Bombay Stock Exchange Ltd Listing Department Market operations department P. J. Towers, 25 th Floor, Dalal Street, Mumbai (Maharashtra) 400 001 |
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Dear Sirs,

**SUBMISISON OF ANNUAL REPORT - IN TERMS OF REGULATION 34 OF THE SEBI
(LODR) REGULATIONS, 2015**

This is to inform you that 16th Annual General Meeting (Meeting) of the members of the Company is scheduled to be held on 30th September, 2019 at 03.00 PM at Bahesar Road, Near Cycle Park, Vill -Sondra Phase-II, Industrial Area, Siltara Raipur (C. G.) 493221.

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 2018-19.

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

Yours faithfully,
For, **Vaswani Industries Limited**

Ragini Shukla
(Ragini Shukla)
Company Secretary & Compliance Officer



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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 30th September, 2019 at Bahesar Road, near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara, Raipur, Chhattisgarh 493221. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Shareholders are requested to bring their copies to the meeting. Visit us at: www.vaswaniindustries.com, e-mail: [info@ vaswaniindustries.com](mailto:info@vaswaniindustries.com)
• Tel.: +91 771 4226067 • Fax: +91 771 4226099

CORPORATE PROFILE

Performance Highlights 2018-19

Financial

(Rs. in lacs)

| | |
|---|-----------|
| Total Revenue | 31,964.93 |
| Profit Before Tax | 330.04 |
| Profit After Tax refund adjustment | 116.05 |
| Earning Price Per Share (EPS) - Basic & Diluted | 0.39 |

Operational

| Particulars | 31.03.2019 | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---------------------------|------------|------------|------------|------------|------------|
| Installed capacity | | | | | |
| Sponge Iron MT | 90000 | 90000 | 90000 | 90000 | 90000 |
| Steel Billets/Ingots MT | 66000 | 66000 | 66000 | 36000 | 36000 |
| Power MW | 11.5 | 11.5 | 11.5 | 11.5 | 11.5 |
| Production | | | | | |
| Sponge Iron MT | 77627.060 | 61910.050 | 78100.39 | 50554.73 | 59943.09 |
| Steel Billets/Ingots MT | 45331.895 | 45597.825 | 56151.699 | 75165.00 | 47524.40 |
| Power in UNITS | 66433500 | 63149900 | 66332400 | 66886200 | 65208200 |

CORPORATE PROFILE

CIN: L28939CT2003PLC015964

KEY MANAGERIAL PERSONNEL

| | |
|---------------------------------|---------------------------------------|
| Mr. Yashwant Vaswani | Whole Time Director (WTD) |
| Mrs. Sudha Vaswani | Director |
| Mr. Babu Lal Baghwar | Additional Director |
| Mr. Lekhu Thadharam Mulchandani | Non- Executive & Independent Director |
| Mr. Ashok Suri | Non- Executive & Independent Director |
| Mr. Sanjay Jadwani | Non- Executive & Independent Director |
| Mrs. Satyawati Parashar | Non- Executive & Independent Director |
| Mr. Kushal Vaswani | Chief Financial Officer |
| Miss Ragini Shukla | Company Secretary |

COMMITTEES OF THE BOARD

| | |
|--|----------|
| I. AUDIT RISK MANAGEMENT AND VIGIL COMMITTEE | |
| Mr. Lekhu Thadharam Mulchandani – Independent Director | Chairman |
| Mr. Ashok Suri - Independent Director | Member |
| Mr. Sanjay Jadwani – Independent Director | Member |
| Mr. Yashwant Vaswani – Whole-time Director | Member |
| II. NOMINATION & REMUNERATION COMMITTEE | |
| Mr. Lekhu Thadharam Mulchandani – Independent Director | Chairman |
| Mr. Ashok Suri – Independent Director | Member |
| Mr. Sanjay Jadwani – Independent Director | Member |

| | |
|--|----------|
| III. STAKEHOLDERS RELATIONSHIP COMMITTEE | |
| Mr. Lekhu Thadharam Mulchandani – Independent Director | Chairman |
| Mr. Ashok Suri - Independent Director | Member |
| Mr. Babu Lal Baghwar– Director | Member |
| IV. RISK MANAGEMENT COMMITTEE | |
| Mr. Yashwant Vaswani – Whole-time Director | Chairman |
| Mr. Babu Lal Baghwar– Director | Member |

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ragini Shukla

| STATUTORY AUDITORS | COST AUDITORS | SECRETARIAL AUDITORS | INTERNAL AUDITORS |
|---|---|---|---|
| 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. Gudhiary, Raipur (C. G.) 492011 | Satish Batra & Associates, Company Secretaries, 2nd Floor, Ashoka Plaza, Ashoka Ratan, Vidhan Sabha Marg, Shankar Nagar, Raipur (C. G.) 492007 | M/s S K Bhamkar & Associates 410, Third Floor, Eskay Plaza, Near Anand Talkies, Raipur (C.G.) 492001 |

BANKERS

| | | |
|-----------------------------------|-------------------------------|----------------------------------|
| State Bank of India (SBI), Raipur | Indusind Bank Limited, Raipur | IDBI Bank Limited (IDBI), Raipur |
|-----------------------------------|-------------------------------|----------------------------------|

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

CHAIRMAN'S STATEMENT

The year 2018-19 showed an economy recover after several years for companies engaged in Iron & Steel manufacturing. The Indian economy came out from bad times. The government is increasing penalties and amending the law at a very fast speed. The results of current year are quite encouraging.

As I said last year, I repeat it as that there is no significant change. A lot of hope was pinned on the new Government at the Centre to bring about much needed policy initiatives and systemic changes which alone would have brought the required equilibrium followed by growth trajectory. Regrettably, these have not so far been eased out with the required speed and the problems continue festering.

One good step the government has taken is the introduction of Goods & Service Tax in place of multiple taxes and the abolition of Vat barriers which will give speed to movement of goods and result in lower transport cost. Our domestic costs are higher as compared to foreign countries like China. One hopes many of the teething problems on implementation of GST will be resolved by the government soon.

During the year under review there are some of the operational achievements. Sales turnover at Rs.31912.23 Lacs is increased by 34.47% as compared to Rs.23732.38 Lacs in the previous year.

The material cost during the current year is Rs.20636.78 Lacs is increased by 35.01% as compared to Rs.15285.51 Lacs of previous year.

Manufacturing expenses during the current year is Rs.4146.25 Lacs and increased by 15.65% as compared to Rs.3585.23 Lacs of previous year.

Employees Remuneration & benefits during the current year is Rs. 462.26 Lacs as compared to Rs.360.62 Lacs of previous year and there is increase of 28.18%.

Administrative & Other Expenses during the current year are at Rs.626.51 Lacs and are increased by 63.21% as compared to Rs.383.86 Lacs in the previous year.

Depreciation during the current year was Rs.520.55 Lacs and is decreased by 3.48%. as compared to Rs.539.32 Lacs of previous year.

Coming to the profit for the current year, the company has earned profit after tax at Rs.116.05 Lacs as compared to Rs.450.77 Lacs of previous year and is lower at 74.25%, 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 & 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> | | <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 & 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> |
| <p>Mr. Yashwant Vaswani</p> | <p>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 Kwaliti Foundry Industries. Further, being involved with the Sponge Iron plant from the conception stage and onwards, he has gained hands-on experience in the day-to-day operation of the same.</p> | |
| <p><i>Cordial Relationship between management and labour</i> 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 & 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> |

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.

Captive Power Plant

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.

- ❖ Key Resources: Sponge Iron, Captive Power Plant
- ❖ Customers Relationship: Product excellence, on time delivery and customer services
- ❖ Channels: Government authorities, Semi-government authorities
- ❖ Cost structure: Based on Government Rules and Regulations

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Sixteenth Annual General Meeting of Company "Vaswani Industries Limited" [CIN: L28939CT2003PLC015964] will be held at 03:00 P.M. on Monday, the 30th September, 2019 at Registered Office of the Company situated at Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara, Raipur, Chhattisgarh 493221 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt financial statement containing the Directors Report, Balance Sheet as at 31st March, 2019 and Statement of Profit & Loss, Cash Flow, Related Party Transactions and Notes to the Financial Statements for the period ended 31st March, 2019 forming part of the Accounts for the year 2018-19, 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 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. 005960C) who were appointed by the Board of Directors to conduct the audit of cost record of the Company for the F. Y. ending on 31st March, 2020, be and is hereby ratified."

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 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), Smt. Sudha Vaswani (DIN: 02909309), 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:

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

"RESOLVED THAT Shri Babu Lal Baghwar (DIN: 08430962), who was appointed as Additional Director of the Company with effect from 27th June, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

Sd/-

Ragini Shukla

(Company Secretary & Compliance Officer)

Place: Raipur (C.G.)

Date: 02/09/2019

Notes:

- 1) A member entitled to attend and vote at the annual general meeting (the "meeting") is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- 2) Register of Members and Share Transfer Book of the Company will remain closed from; 24.09.2019 to 30.09.2019 (both days inclusive).
- 3) Members who are holding Equity shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
- 4) Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

- 5) Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting venue. However, entry to attend the Meeting will be strictly on the basis of the entry slip available at the counters at the venue and to be exchanged with attendance slip.
- 6) Members will not be distributed any gift, compliment or kinds of such nature at the ensuing Annual General Meeting of your Company.
- 7) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 8) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 9) Details Regulation 36(3) of the SEBI (LODR) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 10) Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 are being sent.
- 11) Electronic copy of the Notice of the 16th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 16th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the prescribed mode.
- 12) Members may also note that the Notice of the 16th Annual General Meeting and the Annual Report for 2019 will also be available on the Company's website www.vaswaniindustries.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Raipur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: complianceofficer@vaswaniindustries.com.
- 13) Amitabh Agrawal & Co., Chartered Accountants, Raipur were appointed as Statutory Auditors of the Company in the 15th Annual General Meeting held on 30th October, 2018 for a consecutive term of 5 years subject to ratification at every Annual General Meeting. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Annual General Meeting, held on 30th October, 2018.
- 14) **VOTING THROUGH ELECTRONIC MEANS**
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 16th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

Step 1: Login to NSDL e-voting website

- 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.

• **USER ID:**

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| 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*** |

• **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.
- (iii) 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, mentioning your name, PAN, registered address and your demat account number / folio number.
- (iv) Agree to the terms and conditions by clicking the box.
- (v) Click on 'Login'. Home page of remote e-voting opens.

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

- i. Home page of e-voting opens. Click on e-Voting: 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 with a copy marked to satishbatra6@gmail.com.
- ix. 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 30th August, 2019) but before the cut-off date of 23rd September, 2019 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.

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

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM: EVEN (E Voting Event Number) USER ID PASSWORD/PIN.
- (ii) Please follow all steps mentioned above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 27th September, 2019 (9:00 am) and ends on 29th September,

2019 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23rd September, 2019.
- VII. CS Ayushi Agrawal, 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.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

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

ITEM 2: 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 30th May, 2019 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 above mentioned 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.2 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 BABU LAL BAGHWAR AS EXECUTIVE DIRECTOR

Shri Babu Lal Baghwar who has been appointed as an Additional Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 27th June, 2019 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director.

Shri Babu Lal Baghwar is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri Babu Lal Baghwar as Executive Director, for the approval by the shareholders of the Company.

Except Shri Babu Lal Baghwar, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

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

1. Smt. Sudha Vaswani –(seeking re-appointment)

Smt. Sudha Vaswani is a under commerce graduate. She has been associated with the Company in year 2018 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

Mother of Shri Yashwant Vaswani, Whole-Time Director

Listed Companies (other than Vaswani Industries Limited) in which Smt. Sudha Vaswani holds directorship and committee membership

Directorship & Membership of the Committees: NIL

Shareholding in the Company

Holds 4113825 eq. shares of Rs.10/- each

2. Shri Babu Lal Baghwar –(seeking appointment as Director)

Shri Babu Lal Baghwar is a under commerce graduate. He has been associated with the Company since last many years. He is factory occupier and incharge of factory of Vaswani Industries Limited.

Disclosure of relationships between directors inter-se

None

Listed Companies (other than Vaswani Industries Limited) in which Shri Babu Lal Baghwar 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**

Sd/-

Ragini Shukla

(Company Secretary & Compliance Officer)

Place: Raipur (C.G.)

Date: 02/09/2019

DIRECTORS' REPORT

The Directors take pleasure in presenting the Sixteenth Annual Report on the business and operations of the company and its financial results for the year ended on 31st March, 2019.

1. FINANCIAL RESULTS

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

| PARTICULARS | 31-03-2019 | 31-03-2018 |
|---|-------------------|-------------------|
| INCOME FROM OPERATIONS | 31964.93 | 23779.08 |
| PROFIT BEFORE INTEREST AND DEPRECIATION | 1802.67 | 1664.87 |
| FINANCE COST | 952.08 | 872.56 |
| DEPRECIATION | 520.55 | 539.32 |
| NET PROFIT BEFORE TAX | 330.04 | 252.99 |
| TAX EXPENSES | 213.99 | (197.78) |
| NET PROFIT AFTER TAX | 116.05 | 450.77 |
| TRANSFER TO GENERAL RESERVE | 11.61 | 45.07 |
| TRANSFER TO PROFIT & LOSS ACCOUNT | 104.44 | 405.70 |

2. PERFORMANCE REVIEW

During the year under review, your Company has achieved profit of Rs. 116.05 lacs after meeting all expenses and taxes, as compared to Rs. 450.77 lacs during the previous year. As compared to the previous year, the profit of the Company has been reduced by 25.74% due to the market conditions. The Earning per share have also been reduced from 1.50 to 0.39. 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 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 31st March, 2019.

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

Your Company has transferred 10% of profit i.e. Rs.11.61 lacs in the General Reserves Account during the Financial Year 2018-19.

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 2018-19.

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 20th 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 2018-19.

Internal Auditors

M/s Agrawal Jain & Co, Chartered Accountants were appointed as Internal Auditors for the FY 2018-19.

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 2018-19.

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 2018-19 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 2018-19 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. Lekhu T Mulchandani, Mr. Ashok 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 31st March, 2019. 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 2018-19, 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.

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 2018-19 and hence no complaint is outstanding as on 31.03.2019 for redressal.

30. MEETING OF BOARD OF DIRECTORS

The Board of Directors met eleven (11) 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, Smt. Sudha Vaswani retires by rotation and being eligible offer himself for re-appointment.

Shri Ravi Kumar Vaswani Managing Director of the company is disqualified under Section 164 of the Companies Act, 2013 with effect from 01/11/2016 to 31/10/2021 due to Strike off of Elite Buildhome Limited by ROC, Chhattisgarh.

Shri Pawan Kumar Jha, Director of the Company is disqualified under section 164 of the Companies Act, 2013 with effect from 01/11/2016 to 31/10/2021 due to Strike off of Elite Buildhome Limited by ROC, Chhattisgarh.

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 2017-18 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)

Sd/-

Sudha Vaswani
(Director)

Place: Raipur Date: 30/05/2019

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, 2019, 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

For and on behalf of the Board of Directors

Yashwant Vaswani
(Whole-time Director)

Raipur, 30th May, 2019

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:-

| Particulars | 31.03.2019 | 31.03.2018 |
|--|------------|--------------|
| I) POWER & FUEL CONSUMPTION: | | |
| 1. Electricity | | |
| a. Purchased | | |
| Total units | 7568680 | 7200590 |
| Total Amount (In Rs.) | 27699612 | 26195292 |
| Rate / Unit (In Rs.) | 3.66 | 3.64 |
| 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 |
| 2. Coal (Specify quantity and where used) | | |
| Quantity (In MT) | 122526.806 | 97686.322 |
| Total Cost (In Rs.) | 559298921 | 348166982.05 |
| Average Rate (In Rs.) | 4564.71 | 3564.13 |
| II) CONSUMPTION PER UNIT OF PRODUCTION | | |
| Production of Sponge Iron (In MT.) | 77627.060 | 61910.050 |
| Electricity (In Unit) | 97.50 | 116.31 |
| Coal (In MT) | 1.58 | 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. 267,284,021.00 in foreign currency.

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

Place: Raipur
Date: 30.05.2019

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019**

[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 31st March, 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

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

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

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

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

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

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

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

We 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

Place: Raipur

Date: 30th May, 2019

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> |
|--|--|

For, Satish Batra & Associates
Company Secretaries

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

Place: Raipur

Date: 30th May, 2019

Form No.MGT-9

ANNEXURE-D

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st March, 2019
[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 | 27.73% |
| 2 | MS BILLET | 72011000 | 45.35% |

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 | |
| A Promoter | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1):- | 17500000 | - | 17500000 | 58.33 | 17500000 | - | 17500000 | 58.33 | - |
| 2. Foreign | - | - | - | - | - | - | - | - | - |
| i. NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| ii. Other- Individuals | - | - | - | - | - | - | - | - | - |
| iii. Bodies Corp. | - | - | - | - | - | - | - | - | - |
| iv. Banks/FI | - | - | - | - | - | - | - | - | - |
| v. Any Other.... | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|-----------------|-----------|-----------------|--------------|-----------------|-----------|-----------------|--------------|----------|---|
| Sub-total(A) (2): | | | | | | | | | | |
| Total Shareholding of Promoter (A) = (A) (1)+A(2) | 17500000 | - | 17500000 | 58.33 | 17500000 | - | 17500000 | 58.33 | - | |
| B. Public Shareholding | - | - | - | - | - | - | - | - | - | - |
| 1. Institutions | - | - | - | - | - | - | - | - | - | - |
| 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) | - | - | - | - | - | - | - | - | - | - |
| Sub-total(B) (1) | - | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | - | - | - | - | - | - | - | - | - | - |
| i. Bodies Corp. (i) Indian (ii) Overseas | 3513459 | - | 3513459 | 11.71 | 3119227 | - | 3119227 | 10.40 | (1.31) | |
| ii. Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 4367228 | 20 | 4367248 | 14.56 | 4395356 | 20 | 4395376 | 14.65 | 0.09 | |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 3117437 | - | 3117437 | 10.39 | 3650501 | - | 3650501 | 12.17 | 1.78 | |
| (iii) Others | | | | | | | | | | |
| NRI | 105018 | - | 105018 | 0.35 | 139863 | - | 139863 | 0.47 | 0.12 | |
| HUF | 927207 | - | 927207 | 3.09 | 1029077 | - | 1029077 | 3.43 | 0.34 | |
| Clearing Member | 469631 | - | 469631 | 1.56 | 162776 | - | 162776 | 0.54 | (1.02) | |
| Sub-total(B) (2) | 12499980 | 20 | 12500000 | 41.66 | 12499980 | 20 | 12500000 | 41.66 | - | |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | 12499980 | 20 | 12500000 | 41.66 | 12499980 | 20 | 12500000 | 41.66 | - | |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 29999980 | 20 | 30000000 | 100% | 29999980 | 20 | 30000000 | 100% | - | |

ii. Shareholding of Promoters:

| S. NO | SHAREHOLDER' S NAME | SHAREHOLDING AT THE BEGINNING OF THE YEAR | | | SHAREHOLDING AT THE END OF THE YEAR | | | % change in share holding during the year |
|-------|---------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| | | | | | | | | |

| | | | | | | | | |
|---|-----------------------|-----------------|--------------|----------|-----------------|--------------|----------|----------|
| 1 | 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 |
| | Total | 17500000 | 58.33 | 0 | 17500000 | 58.33 | 0 | 0 |

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 |
| 1. | Ravi Vaswani | | | | |
| i | At the beginning of the year | 8492160 | 28.31 | 8492160 | 28.31 |
| 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 | 8492160 | 28.31 | 8492160 | 28.31 |
| 2. | Sudha Vaswani | | | | |
| i | At the beginning of the year | 4113825 | 13.71 | 4113825 | 13.71 |
| 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 | 4113825 | 13.71 | 4113825 | 13.71 |
| 3. | Yashwant Ravi Vaswani | | | | |
| i | At the beginning of the year | 2910840 | 9.70 | 2910840 | 9.70 |
| 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 | 2910840 | 9.70 | 2910840 | 9.70 |
| 4. | Manisha Vaswani | | | | |
| i | At the beginning of the year | 1922175 | 6.40 | 1922175 | 6.40 |
| 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 | 1922175 | 6.40 | 1922175 | 6.40 |
| 5. | Ravi Kumar Vaswani | | | | |
| i | 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 |

| | | | | | |
|------------|---|------|------|------|------|
| 6. | Satish Kumar Vaswani | | | | |
| 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 |
| 1. | Amrit Sales Promotion Pvt Ltd | | | | |
| i | At the beginning of the year | 1250000 | 4.17 | 1250000 | 4.17 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/(transfer) | - | - | - | - |
| | Transfer – 17 th August, 2018 | (3000) | (0.01) | 1247000 | 4.16 |
| | Transfer – 24 th August, 2018 | (5500) | (0.02) | 1241500 | 4.14 |
| | Transfer – 14 th September, 2018 | (2500) | (0.01) | 1239000 | 4.13 |
| | Transfer – 21 st September, 2018 | (5200) | (0.02) | 1233800 | 4.11 |
| | Transfer – 29 th September, 2018 | (5200) | (0.02) | 1228600 | 4.09 |
| | Transfer – 5 th October, 2018 | (1000) | (0.00) | 1227600 | 4.09 |
| | Transfer – 12 th October, 2018 | (1500) | (0.00) | 1226100 | 4.09 |
| | Transfer – 19 th October, 2018 | (1200) | (0.01) | 1224900 | 4.08 |
| | Transfer – 2 nd November, 2018 | (1000) | (0.01) | 1223900 | 4.07 |
| | Transfer – 9 th November, 2018 | (200) | (0.00) | 1223700 | 4.07 |
| | Transfer – 30 th November, 2018 | (2500) | (0.00) | 1221200 | 4.07 |
| | Transfer – 7 th December, 2018 | (3300) | (0.01) | 1217900 | 4.06 |
| | Transfer – 14 th December, 2018 | (2000) | (0.01) | 1215900 | 4.05 |
| | Transfer – 28 th December, 2018 | (465) | (0.00) | 1215435 | 4.05 |
| | Transfer – 4 th January, 2019 | (12700) | (0.04) | 1202735 | 4.01 |
| | Transfer – 11 th January, 2019 | (4000) | (0.02) | 1198735 | 3.99 |
| | Transfer – 25 th January, 2019 | (3000) | (0.01) | 1195735 | 3.98 |
| | Transfer – 8 th February, 2019 | (1500) | (0.00) | 1194235 | 3.98 |
| | Transfer – 8 th March, 2019 | (200) | (0.00) | 1194035 | 3.98 |
| | Transfer – 15 th March, 2019 | (10000) | (0.03) | 1184035 | 3.95 |
| iii | At the End of the year (or on the date of separation, if separated during the year) | 1184035 | 3.95 | 1184035 | 3.95 |
| 2. | SMC Global Securities Limited | | | | |
| i | At the beginning of the year | 23700 | 0.08 | 23700 | 0.08 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/(transfer) | | | | |
| | Transfer – 6 th April, 2018 | 15836 | 0.05 | 39536 | 0.13 |
| | Transfer – 13 th April, 2018 | (9057) | (0.03) | 30479 | 0.10 |
| | Transfer – 20 th April, 2018 | (15730) | (0.05) | 14749 | 0.05 |
| | Transfer – 27 th April, 2018 | 4500 | 0.01 | 19249 | 0.06 |
| | Transfer – 4 th May, 2018 | (299) | (0.00) | 18950 | 0.06 |
| | Transfer – 11 th May, 2018 | 2101 | 0.01 | 21051 | 0.07 |
| | Transfer – 18 th May, 2018 | (100) | (0.00) | 20951 | 0.07 |

| | | | | | |
|------------|--|----------|--------|--------|------|
| | Transfer – 25 th May, 2018 | (1000) | (0.00) | 19951 | 0.07 |
| | Transfer – 1 st June, 2018 | 1000 | 0.00 | 20951 | 0.07 |
| | Transfer – 8 th June, 2018 | 205912 | 0.68 | 226863 | 0.75 |
| | Transfer – 15 th June, 2018 | (6650) | (0.02) | 220213 | 0.73 |
| | Transfer – 22 nd June, 2018 | (3850) | (0.01) | 216363 | 0.72 |
| | Transfer – 6 th July, 2018 | (500) | (0.00) | 215863 | 0.72 |
| | Transfer – 13 th July, 2018 | (1701) | (0.01) | 214162 | 0.71 |
| | Transfer – 20 th July, 2018 | (335666) | (0.09) | 180596 | 0.60 |
| | Transfer – 27 th July, 2018 | 4060 | 0.01 | 184656 | 0.61 |
| | Transfer – 3 rd August, 2018 | (400) | (0.00) | 184256 | 0.61 |
| | Transfer – 10 th August, 2018 | (108400) | (0.36) | 75856 | 0.25 |
| | Transfer – 17 th August, 2018 | (65946) | (0.22) | 9910 | 0.03 |
| | Transfer – 24 th August, 2018 | (3060) | (0.01) | 6850 | 0.02 |
| | Transfer – 31 st August, 2018 | 500 | 0.00 | 7350 | 0.02 |
| | Transfer – 7 th September, 2018 | (500) | (0.00) | 6850 | 0.02 |
| | Transfer – 14 th September, 2018 | 175 | 0.00 | 7025 | 0.02 |
| | Transfer – 21 st September, 2018 | 325 | 0.00 | 7350 | 0.02 |
| | Transfer – 29 th September, 2018 | 208716 | 0.70 | 216066 | 0.72 |
| | Transfer – 5 th October, 2018 | (10000) | (0.04) | 206066 | 0.68 |
| | Transfer – 12 th October, 2018 | 3401 | 0.01 | 209467 | 0.69 |
| | Transfer – 19 th October, 2018 | (501) | (0.00) | 208966 | 0.69 |
| | Transfer – 2 nd November, 2018 | (16001) | (0.05) | 192965 | 0.64 |
| | Transfer – 23 rd November, 2018 | 252000 | 0.84 | 444965 | 1.48 |
| | Transfer – 30 th November, 2018 | 2360 | 0.01 | 447325 | 1.49 |
| | Transfer – 7 th December, 2018 | (8072) | (0.03) | 439253 | 1.46 |
| | Transfer – 14 th December, 2018 | 1200 | 0.01 | 440453 | 1.47 |
| | Transfer – 21 st December, 2018 | (14660) | (0.05) | 425298 | 1.42 |
| | Transfer – 28 th December, 2018 | (495) | (0.00) | 422643 | 1.42 |
| | Transfer – 18 th January, 2019 | (2655) | (0.01) | 421943 | 1.41 |
| | Transfer – 25 th January, 2019 | (700) | (0.00) | 421593 | 1.41 |
| | Transfer – 1 st February, 2019 | (350) | (0.00) | 422393 | 1.41 |
| | Transfer – 8 th February, 2019 | 800 | (0.00) | 421767 | 1.41 |
| | Transfer – 15 th February, 2019 | (626) | (0.01) | 416767 | 1.40 |
| | Transfer – 22 nd February, 2019 | (5000) | (0.01) | 416967 | 1.39 |
| | Transfer – 8 th March, 2019 | 200 | 0.00 | 416867 | 1.39 |
| | Transfer – 15 th March, 2019 | (100) | (0.00) | 415867 | 1.39 |
| | Transfer – 22 nd March, 2019 | (1000) | (0.00) | 39536 | 1.39 |
| iii | At the End of the year | 415867 | 1.39 | 415867 | 1.39 |
| 3. | Brijdhara Developers Private Limited | | | | |
| i | At the beginning of the year | 279388 | 0.93 | 279388 | 0.93 |
| 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 | 279388 | 0.93 | 279388 | 0.93 |
| 4. | Disha Vintrade Private Limited | | | | |
| i | At the beginning of the year | 236250 | 0.79 | 236250 | 0.79 |
| 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 | 236250 | 0.79 | 236250 | 0.79 |

| | | | | | |
|------------|--|--------|------|--------|------|
| 5. | Ganeshvani Infrabuild Private Limited | | | | |
| i | At the beginning of the year | 234500 | 0.78 | 234500 | 0.78 |
| 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 | 234500 | 0.78 | 234500 | 0.78 |
| 6. | Rishab Nahata | | | | |
| i | At the beginning of the year | 212600 | 0.71 | 212600 | 0.71 |
| 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 | 212600 | 0.71 | 212600 | 0.71 |
| 7. | Moti Chand Jain | | | | |
| i | At the beginning of the year | 189000 | 0.63 | 189000 | 0.63 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/(transfer) | | | | |
| | Transfer – 14 th September, 2018 | 2000 | 0.01 | 191000 | 0.64 |
| | Transfer – 12 th October, 2018 | 2000 | 0.00 | 193000 | 0.64 |
| | Transfer – 19 th October, 2018 | 2000 | 0.01 | 195000 | 0.65 |
| | Transfer – 2 nd November, 2018 | 1206 | 0.00 | 196206 | 0.65 |
| | Transfer – 9 th November, 2018 | 794 | 0.01 | 197000 | 0.66 |
| iii | At the End of the year | 197000 | 0.66 | 197000 | 0.66 |
| 8. | Singhi Dinesh Kumar HUF | | | | |
| i | At the beginning of the year | 172401 | 0.57 | 172401 | 0.57 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/(transfer) | | | | |
| | Transfer – 17 th August, 2018 | 10000 | 0.04 | 182401 | 0.61 |
| | Transfer – 19 th October, 2018 | 10000 | 0.03 | 192401 | 0.64 |
| iii | At the End of the year | 192401 | 0.64 | 192401 | 0.64 |
| 9. | Sunil Purushottam Toshniwal | | | | |
| i | At the beginning of the year | 150000 | 0.50 | 150000 | 0.50 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease/(transfer) | | | | |
| | Transfer – 15 th June, 2018 | 637 | 0.00 | 150637 | 0.50 |
| | Transfer – 22 nd June, 2018 | 22672 | 0.08 | 173309 | 0.58 |
| | Transfer – 6 th July, 2018 | 1000 | 0.00 | 174309 | 0.58 |
| iii | At the End of the year | 174309 | 0.58 | 174309 | 0.58 |
| 10. | Shanti Bai Parakh | | | | |
| i | At the beginning of the year | 150000 | 0.50 | 150000 | 0.50 |

| | | | | | |
|------------|---|----------|--------|--------|------|
| 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 | 150000 | 0.50 | 150000 | 0.50 |
| 11. | Ajay Parakh | | | | |
| i | At the beginning of the year | 224128 | 0.75 | 224128 | 0.75 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/(transfer) | | | | |
| | Transfer – 12 th October, 2018 | 387 | 0.00 | 224515 | 0.75 |
| | Transfer – 29 th March, 2019 | (111842) | (0.38) | 112673 | 0.37 |
| iii | At the End of the year | 112673 | 0.37 | 112673 | 0.37 |
| 12. | Raga Tradecon Private Limited | | | | |
| i | At the beginning of the year | 250000 | 0.83 | 250000 | 0.83 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease/(transfer) | | | | |
| | Transfer – 26 th October, 2018 | (250000) | (0.83) | 0 | 0 |
| iii | At the End of the year | 0 | 0 | 0 | 0 |
| 13. | Khera Motor Finance Private Limited | | | | |
| i | At the beginning of the year | 250000 | 0.83 | 250000 | 0.83 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease/(transfer) | | | | |
| | Transfer – 10 th August, 2018 | 250000 | 0.83 | 0 | 0 |
| iii | At the End of the year | 0 | 0 | 0 | 0 |
| 14. | Prudential Business Enterprises Private Limited | | | | |
| i | At the beginning of the year | 250000 | 0.83 | 250000 | 0.83 |
| ii | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease/(transfer) | | | | |
| | Transfer – 6 th April, 2018 | (20000) | (0.06) | 230000 | 0.77 |
| | Transfer – 13 th April, 2018 | (18588) | (0.07) | 211412 | 0.70 |
| | Transfer – 27 th April, 2018 | (6000) | (0.02) | 205412 | 0.68 |
| | Transfer – 8 th June, 2018 | (205412) | 0.00 | 0 | 0.00 |
| | Transfer – 10 th August, 2018 | 249550 | 0.83 | 249550 | 0.83 |
| | Transfer – 31 st August, 2018 | (29934) | (0.10) | 219616 | 0.73 |
| | Transfer – 14 th September, 2018 | (10000) | (0.03) | 209616 | 0.70 |
| | Transfer – 29 th September, 2018 | (209616) | 0.00 | 0 | 0.00 |
| iii | At the End of the year | 0 | 0.00 | 0 | 0.00 |
| 15. | Priti Parakh | | | | |
| i | At the beginning of the year | 2699 | 0.00 | 2699 | 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 | 2699 | 0.00 | 2699 | 0.00 |

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 |
| 1. | Ravi Kumar Vaswani – Managing Director | | | | |
| i | At the beginning of the year | 8492160 | 28.31 | 8492160 | 28.31 |
| 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 | 8492160 | 28.31 | 8492160 | 28.31 |
| 2. | Yashwant Vaswani – Whole-time Director | | | | |
| i | At the beginning of the year | 2910840 | 9.70 | 2910840 | 9.70 |
| 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 | 2910840 | 9.70 | 2910840 | 9.70 |
| 3. | Sudha Vaswani - Director | | | | |
| i | At the beginning of the year | 4113825 | 13.71 | 4113825 | 13.71 |
| 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 | 4113825 | 13.71 | 4113825 | 13.71 |
| 4. | Pawan Kumar Jha - Director | | | | |
| i | At the beginning of the year | - | - | - | - |
| 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 | - | - | - | - |
| 5. | Ashok Kumar Suri – Independent Director | | | | |
| i | At the beginning of the year | - | - | - | - |
| 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 | - | - | - | - |
| 6. | Lekhu Thadaram Mulchandani – Independent Director | | | | |
| i | At the beginning of the year | - | - | - | - |
| 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 | - | - | - | - |
| 7. | Sanjay Jadwani – Independent Director | | | | |
| i | At the beginning of the year | - | - | - | - |
| 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 | - | - | - | - |
| 8. | Satyawati Parashar – Independent Director | | | | |
| i | At the beginning of the year | - | - | - | - |

| | | | | | |
|-----|--|---|---|---|---|
| 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 | - | - | - | - |
| 9. | Ragini Shukla – Company Secretary | | | | |
| i | At the beginning of the year | - | - | - | - |
| 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 | - | - | - | - |

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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 479380545 | - | - | 479380545 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 479380545 | - | - | 479380545 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 45836835 | - | - | 45836835 |
| * Reduction | (17730986) | - | - | (17730986) |
| Net Change | 28105849 | - | - | 28105849 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 507486394 | - | - | 507486394 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 507486394 | - | - | 507486394 |

6. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

i. **Remuneration to Managing Director, Whole-Time Directors, Executive**

| I.No | Particulars of Remuneration | Name of the MD/WTD/Manager/Executive | | | | Total |
|------|--|--------------------------------------|------------------------|-----------------|---------------|----------------|
| | | Ravi Vaswani (MD) | Yashwant Vaswani (WTD) | Pawan Kumar Jha | Sudha Vaswani | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 1200000 | 1200000 | 462034 | 430000 | 3292034 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 319956 | 319956 | 0 | 0 | 639912 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| 2 | Stock option | 0 | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 | 0 |
| 4 | Commission as % of profit | 0 | 0 | 0 | 0 | 0 |
| | others (specify) | 0 | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (A) | 1519956 | 1519956 | 462034 | 430000 | 3931946 |
| | Ceiling as per the Act | | | | | 4200000 |

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 |
| | Total (1) | 0 | 0 |
| 2 | Other Non-Executive Directors | 0 | 0 |
| | Fee for attending board committee meetings | 0 | 0 |
| | Commission | 0 | 0 |
| | Others (Salary) | 0 | 0 |
| | Total (2) | 0 | 0 |
| | Total (B) = (1 + 2) | 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 | | | |
|----|--|--------------------------|-----------------|----------|-------|
| | | CEO | CS | CFO | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 CS Ragini Shukla (1st April, 2018 to 31st March, 2019) | 0 | 1,80,000 | 0 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 | |
| 2. | Stock Option | 0 | 0 | 0 | |
| 3. | Sweat Equity | 0 | 0 | 0 | |
| 4. | Commission | 0 | 0 | 0 | |
| | - as % of profit | 0 | 0 | 0 | |
| | Others, specify | 0 | 0 | 0 | |
| 5. | Others, please specify | 0 | 0 | 0 | |
| | Total | | 1,80,000 | 0 | |

7. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

| S. NO | PARTICULARS | DETAILS |
|--------------|--|----------------|
| 1. | Name of the subsidiary | NIL |
| 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

| S. NO. | PARTICULARS | DETAILS |
|---------------|---|---|
| 1. | Name of Associates or Joint Ventures | C.G. ISPAT PRIVATE LIMITED |
| 2. | Latest audited Balance Sheet Date | 31 st March, 2019 |
| 3. | Date on which the Associate or Joint Venture was associated or acquired | 30 th 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 |

ANNEXURE-F**FORM NO. AOC.2 – FOR FINANCIAL YEAR 2018-19**

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

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

| Name(s) of the related party and nature of relationship | Nature of contracts /arrangements /transactions | Duration of the contracts /arrangements /transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, (if any): |
|--|--|--|--|--|---|
| Ravi Vaswani | Remuneration | 5 years | On prevailing cash prices as per Contract u/s 196, 269, 309 of companies Act 1956 read with Sch XIII value pertaining Rs.15.19 Lacs | Members approval- 14 th September, 2015 | Nil |
| Yashwant Vaswani | Remuneration | 5 years | On prevailing cash prices as per Contract u/s 196, 269, 309 of companies Act 1956 read with Sch XIII value pertaining Rs.15.19 Lacs. | Members approval- 14 th September, 2015 | Nil |
| Sudha Vaswani | Remuneration | - | Rs. 4.30 Lacs | 6 th January, 2018 | Nil |
| Pawan Kumar Jha | Remuneration | - | Rs. 4.62 Lacs | - | Nil |
| Ragini Shukla | Salary | - | Rs. 1.80 Lacs | 14 th December, 2017 | Nil |
| Manisha Vaswani | Salary | - | Rs. 4.30 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.2366.79 Lacs | 2 nd April, 2018 | Nil |
| | Purchase of Goods | - | On prevailing cash prices Rs.459.34 Lacs | 2 nd April, 2018 | Nil |
| C G Ispat Pvt Ltd | Sale of goods | - | On prevailing cash prices Rs.11077.09 Lacs | 2 nd April, 2018 | Nil |
| | Purchase of Goods | - | On prevailing cash prices Rs. 1496.14 Lacs | 2 nd April, 2018 | Nil |
| Gold Star Steel Pvt. Ltd. | Sale of goods | - | On prevailing cash prices Rs. 50.56 Lacs | 2 nd April, 2018 | Nil |
| | | | | | |

Raipur, 30th May, 2019

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.

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. Ravi Vaswani 3.22 | Smt. Sudha Vaswani 0.91 | Mr. Yashwant Vaswani 3.22 | Mr. Pawan Kumar Jha 0.98 |
| (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; | Mr. Ravi Vaswani 33.33% | Smt. Sudha Vaswani 19.44% | Mr. Yashwant Vaswani 377.78% | Mr. Pawan Kumar Jha (0.40)% |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | 3% | | | |
| (iv) the number of permanent employees on the rolls of company; | 163 | | | |
| (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | There is no increment in salaries of employees other than the managerial personnel | | | |
| (vi) Affirmation that the remuneration is as per the remuneration policy of the company. | It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. | | | |

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY: 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, 30th May, 2019

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 fabrics. The necessary disclosures have been made as per accounting standard 17 on segment reporting in the notes to accounts.

OUTLOOK

The outlook of the company is broadly described in Vision and Mission statements of the Company. Options of shifting focus to steel making, separate power plant at pit head of coal block etc. 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 as under:

- (i) Our company has manufacturing facilities in an industrial area at Sondra village, 14 km from Raipur railway station. Our company installed first kiln of 1x100 TPD sponge iron in the year 2004-05 and over the period of time enhanced the total capacity of sponge iron to 3 x 100 TPD.
- (ii) Has installed three Induction Furnaces with a capacity of 36000 MT for manufacturing of Steel Billets & Ingots utilizing in-house production of Sponge Iron.
- (iii) 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 year 2010-2011.

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

- o **Sales**
The total sales of current year 2018-19 is Rs.31912.23 Lacs as compared to Rs.23732.38 Lacs in previous year 2017-18. The sales volume has increased by 34.47% as compared to previous year.
- o **Consumed Material Cost**
The material cost during the current year 2018-19 is Rs.20636.78 Lacs as compared to Rs.15285.51 Lacs in previous year 2017-18. The raw material consumption has increased by 35.01% as compared to previous year.
- o **Manufacturing Expenses**
Manufacturing expenses during the current year 2018-19 is Rs.4146.25 Lacs where as during the previous year 2017-18 is Rs.3585.23 Lacs. These expenses have increased by 15.65% as compared to previous year.
- o **Employees Remuneration & Benefits**
Employees Remuneration & benefits during the current year 2018-19 is Rs. 462.26 Lacs as compared to Rs.360.62 Lacs in previous year 2017-18. These expenses have increased by 28.18% as compared to previous year.
- o **Administrative & Other Expenses**
Administrative & Other Expenses during the current year 2018-19 is Rs.626.51 Lacs as compared to Rs.383.86 Lacs in previous year 2017-18. These expenses have increased by 63.21% as compared to previous year.
- o **Depreciation**
Depreciation during the current year 2018-19 was Rs.520.55 Lacs as compared to Rs.539.32 Lacs the previous year 2017-18. During the current year it has decreased by 3.48%.
- o **Profit after tax**
The current year Profit after tax is Rs.116.05 Lacs as compared to previous year 2017-18 was Rs.450.77 Lacs. During the current year it has decreased by 74.25%.

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 2018-19

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 31st March, 2019, the Company's Board consists of Eight Directors having considerable professional experience in their respective fields. Out of them Four are Non- Executive Independent Directors which includes one Woman Director and other Four are Executive Directors including one Chairman and Managing Director, one Whole-time Directors who are the promoters of the Company and two 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 31st March, 2019.

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, 2019

| S. No | NAME OF DIRECTOR | CATEGORY | Number of shares | NO. OF OTHER DIRECTORSHIP | NO. OF OTHER COMMITTEE MEMBERSHIP/ CHAIRMANSHIP HELD* |
|-------|--------------------------------|------------------------------|------------------|---------------------------|---|
| 1 | Mr. Ravi Vaswani | Chairman & Managing Director | 8492160 | 6 | 0 |
| 2 | Mr. Yashwant Vaswani | Whole Time Director | 2910840 | 5 | 1 |
| 3 | Mr. Lekhu Thadaram Mulchandani | Independent Director | Nil | 1 | 2 |
| 4 | Mr. Ashok Suri | Independent Director | Nil | 1 | 2 |
| 5 | Mr. Sanjay Jadwani | Independent Director | Nil | 1 | 1 |
| 6 | Mrs. Satyawati Parashar | Independent Director | Nil | 4 | 6 |
| 7 | Mr. Pawan Kumar Jha | Director | Nil | 1 | 1 |
| 8 | Mrs. Sudha Vaswani | Director | 4113825 | 1 | 0 |

*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, 2019
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. | 02/04/2018 | 8 | 6 |
| 2. | 04/05/2018 | 8 | 7 |
| 3. | 30/05/2018 | 8 | 7 |
| 4. | 28/07/2018 | 8 | 6 |
| 5. | 14/08/2018 | 8 | 8 |
| 6. | 01/09/2018 | 8 | 8 |
| 7. | 29/09/2018 | 8 | 8 |
| 8. | 14/11/2018 | 8 | 6 |
| 9. | 01/12/2018 | 8 | 6 |
| 10. | 14/02/2019 | 8 | 8 |
| 11. | 01/03/2019 | 8 | 8 |

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

TABLE 3

As on March 31, 2019

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

| S. No. | Name Of Directors | No. of Board Meetings Attended | Attendance At The Last AGM |
|--------|--------------------------------|--------------------------------|----------------------------|
| 1. | Mr. Ravi Vaswani | 11 | YES |
| 2. | Mr. Yashwant Vaswani | 11 | YES |
| 3. | Mr. Lekhu Thadaram Mulchandani | 9 | YES |
| 4. | Mr. Ashok Suri | 9 | YES |
| 5. | Mr. Sanjay Jadwani | 9 | YES |
| 6. | Mrs. Satyawati Parashar | 10 | YES |
| 7. | Mr. Pawan Kumar Jha | 9 | YES |
| 8. | Mrs. Sudha Vaswani | 10 | YES |

TABLE 4

As on March 31, 2019

Independent Directors Meeting

| Sr. No. | Dates of Meeting | Committee Strength | No. of members Present |
|---------|------------------|--------------------|------------------------|
| 1 | 01.03.2019 | 4 | 4 |

iii) **ROLE OF DIRECTORS**

Your Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company and in the creating of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As part of its function, your Board periodically reviews all the relevant information which is required to be placed before it pursuant to 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 |
|-------------------------|----------------------|------------------------|
| Mr. Lekhu T Mulchandani | Chairman Independent | Non-Executive Director |
| Mr. Sanjay Jadwani | Member Independent | Non-Executive Director |
| Mr. Ashok Suri | Member Independent | Non-Executive Director |
| Mr. Yashwant Vaswani | Member | Executive Director |

The committee met six times during the year 2018-19 and the attendance of the members at these meetings was as follows:

| SN | Date of Meeting | Committee Strength | No. of members present |
|----|-----------------|--------------------|------------------------|
| 1. | 04.05.2018 | 4 | 4 |
| 2. | 30.05.2018 | 4 | 3 |
| 3. | 14.08.2018 | 4 | 4 |
| 4. | 01.09.2018 | 4 | 4 |
| 5. | 14.11.2018 | 4 | 3 |
| 6. | 14.02.2019 | 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 Mr. Lekhu T Mulchandani, Independent Director as Chairman, Mr. Ashok Suri, Independent Director and Mr. Sanjay Jadwani, Independent Director as members. The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The Committee met on 02.04.2018, 14.08.2018, 01.09.2018 and 14.02.2019 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 Mr. Lekhu T Mulchandani, Independent Director as Chairman, Mr. Ashok Suri, Independent Director and Mr. Pawan Kumar Jha, Executive Director as members. During the year under review the committee met on 30.05.2018, 14.08.2018 and 14.02.2019 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. During the year no Complaints were received. As on 31st March, 2019 no complaints remained unattended/pending more than thirty days. The company has no share transfers/transmission pending as on 31st March, 2018.

d) Risk Management Committee

The Committee comprises of Mr. Ravi Vaswani, Managing Director and Mr. Yashwant Vaswani, Whole-time Director as member. During the year under review the committee met on 14.02.2019. 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 2017-18 | Commission Due/ paid/payable for 2017-18 | Sitting fess(for Board and its committees) |
|----------------------|--|--|--|--|
| Ravi Vaswani | Chairman & Director | Rs. 15.20 Lacs | NIL | NIL |
| Yashwant Vaswani | Whole-time Director | Rs. 15.20 Lacs | NIL | NIL |
| Lekhu T Mulchandani | Independent Director | - | NIL | NIL |
| Ashok Suri | Independent Director | - | NIL | NIL |
| Sanjay Jadwani | Independent Director | - | NIL | NIL |
| Satyawati Parashar | Independent Director | - | NIL | NIL |
| Pawan Kumar Jha | Additional Director | Rs. 4.62 Lacs | NIL | NIL |
| Sudha Vaswani | Additional Director | Rs. 4.30 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.

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 2017-18"

RAIPUR, 30th May, 2019

Sd/-

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

VI) GENERAL MEETINGS:

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

| Annual General Meeting (AGM): | | | | |
|---|--|-------------|-------------|-------------------------------------|
| For the year ended / Year of EGM | Location | Date | Time | Details of Resolution passed |
| 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 |
| 31.03.2016 | MIG-4, Indrawati Colony, Raipur (C.G.) | 26.09.2016 | 03.00 PM | Ordinary & Special |
| Extra Ordinary General Meeting (EGM): | | | | |
| 2018 | Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) 493221 | 29.05.2018 | 03.00 PM | Ordinary |
| 2017 | MIG-4, Indrawati Colony, Raipur (C.G.) | 04.05.2017 | 03.00 PM | Special |
| During the year ended on March 31, 2019, 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, structures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years. – None

3. Compliance with Accounting Standards - In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

4. Compliance Certificate from the auditors - Certificate from the auditors of the company confirming compliance with the mandatory requirements under 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. Compliances: There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

8. No significant changes in Accounting Treatment.

9. Remuneration Committee

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

10. Whistle blower policy

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

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

11. Risk Management

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

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

12. Corporate Social Responsibility (CSR)

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

13. Archival Policy

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

14. Policy on preservation of Documents

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

15. Familiarization Program for Independent Directors

VASWANI INDUSTRIES LIMITED has in place a system to familiarize its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the Company, etc. In addition, it also undertakes

various measures to update the Independent Directors about the ongoing events and development relating to the Company the same is uploaded in our website vaswaniindustries.com.

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.
- Website: The Company's website "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 th September, 2019 at 3.00 p.m. | | | | |
| Venue | Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur Chhattisgarh 493221 | | | | |
| Financial Year | 1 st April 2018 to 31st March 2019 | | | | |
| Book Closure Date | Tuesday, 24 th September, 2019 to 30 th September, 2019 (both days inclusive) | | | | |
| Listed on stock exchange | National Stock Exchange & Bombay Stock Exchange | | | | |
| Listing Date & Commencement of Trading Date | 20th September, 2011 & 24th October, 2011 | | | | |
| Annual Listing fees | Annual Listing fees for the year 2018-19 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, 2018 | 17.90 | 14.00 | 17.90 | 14.55 |
| | May, 2018 | 16.75 | 11.50 | 15.40 | 11.75 |
| | June, 2018 | 15.40 | 11.29 | 15.25 | 11.10 |
| | July, 2018 | 13.13 | 11.16 | 13.90 | 11.15 |
| | August, 2018 | 15.40 | 12.00 | 14.85 | 11.90 |
| | September, 2018 | 14.50 | 8.00 | 13.45 | 8.55 |
| | October, 2018 | 11.25 | 7.72 | 10.15 | 7.75 |
| | November, 2018 | 14.35 | 7.65 | 14.35 | 8.60 |
| | December, 2018 | 13.40 | 9.20 | 12.85 | 10.40 |
| | January, 2019 | 12.80 | 10.01 | 13.50 | 9.85 |
| | February, 2019 | 11.83 | 7.61 | 10.70 | 8.05 |
| March, 2019 | 12.00 | 8.65 | 12.10 | 8.20 | |

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 Practicing Company Secretary on half yearly basis, for compliance of share transfer formalities.

XII) DISTRIBUTION OF SHAREHOLDING

i) Shareholding Pattern Category wise as on 31st March, 2019

| Category | No. of Shares held | % of holding |
|---|--------------------|--------------|
| Promoters | 17500000 | 58.33 |
| Individual Shareholding – Upto Rs. 2 Lakhs | 5111644 | 17.04 |
| Individual Shareholding – More than Rs. 2 Lakhs | 2934233 | 9.78 |
| Trusts | 0 | 0.00 |
| NBFCs registered with RBI | 3180 | 0.01 |
| HUF | 1029077 | 3.43 |
| Foreign Individuals or NRI | 139863 | 0.47 |
| Clearing Members | 162776 | 0.54 |
| Bodies Corporate | 3119227 | 10.40 |

| | | |
|--------------|-----------------|---------------|
| Total | 30000000 | 100.00 |
|--------------|-----------------|---------------|

ii) Distribution of Share-holding as on March 31, 2019

| SHAREHOLDING CATEGORY | | | NUMBER OF SHAREHOLDER | PERCENTAGE OF TOTAL | TOTALSHARES | PERCENTAGE OF TOTAL |
|-----------------------|----|-------|-----------------------|---------------------|-----------------|---------------------|
| 1 | to | 500 | 3441 | 63.17 | 615729 | 2.05 |
| 501 | to | 1000 | 733 | 13.46 | 641054 | 2.14 |
| 1001 | to | 2000 | 495 | 9.09 | 804127 | 2.68 |
| 2001 | to | 3000 | 189 | 3.47 | 496547 | 1.65 |
| 3001 | to | 4000 | 164 | 3.01 | 566926 | 1.89 |
| 4001 | to | 5000 | 117 | 2.15 | 558557 | 1.86 |
| 5001 | to | 10000 | 166 | 3.05 | 1252551 | 4.17 |
| 10001 | & | Above | 142 | 2.60 | 25064509 | 83.55 |
| Total | | | 5447 | 100.00 | 30000000 | 100.00 |

XIII) DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY:

The Company's shares are regularly traded on the 'Bombay Stock Exchange Limited' and 'National Stock Exchange of India Limited' in dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.99% of the share capital are dematerialized as on 31st March, 2019.

XIV) REGISTRAR & TRANSFER AGENTS:

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

XV) ADDRESS OF CORRESPONDENCE:

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, Website: www.vaswaniindustries.com

XVI) REQUEST TO INVESTORS

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

XVII) RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2019 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. No paid up equity capital have been dematerialized as on 31st March 2019.

RAIPUR, 30th May, 2019

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

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

INDEPENDENT STATUTORY 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 31st March, 2019 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, AMITABH AGRAWAL & COMPANY
CHARTERED ACCOUNTANTS
FIRM REG.NO. 06620C**

**PLACE: RAIPUR (C.G.)
DATED: 30.05.2019**

**MANISH KUMAR SAHU
PARTNER MEMBERSHIP NO: 423562**

INDEPENDENT SECRETARIAL AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by **Vaswani Industries Limited** for the year ended 31st March, 2019 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges and SEBI (LODR) Regulations, 2015.

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

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

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

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

**PLACE: RAIPUR (C. G.)
DATED: 30.05.2019**

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

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 31st March, 2019 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, 30th May, 2019

| | |
|------------------------------|----------------------|
| Sd/- | Sd/- |
| Yashwant Vaswani | Sudha Vaswani |
| (Whole-time Director) | (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

| | | | |
|--|---|---|--|
| Lekhu T Mulchandani – Independent Director DIN - 02801146 Date : 01/04/2018 Place : Raipur | Ashok Suri – Independent Director DIN - 00291897 Date : 01/04/2018 Place : Raipur | Sanjay Jadwani – Independent Director DIN - 05139093 Date : 01/04/2018 Place : Raipur | Satyawati Parashar – independent Director DIN – 00761009 Date: 01/04/2018 Place : Raipur |
|--|---|---|--|

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
VASWANI INDUSTRIES LTD. RAIPUR
Report on the Financial Statements

Opinion

We have audited the financial statements of VASWANI INDUSTRIES LTD ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 financial statements:-

- (i) Note No. 27 (a) to the financial statements which describes regarding certain disclosures relating to SSI Enterprises.
- (ii) Note No. 27 (b) to the 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.

Key Audit Matter:

Evaluation of Uncertain Tax Position

The company has uncertain tax positions including matter under dispute which involves significant judgment to determine the possible outcome of these disputes.

Refer Note no. 30 of Financial Statement

Audit Response:

Principal Audit Procedure

Obtained details of completed tax assessment and demand for the year ended March 31, 2019 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, 2018 to evaluate whether my change was required to management's position on these uncertainties.

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 financial statements and our auditors' report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing

so, consider whether the other information is materially inconsistent with the 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 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 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 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

Sd/-

(AMITABH AGRAWAL)

PARTNER
M.NO.075315

PLACE: RAIPUR (C.G.)
DATED: 30th May, 2019

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 31st March, 2019]

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 31st March, 2017 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 :-

| Name of the statute | Nature of the dues | Amount (Rs. In Lacs) | Period to which the amounts relate | Forum where pending |
|---------------------|-----------------------|-----------------------|------------------------------------|---------------------------------------|
| 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**

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

**PLACE: RAIPUR (C.G.)
DATED: 30th May, 2019**

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 2019 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 system over financial reporting.

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 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 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 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 2019, 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.

**FOR, AMITABH AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO.006620C**

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

**PLACE: RAIPUR (C.G.)
DATED: 30th May, 2019**

BALANCE SHEET & PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2019

| S.NO. | Particulars | Note | As at Mar 31, 2018 2018-19 | As at Mar 31, 2017 2017-2018 |
|------------|--|--------------------|-------------------------------|---------------------------------|
| I | ASSETS | | | |
| A | Non- current Assets | | | |
| a | Property ,Plant & equipment | 1 | 544,029,641 | 574,866,579 |
| 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 | 2 | 72,187,573 | 23,316,858 |
| | (ii) Trade receivables | | - | - |
| | (iii) Loans & Advances | 3 | 151,543,319 | 136,483,073 |
| i | Deferred tax assets (net) | | - | - |
| j | Other non-current assets | 4 | 34,617,019 | 47,417,019 |
| | Total Non Current Assets | A | 802,377,552 | 782,083,530 |
| B | Current assets | | | |
| a | Inventories | 5 | 510,588,755 | 311,115,504 |
| b | Financial Assets | | | |
| | (i) Investments | | - | - |
| | (ii) Trade receivables | 6 | 428,962,486 | 408,857,530 |
| | (iii) Cash and cash equivalents | 7 | 3,875,538 | (2,166,551) |
| | (iv) Bank balances other than(iii) above | 8 | - | - |
| | (v) Loans & Advances | 3 | 214,755,149 | 185,802,487 |
| | (vi) Others | | - | - |
| c | Current Tax Assets (Net) | | - | - |
| d | Other current assets | 4 | 22,426,984 | 19,917,879 |
| | Total Current Assets | B | 1,180,608,913 | 923,526,849 |
| | Total Assets | I = (A+B) | 1,982,986,465 | 1,705,610,379 |
| II | Equity and Liabilities | | | |
| | Equity | | | |
| a | Equity Share Capital | 9 | 300,000,000 | 300,000,000 |
| b | Other Equity | 10 | 625,719,949 | 565,139,428 |
| | Total Equity | II | 925,719,949 | 865,139,428 |
| III | Liabilities | | | |
| A | Non Current Liabilities | | | |
| a | Financial Liabilities | | | |
| | i. Borrowings | 11 | 112,986,872 | 67,150,037 |
| | ii. Trade payables | | - | - |
| | iii. Other financial liabilities (other than those specified in item (b)) | | - | - |
| b | Provisions | 14 | 3,413,451 | 4,533,808 |
| c | Deferred tax liabilities (Net) | | 30,021,879 | 8,679,711 |
| d | Other non-current liabilities | 12 | - | - |
| | Total Non Current Liabilities | A | 146,422,202 | 80,363,556 |
| B | Current Liabilities | | | |
| a | Financial Liabilities | | | |
| | i. Borrowings | 11 | 394,499,522 | 412,230,508 |
| | ii. Trade payables | 13 | | |
| | - Dues to Micro & Small Enterprises | | - | - |
| | - Dues to others | | 415,451,871 | 252,423,047 |
| | iii. Other financial liabilities (other than those specified in item ('c)) | | - | - |
| b | Other current liabilities | 12 | 30,159,105 | 3,727,630 |
| c | Provisions | 14 | 70,733,816 | 91,726,211 |
| d | Current Tax Liabilities (Net) | | | |
| | Total Current Liabilities | B | 910,844,314 | 760,107,396 |
| | Total Liabilities | III = (A+B) | 1,057,266,516 | 840,470,951 |
| | Total Equity and Liabilities | II + III | 1,982,986,465 | 1,705,610,379 |

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
LIMITED FIRM REG NO. - 006620C

Sd/-

(AMITABH AGRAWAL)

PARTNER

MEMBERSHIP NO: 075315

Place: Raipur

Date: 30.05.2019

BY ORDER OF THE BOARD
FOR VASWANI INDUSTRIES

Sd/-

YASHWANT VASWANI

DIRECTOR

DIN:01647208

Sd/-

SUDHA VASWANI

DIRECTOR

DIN:02909309

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| S.NO | Particulars | | Year ended | |
|------|--|-----------------|-------------------------------------|-------------------------------------|
| | | | 31st March 2018 (Audited) | 31st March 2017 (Audited) |
| I | Revenue From Operations | 15 | 3,191,222,959 | 2,431,783,982 |
| | Less: Excise Duty | | - | (58,546,402) |
| | | | 3,191,222,959 | 2,373,237,580 |
| II | Other Income | 16 | 5,269,826 | 4,669,973 |
| III | Total Income from Operations | I+II | 3,196,492,785 | 2,377,907,553 |
| IV | EXPENSES | | | |
| | a. Cost of Materials Consumed | 17 | 2,063,678,494 | 1,528,551,174 |
| | b. Cost of Traded Goods | | 486,504,851 | 235,490,498 |
| | c. Changes in Inventories of Finished Goods & Traded Goods | 18 | (57,459,038) | 14,406,272 |
| | d. Employees Benefits Expenses | 19 | 46,226,154 | 36,062,178 |
| | e. Finance Costs | 20 | 95,207,767 | 87,255,525 |
| | f. Depreciation and Amortization Expenses | | 52,054,611 | 53,932,176 |
| | g. Other Expenses | 21 | 477,275,456 | 396,910,292 |
| | Total expenses (a+b+c+d+e+f+g) | IV | 3,163,488,295 | 2,352,608,115 |
| V | Profit/Loss before exceptional items and tax | (III-IV) | 33,004,490 | 25,299,438 |
| VI | Exceptional items | | - | - |
| VII | Profit/Loss before and tax | V-VI | 33,004,490 | 25,299,438 |
| VIII | Tax Expense | | | |
| | a) Current Tax | | 7,066,700 | 5,111,700 |
| | Less: MAT Credit | | (7,066,700) | (5,111,700) |
| | b) Income tax of earlier years | | 57,050 | - |
| | c) Deferred Tax | | 21,342,168 | (19,778,146) |
| IX | Profit/(loss) for the period | VII-VIII | 11,605,272 | 45,077,584 |
| X | Other comprehensive income | | | |
| | A. (i) Items that will not be reclassified to profit and loss: | | 211,685 | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (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 | Total Comprehensive Income for the period [Comprising Profit (Loss) and Other comprehensive Income for the period] | IX+X | 11,773,357 | 45,077,584 |
| XII | Paid-up Share Capital (par value Rs. 10/- each fully paid up) | | 30,000,000 | 30,000,000 |
| XIII | Earnings per equity share (Par value Rs. 10 each) | | | |
| | i) Basic | | 0.39 | 1.50 |
| | ii) Diluted | | 0.39 | 1.50 |

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
LIMITED FIRM REG NO. - 006620C

BY ORDER OF THE BOARD
FOR VASWANI INDUSTRIES

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

Sd/-
YASHWANT VASWANI
DIRECTOR
DIN:01647208

Sd/-
SUDHA VASWANI
DIRECTOR
DIN:02909309

Place: Raipur
Date: 30.05.2019

CASH FLOW STATEMENT AS AT 31ST MARCH, 2019

| | (Amount in Rs.) Year 2018-19 | | (Amount in Rs.) Year 2017-18 |
|---|---------------------------------|---------------------|---------------------------------|
| 'A) Cash Flow From Operating Activities :- | | | |
| 1. Net Profit/(Loss) before Taxes and Exceptional Items | 33,004,490 | | 25,299,438 |
| Adjustments for: - | | | |
| Depreciation | 52,054,611 | | 53,932,176 |
| Interest Charged to P & L A/c | 95,207,767 | | 87,255,525 |
| Interest received from parties | - | | - |
| Other Non cash items | 43,600 | | 4,316,781 |
| 2. Operating Profit before Working Capital Changes | 180,310,468 | | 170,803,920 |
| Adjustments for: - | | | |
| Decrease/(Increase) in trade & other receivables | (53,823,085) | | (211,404,712) |
| Decrease/(Increase) in Inventories | (199,473,251) | | 9,355,256 |
| Increase/(Decrease) in Payables | 167,347,547 | | 68,116,545 |
| Cash generated from Operations | 94,361,679 | | 36,871,009 |
| Direct Taxes Paid | - | | - |
| Net Cash from Operating Activity(A) | | 94,361,679 | 36,871,009 |
| 'B) Cash Flow From Investing Activities :- | | | |
| Purchase of Fixed Assets | (21,217,672) | | (8,462,295) |
| Sale of Fixed Assets | - | | - |
| Decrease / (increase) in Capital Work in Progress | - | | - |
| Payment for Misc. Assets | - | | - |
| Misc. Expenses Capitalized (IPO Exp.) | - | | - |
| Purchase of Investment | - | | - |
| Dividend Received | - | | - |
| Sale of Investment | - | | - |
| Net Cash from Investing Activity (B) | | (21,217,672) | (8,462,295) |
| C) Cash Flow From Financing Activities :- | | | |
| Proceeds from Unsecured Loans (Net) | - | | - |
| Proceed from Bank Borrowing (Net) | 28,105,849 | | 57,039,998 |
| Monies received towards Share Capital & application | - | | - |
| Monies received towards Share Premium | - | | - |
| Interest Paid | (95,207,767) | | (87,255,525) |
| Interest received from parties | - | | - |
| Corporate Dividend Tax Paid on Equity dividend | - | | - |
| 'Net Cash From Financing Activities (C) | | (67,101,918) | (30,215,527) |
| 'D) Net Increase / (Decrease) in Cash & Cash Equivalents ((A)+(B) + (C)) | | 6,042,088 | (1,806,814) |
| E) Cash and Cash Equivalent at beginning of the Year | (2,166,551) | | (359,737) |
| F) Cash and Cash Equivalent at end of the Year (D+E) | 3,875,538 | | (2,166,551) |

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**
ACCOUNTANTS
FIRM REG NO. - 006620C

**BY ORDER OF THE BOARD CHARTERED
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: 30.05.2019

STATEMENT OF CHANGES IN EQUITY

A. Equity Share capital

| 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 |

| Balance as at April 1, 2017 (In Rupees) | Changes in equity Share Capital during the Year | Balance as at March 31, 2018 (In Rupees) |
|---|---|--|
| 286547000 | 13453000 | 300000000 |

B. Other Equity

| | | Share application on money pending allotment | Equity component of compound financial instrument | Reserve and Surplus | | | | | Total |
|--|--------------|--|---|---------------------|----------------------------|-------------------|--------------------|--|---------------------|
| | | | | Capital Reserve | Securities Premium Reserve | General Reserve | Misc. Expenditure | Retained Earning (Surplus/ deficit in profit & loss account) | |
| Balance as at April, 2018 | A | | | | 486,477,229 | 10,210,207 | (3,541,825) | 71,993,816 | 565,139,427 |
| Profit for the year | B | | | | - | 1,160,527 | - | 11,605,271 | 12,765,798 |
| Other Comprehensive Income | C | | | | - | - | - | 48,975,250 | 48,975,250 |
| Transfer to the P/L account | D | | | | - | - | | - | - |
| Total comprehensive Income for year | E=B+C | | | | - | 1,160,527 | | 60,580,521 | 61,741,048 |
| Dividends | F | | | | | | | | - |
| Transfer to General Reserve | G | | | | | | | 1,160,527 | 1,160,527 |
| Balance as at March, 2019 | H | | | | 486,477,229 | 11,370,735 | (3,541,825) | 131,413,810 | 625,719,948 |
| Balance as at April, 2017 | A | | | | 486,477,229 | 5,702,449 | (7,056,065) | 77,992,041 | 563,115,654 |
| Profit for the year | B | | | | | 4,507,758 | | 45,077,584 | 49,585,342 |
| Other Comprehensive Income | C | | | | | | | (46,568,051) | (46,568,051) |
| Transfer to the P/L account | D | | | | | | | | 3,514,240 |
| Total comprehensive Income for the year | E=B+C | | | | | 4,507,758 | 3,514,240 | (1,490,467) | 3,017,291 |
| Dividends | F | | | | | | | | - |
| Transfer to General Reserve | G | | | | | | | 4,507,758 | 4,507,758 |
| Balance as at March, 2018 | H | | | | 486,477,229 | 10,210,207 | (3,541,825) | 71,993,816 | 565,139,427 |

For, AMITABH AGRAWAL & COMPANY
CHARTERED ACCOUNTANTS
FIRM REG NO. - 006620C

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: 30.05.2019

NOTE 1 PROPERTY, PLANT & EQUIPMENT

| NAME OF ASSETS | OPENING BALANCE AS ON 01.04.2018 | ADDITION DURING THE YEAR | DEDUCTION /ADJUSTMENTS DURING THE YEAR | TOTAL AS ON 31.03.2019 | RATE OF DEP. | DEP. OPENING AS ON 01.04.2018 | DEPRECIATION DURING THE PERIOD | DEPRECIATION DURING THE PERIOD | DEPRECIATION DURING THE PERIOD | NET DEPRECIATION CHARGEABLE DURING THE PERIOD | DEPRECIATION DURING THE PERIOD | TOTAL AS ON 31.03.2019 | BALANCE AS ON 31.03.2019 | BALANCE AS ON 31.03.2018 |
|--------------------------------------|----------------------------------|--------------------------|--|------------------------|--------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|---|--------------------------------|------------------------|--------------------------|--------------------------|
| SPONGE DIVISION | | | | | | | | | | | | | | |
| FREEHOLD LAND | 12,228,635 | - | - | 12,228,635 | - | - | - | | | | | - | 12,228,635 | 12,228,635.00 |
| GARDEN | 111,169 | | | 111,169 | 0 | 111,169 | - | | | - | | 111,169 | - | - |
| SITE DEVELOPMENT & BOREWELL | 2,549,436 | | | 2,549,436 | 0 | 2,549,436 | - | | | - | | 2,549,436 | - | - |
| BUILDING & CIVIL WORK (SPONGE) | 52,880,061 | - | | 52,880,061 | 0 | 17,779,587 | 1,908,289 | | | 1,908,289 | | 19,687,876 | 33,192,185 | 35,100,474 |
| PLANT & MACHINERY (K-1) | 79,538,883 | | | 79,538,883 | 0 | 48,039,433 | 2,688,941 | | | 2,688,941 | | 50,728,374 | 28,810,509 | 31,499,450 |
| PLANT & MACHINERY (K-2) | 70,091,840 | - | | 70,091,840 | 0 | 39,441,147 | 2,612,986 | | | 2,612,986 | | 42,054,133 | 28,037,707 | 30,650,693 |
| PLANT & MACHINERY (K-3) | 80,361,934 | - | | 80,361,934 | 0 | 29,586,035 | 3,173,494 | | | 3,173,494 | | 32,759,529 | 47,602,405 | 50,775,899 |
| PLANT & MACHINERY (CRUSHER DIVISION) | 35,481,414 | - | | 35,481,414 | 0 | 10,474,933 | 2,442,399 | | | 2,442,399 | | 12,917,332 | 22,564,082 | 25,006,481 |
| JAW CRUSHER | 716,674 | | | 716,674 | 0 | 619,886 | 76,622 | | | 76,622 | | 696,508 | 20,166 | 96,788 |
| TOOLS & EQUIPMENTS | 55,508 | | | 55,508 | 0 | 48,474 | 5,568 | | | 5,568 | | 54,042 | 1,466 | 7,034 |
| POLLUTION CONTROL EQ. (SPONGE) | 30,348,267 | - | | 30,348,267 | 0 | 22,432,743 | 2,991,763 | - | | 2,991,763 | | 25,424,506 | 4,923,761 | 7,915,524 |
| COMMERCIAL VEHICLE | | | | | | | | | | | | | | |
| VEHICLE (JCB Loader) | 15,691,053 | - | | 15,691,053 | 0 | 8,554,170 | 342,776 | | | 342,776 | | 8,896,946 | 6,794,108 | 7,136,884 |
| TRUCK CG04 G/2426 & CG04JA/5013 5012 | 1,280,000 | - | | 1,280,000 | | 541,391 | 149,286 | | | 149,286 | | 690,677 | 589,323 | 738,609 |
| MINI BUS | 860,716 | - | | 860,716 | 0 | 860,716 | - | | | - | | 860,716 | - | - |
| CGO4JB/0822(DI 207) | 452,430 | | | 452,430 | 0 | 452,430 | - | | | - | | 452,430 | - | - |
| ELECTRICAL INSTALLATION (K-1) | 7,959,294 | 1,025,600 | | 8,984,894 | 0 | 7,959,294 | - | | | - | | 7,959,294 | 1,025,600 | - |
| ELECTRICAL INSTALLATION (K-2) | 8,396,093 | 610,000 | | 9,006,093 | 0 | 8,396,093 | - | | | - | | 8,396,093 | 610,000 | - |
| ELECTRICAL INSTALLATION (K-3) | 13,503,821 | | | 13,503,821 | 0 | 13,019,555 | (190,925) | | | (190,925) | | 12,828,630 | 675,191 | 484,266 |
| GENERATOR SET (500KVA) | 2,250,000 | | - | 2,250,000 | 0 | 1,038,460 | 39,416 | | | 39,416 | | 1,077,876 | 1,172,124 | 1,211,540 |
| OFFICE EQUIPMENTS (SPONGE) | 981,565 | 927,804 | | 1,909,369 | 0 | 981,565 | 33,949 | | | 33,949 | | 1,015,514 | 893,855 | - |
| COMPUTER & SOFTWARE (SPONGE) | 5,884,001 | 663,210 | - | 6,547,211 | 0 | 3,615,806 | 2,008,773 | | | 2,008,773 | | 5,624,579 | 922,632 | 2,268,194 |
| FURNITURE & FIXTURES (SPONGE) | 760,184 | 28,219 | | 788,403 | 0 | 695,862 | 26,191 | | | 26,191 | | 722,053 | 66,350 | 64,322 |
| LAB EQUIPMENT | 576,474 | - | | 576,474 | 0 | 576,474 | - | | | - | | 576,474 | - | - |
| CG 04HN 8164 (HERO MOTORCYCLE) | 43,700 | - | | 43,700 | 0 | 23,724 | 5,931 | | | 5,931 | | 29,655 | 14,045 | 19,976 |
| CG18B8789(MOTORCYCLE) | 18,500 | - | | 18,500 | 0 | 15,421 | 2,438 | | | 2,438 | | 17,859 | 641 | 3,079 |
| CG04K9343(CD DAWN) | 39,315 | | | 39,315 | 0 | 24,849 | 4,294 | | | 4,294 | | 29,143 | 10,172 | 14,466 |

| | | | | | | | | | | | | | | |
|-------------------------------|--------------------|-------------------|----------|--------------------|----------|--------------------|-------------------|----------|-----------|-------------------|-------------|--------------------|--------------------|--------------------|
| | | - | | - | 0 | | | | - | | - | - | - | |
| FOUR WHEELER | - | | | - | | | | | | | - | - | - | |
| MARUTI VAN CG04 HA/4204 | 82,000 | - | | 82,000 | 0 | 53,622 | 12,253 | | 12,253 | | 65,875 | 16,125 | 28,378 | |
| AUDI Q5 CAR | 4,983,466 | | | 4,983,466 | 0 | 4,983,466 | - | | - | | 4,983,466 | - | - | |
| WEIGHING MACHINE (SPONGE) | 910,443 | | | 910,443 | 0 | 450,243 | 70,515 | | 70,515 | | 520,758 | 389,685 | 460,200 | |
| BMW 520 DM SPORT CAR | 4,555,516 | - | | 4,555,516 | | 407,578 | 540,968 | | 540,968 | | 948,546 | 3,606,970 | 4,147,938 | |
| MARUTI VAN CG 04 HC 8202 | 200,000 | - | | 200,000 | | 8,493 | 23,750 | | 23,750 | | 32,243 | 167,757 | 191,507 | |
| MARUTI SWIFT | 795,743 | - | | 795,743 | | 11,991 | 94,494 | | 94,494 | | 106,485 | 689,258 | 783,752 | |
| FORTUNER | - | 3,645,600 | | 3,645,600 | | - | 205,190 | | 205,190 | | 205,190 | 3,440,410 | - | |
| MERCIDISE CAR | | 8,752,471 | | 8,752,471 | | - | 85,427 | | 85,427 | | 85,427 | 8,667,044 | | |
| TOTAL | 434,588,134 | 15,652,905 | - | 450,241,039 | 2 | 223,754,046 | 19,354,788 | - | - | 19,354,788 | - | 243,108,834 | 207,132,205 | 210,834,089 |
| PREVIOUS YEAR TOTAL | 426,125,839 | 8,462,295 | - | 434,588,134 | | 203,214,262 | 20,539,784 | - | - | 20,539,784 | - | 223,754,046 | 210,834,089 | 222,911,577 |
| POWER PLANT DIVISION | | | | | | | | | | | | | | |
| BUILDING & CIVIL WORK * | 15,759,556 | - | | 15,759,556 | 0 | 5,118,953 | 555,416 | | 555,416 | | 5,674,369 | 10,085,187 | 10,640,603 | |
| ELECTRICAL INSTALLATIO N* | 72,891,727 | - | | 72,891,727 | 0 | 72,891,727 | - | | - | | 72,891,727 | - | - | |
| PLANT & MACHINERY * | 359,296,732 | 4,068,031 | | 363,364,763 | 0 | 135,453,074 | 7,577,225 | | 7,577,225 | | 143,030,299 | 220,334,464 | 223,843,658 | |
| SITE DEVELOPE NT | 76,187,500 | - | | 76,187,500 | 0 | 34,397,878 | 15,237,500 | | - | 15,237,500 | 49,635,378 | 26,552,122 | 41,789,622 | |
| HERO HONDA CD DAWN | 68,315 | | | 68,315 | 0 | 68,315 | - | | - | | 68,315 | - | - | |
| GENERATOR 400 KVA | 2,304,443 | | | 2,304,443 | 0 | 1,268,075 | 36,197 | | 36,197 | | 1,304,272 | 1,000,171 | 1,036,368 | |
| GENERATOR 500 KVA | 2,326,500 | | | 2,326,500 | 0 | 839,096 | 45,290 | | 45,290 | | 884,386 | 1,442,114 | 1,487,404 | |
| GENERATOR 08 MW | 10,989,975 | | | 10,989,975 | 0 | 5,796,054 | 181,406 | | 181,406 | | 5,977,460 | 5,012,515 | 5,193,921 | |
| OFFICE EQUIPMENT | 458,405 | 96,512 | | 554,917 | 0 | 458,405 | 10,719 | | - | 10,719 | 469,124 | 85,793 | - | |
| COMPUTER & SOFTWARE | 1,761,724 | 4,237 | | 1,765,961 | 0 | 1,740,459 | (66,174) | | - | (66,174) | 1,674,285 | 91,676 | 21,266 | |
| FURNITURE & FIXTURES | 704,582 | | | 704,582 | 0 | 704,582 | (35,229) | | | (35,229) | 669,353 | 35,229 | - | |
| HYDROLIC CRANE | 654,601 | | | 654,601 | 0 | 460,924 | 57,498 | | | 57,498 | 518,422 | 136,179 | 193,677 | |
| CRANE 10MT | 4,649,350 | | | 4,649,350 | 0 | 2,966,642 | 386,737 | | | 386,737 | 3,353,379 | 1,295,971 | 1,682,708 | |
| CRANE 25MT | 4,190,701 | | | 4,190,701 | 0 | 2,969,259 | 362,614 | | | 362,614 | 3,331,873 | 858,828 | 1,221,442 | |
| CG04DB/530 9(MOBILE CRANE) | 716,914 | | | 716,914 | 0 | 457,749 | 58,621 | | | 58,621 | 516,370 | 200,544 | 259,165 | |
| CG04 JA9541/ 8623 (TIPPER) | 2,850,576 | | | 2,850,576 | 0 | 2,850,576 | - | | - | | 2,850,576 | - | - | |
| LOADER AL 170 | 3,974,065 | | | 3,974,065 | 0 | 3,974,065 | - | | - | | 3,974,065 | - | - | |
| TOTAL | 559,785,665 | 4,168,780 | - | 563,954,446 | | 272,415,832 | 24,407,821 | - | - | 24,407,821 | - | 296,823,653 | 267,130,793 | 287,369,833 |
| PREVIOUS YEAR TOTAL | 559,785,665 | - | - | 559,785,665 | | 247,366,479 | 27,580,347 | - | - | 25,049,353 | - | 272,415,832 | 287,369,833 | 340,019,630 |
| STEEL DIVISION | | | | | | | | | | | | | | |
| PLANT & MACHINERY | 94,255,463 | - | | 94,255,463 | 0 | 44,367,545 | 5,740,224 | | 5,740,224 | | 50,107,769 | 44,147,694 | 49,887,918 | |
| PLANT & MACHINERY UNIT-II | 15,020,000 | 1,395,988 | - | 16,415,988 | 0 | 7,070,151 | 976,943 | | 976,943 | | 8,047,094 | 8,368,893 | 7,949,849 | |
| BUILDING & CIVIL WORK | 8,917,838 | - | | 8,917,838 | 0 | 1,681,770 | 302,215 | | 302,215 | | 1,983,985 | 6,933,853 | 7,236,068 | |
| BUILDING & CIVIL WORK UNIT II | 4,410,000 | - | | 4,410,000 | 0 | 2,939,166 | 149,450 | | 149,450 | | 3,088,616 | 1,321,384 | 1,470,834 | |

| | | | | | | | | | | | | | | |
|----------------------------------|----------------------|-------------------|----------|----------------------|----------|--------------------|-------------------|----------|----------|-------------------|-----------|--------------------|--------------------|--------------------|
| ELECTRICAL INSTALLATION | 3,341,315 | - | | 3,341,315 | 0 | 3,341,315 | - | | - | | 3,341,315 | - | - | |
| LOADER(770 NEW) CARRARO HD | 1,573,121 | | | 1,573,121 | 0 | 1,573,121 | - | | - | | 1,573,121 | - | - | |
| SITE DEVELOPMENT UNIT II | 52,640 | - | | 52,640 | 0 | 52,640 | - | | - | | 52,640 | - | - | |
| COMPUTER & SOFTWARE (STEEL) CAR | 120,181 | | | 120,181 | 0 | 120,181 | - | | - | | 120,181 | - | - | |
| ALTO CAR (CG04DZ/3377) | 314,994 | | | 314,994 | 0 | 304,094 | (4,850) | | (4,850) | | 299,244 | 15,750 | 10,900 | |
| ALTO CAR (CG04HC/6778) | 314,995 | | | 314,995 | 0 | 304,095 | (4,850) | | (4,850) | | 299,245 | 15,750 | 10,900 | |
| OFFICE EQUIPMENT | 29,131 | - | | 29,131 | 0 | 29,131 | - | | - | | 29,131 | - | - | |
| TOTAL | 128,349,678 | 1,395,988 | - | 129,745,666 | | 61,783,210 | 7,159,132 | - | - | 7,159,132 | - | 68,942,342 | 60,803,324 | 66,566,468 |
| PREVIOUS YEAR TOTAL | 128,349,678 | - | - | 128,349,678 | | 54,573,041 | 7,210,169 | - | - | 7,210,169 | - | 61,783,210 | 66,566,468 | 81,407,370 |
| OFFICE BUILDING | | | | | | | | | | | | | | |
| BUILDING & CIVILWORKS | 11,728,392 | - | | 11,728,392 | 0 | 2,961,996 | 392,834 | | 392,834 | | 3,354,830 | 8,373,562 | 8,766,396 | |
| ELECTRICAL INSTALLATION | 1,874,744 | | | 1,874,744 | 0 | 1,538,364 | 266,300 | | 266,300 | | 1,804,664 | 70,080 | 336,380 | |
| OFFICE EQUIPMENTS | 1,893,453 | - | | 1,893,453 | 0 | 1,893,453 | - | | - | | 1,893,453 | - | - | |
| FURNITURE & FIXTURES | 2,589,145 | - | | 2,589,145 | 0 | 2,089,149 | 382,718 | | 382,718 | | 2,471,867 | 117,278 | 499,996 | |
| CG04HU7736 (CAR-I-20) | 766,470 | - | | 766,470 | | 273,054 | 91,018 | | 91,018 | | 364,072 | 402,398 | 493,416 | |
| TOTAL | 18,852,204 | - | - | 18,852,204 | | 8,756,016 | 1,132,870 | - | - | 1,132,870 | - | 9,888,886 | 8,963,318 | 10,096,188 |
| PREVIOUS YEAR TOTAL | 18,852,204 | - | - | 18,852,204 | | 7,623,146 | 1,132,870 | - | - | 1,132,870 | - | 8,756,016 | 10,096,188 | 11,299,058 |
| GRAND TOTAL | 1,141,575,682 | 21,217,672 | - | 1,162,793,355 | 2 | 566,709,104 | 52,054,611 | - | - | 52,054,611 | - | 618,763,714 | 544,029,641 | 574,866,579 |
| PREVIOUS YEAR GRAND TOTAL | 1,133,113,387 | 8,462,295 | - | 1,141,575,683 | | 512,776,928 | 56,463,170 | - | - | 53,932,176 | - | 566,709,104 | 574,866,579 | 620,336,454 |

NOTE 2 NON CURRENT INVESTMENTS

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| Investment In Equity Instruments | | |
| Quoted Shares | | |
| Reliance Power Limited | 1,069 | 1,069 |
| 26 (PY 26) Shares of Rs 10 each | | |
| Unquoted Shares | | |
| 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 10 each | 71,340 | 71,340 |
| 7134 (PY 7134) Shares of Rs 10 each 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 | 13,240,536 |
| TOTAL: | 72,187,573 | 23,316,858 |
| Aggregate Amount of Quoted Investment | 1,069 | 1,069 |
| Aggregate Amount of Unquoted Investment | 72,186,504 | 23,315,789 |

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

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-----------------------------|-----------------------------|
| (a) Loans & Advances to Related Parties | 475,000 | 475,000 |
| Unsecured, considered good | | |
| (b) Deposits | 101,211,880 | 93,218,334 |
| Unsecured, considered good | | |
| (c) MAT Credit Entitlement | 49,856,439 | 42,789,739 |
| TOTAL | 151,543,319 | 136,483,073 |

B: CURRENT

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-----------------------------|-----------------------------|
| (a) Advance to Employees | 1,126,719 | 622,792 |
| (b) Advance to Suppliers of Raw Materials & Others | 194,026,478 | 164,964,051 |
| (c) Balances with government authorities | 16,016,839 | 16,100,561 |
| (d) Other Advances | 3,585,113 | 4,115,083 |
| TOTAL | 214,755,149 | 185,802,487 |

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

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-----------------------------|-----------------------------|
| (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 | 34,617,019 | 47,417,019 |
| TOTAL | 34,617,019 | 47,417,019 |

B: CURRENT ASSETS

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------------------------------|-----------------------------|-----------------------------|
| Interest Accrued But not Due | 1,088,594 | 588,567 |
| TCS Receivable | 180,635 | 938,725 |
| TDS Receivable (2016-17) | - | 386,727 |
| TDS Receivable (2017-18) | 6,129 | |
| TDS Receivable (2018-19) | 463,497 | |
| Income Tax Refundable AY (2013-14) | 769,529 | 769,529 |
| Income Tax Refundable AY (2018-19) | 16,191 | - |
| Advance Payment of Income Tax | 6,500,000 | 4,000,000 |
| Prepaid Expenses | 1,853,721 | 1,875,757 |
| VAT Receivable | 1,785,096 | 1,785,096 |
| GST Receivable (For Import Coal) | | 6,155,293 |
| GST Receivable (RCM) | | 928,876 |
| Deposit with CG Ispat Bhumi Limited | | 1,200,000 |
| Entry Tax Receivable | | 1,289,310 |
| Interest Receivable from CSPDCL | 405,318 | - |
| TOTAL | 22,426,984 | 19,917,879 |

NOTE 5: INVENTORIES

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|------------------------------|---------------------------------|---------------------------------|
| (a) Raw Material | | |
| Iron Ore | 76,760,178 | 59,980,139 |
| Coal (SID) | 193,699,779 | 104,737,985 |
| Dolomite | 362,671 | 1,252,285 |
| MS Scrap | 37,601,791 | 13,431,088 |
| Pig Iron | 9,573,067 | 37,961 |
| Ferro Silicon | 380,605 | 417,262 |
| Sponge Iron | 129,369 | 2,828,502 |
| Silico Manganese | 2,943,553 | 1,528,024 |
| Petro Coke (CPC) | 1,066,546 | 114,310 |
| Coal (Power) | 1,393,011 | 50,717 |
| Total (a) | 323,910,570 | 184,378,273 |
| (b) Stores | | |
| Sponge Iron Division | 4,594,967 | 18,668,102 |
| Steel Division | 43,774,570 | 28,468,102 |
| Power Division | 6,482,510 | 5,233,927 |
| Total (b) | 54,852,047 | 52,370,131 |
| (c) Finished Goods | | |
| 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 |
| Total (c) | 89,213,138 | 31,754,100 |
| (d) Traded Goods | | |
| Land | 42,613,000 | 42,613,000 |
| Total (d) | 42,613,000 | 42,613,000 |
| TOTAL (a)+(b)+(c)+(d) | 510,588,755 | 311,115,504 |

NOTE 6: TRADE RECEIVABLES

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|---------------------------------|---------------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 77,734,453 | 106,930,954 |
| Trade receivables others | | |
| Unsecured, considered good | 351,228,033 | 301,926,576 |

| | | |
|--------------|--------------------|--------------------|
| TOTAL | 428,962,486 | 408,857,530 |
|--------------|--------------------|--------------------|

NOTE 7: CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-------------------------|-------------------------|
| (a) Cash in hand | 1,104,465 | 754,183 |
| (b) Balance with Banks in Current Accounts | 2,771,073 | (2,920,734) |
| TOTAL | 3,875,538 | (2,166,551) |

NOTE 8: OTHER BALANCES WITH BANK

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|----------------------------------|-------------------------|-------------------------|
| (a) Earmarked Balances with Bank | - | - |
| TOTAL | - | - |

NOTE 9: EQUITY SHARE CAPITAL

| Particulars | As at 31 March, 2019 | | As at 31 March, 2018 | |
|---|----------------------|-------------|----------------------|-------------|
| | Number of shares | | Number of shares | |
| (a) Authorised | | | | |
| 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) Issued | | | | |
| Equity shares of ` 10 each with voting rights | 30,000,000 | 300,000,000 | 30,000,000 | 300,000,000 |
| (c) Subscribed and fully paid up | | | | |
| 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 | | | | |
| Year ended 31 March, 2019 | | | | |
| - Number of shares | 30,000,000 | - | - | 30,000,000 |
| - Amount (Rs.) | 300,000,000 | - | - | 300,000,000 |
| Year ended 31 March, 2018 | | | | |
| - Number of shares | 30,000,000 | - | - | 30,000,000 |
| - Amount (Rs.) | 300,000,000 | - | - | 300,000,000 |
| - Amount (Rs.) | 3,000,000,000 | - | - | 3,000,000,000 |

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

| Class of shares / Name of shareholder | As at 31 March, 2019 | | As at 31 March, 2018 | |
|---------------------------------------|--------------------------|-----------|--------------------------|-----------|
| | Number of shares held | % holding | Number of shares held | % holding |
| Equity shares with voting rights | | | | |
| 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, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| (a) Securities premium account | | |
| Opening balance | 486,477,229 | 486,477,229 |
| Add: Addition during the Year | - | - |
| Less: Utilized during the year | - | - |
| Closing balance | 486,477,229 | 486,477,229 |
| (b) General reserve | | |
| Opening balance | 10,210,207 | 5,702,449 |
| Add: Transfer during the year | 1,160,527 | 4,507,758 |
| Closing balance | 11,370,735 | 10,210,207 |
| (c) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 118,561,866 | 77,992,041 |
| Add: Profit / (Loss) for the year | 11,605,272 | 45,077,584 |
| Less : Transfer to General Reserve | (1,160,527) | (4,507,758) |
| Closing balance | 129,006,611 | 118,561,867 |
| (d) Other Comprehensive Income | 2,407,199 | (46,568,051) |
| (e) Misc. Expenditure | (3,541,825) | (3,541,825) |
| TOTAL | 625,719,949 | 565,139,428 |

NOTE 11: BORROWINGS

A. NON CURRENT

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| <u>SECURED LOANS</u> | | |
| HDFC Bank Ltd. (Loader) | 1,038,331 | 2,620,392 |
| BMW India Financial Limited | 324,416 | 1,644,540 |
| India Bulls Financial Services Pvt. Ltd. | 109,473,609 | 62,885,105 |
| HDFC Bank Ltd. (Car) | 2,150,516 | |
| Total Secured Loan | 112,986,872 | 67,150,037 |
| Total | 112,986,872 | 67,150,037 |

B. CURRENT

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| Cash credit with SBI, Raipur -5840 | 165,628,139 | 13,899,480 |
| Cash credit with IDBI Bank Ltd a/c-0073 | 101,871,056 | 107,868,083 |
| State Bank of India-slc (35172496455) | 50,554,866 | 50,559,015 |
| Cash credit with BOB, SSI branch, Raipur -16 | 69,820,081 | 69,873,936 |
| State Bank of India demand loan (37234159154) | 0 | 163,133,204 |
| Current maturities of long term debt | 6,625,380 | 6,896,790 |
| | 394,499,522 | 412,230,508 |

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

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--------------------|-----------------------------|-----------------------------|
| | | |
| TOTAL | - | - |

B. CURRENT

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------------------|-----------------------------|-----------------------------|
| (a) Other payables | | |
| - Advance from Customer | 30,159,105 | 3,727,630 |
| TOTAL | 30,159,105 | 3,727,630 |

NOTE 13 TRADE PAYABLES

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|----------------------------------|-----------------------------|-----------------------------|
| Creditor for Raw Material | 355,353,049 | 208,248,270 |
| Creditor for Expenses & Services | 33,845,530 | 20,061,141 |
| Creditors For Stores (Steel) | 26,253,291 | 15,997,511 |
| Creditors For Stores (Power) | - | 8,116,125 |
| | 415,451,871 | 252,423,047 |

NOTE 14 PROVISIONS**A. NON CURRENT**

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|---|-----------------------------|-----------------------------|
| Provision for Employee Benefit (Gratuity) | 3,413,451 | 4,533,808 |
| | 3,413,451 | 4,533,808 |

B. CURRENT

| PARTICULARS | As at 31 March, 2019 | As at 31 March, 2018 |
|--------------------------------|-----------------------------|-----------------------------|
| Provision for Employee Benefit | | |
| - Salary Payable | 3,401,676 | 2,855,844 |
| - Bonus Payable | - | - |
| - Gratuity | 2,660,466 | 130,075 |
| Provision for Tax | | |
| - Income Tax | 7,110,300 | 5,181,600 |
| Other Provisions | | |
| - ESI Payable | 88,271 | 88,416 |
| - PF Payable | 134,843 | 162,057 |
| - TDS Payable | 773,942 | 702,164 |
| - GST Payable (RCM) | 2,991,635 | 928,876 |
| - GST Payable | 4,892,547 | 68,357,794 |
| - Electricity Duty Payable | 37,446,877 | 13,319,385 |
| - Custom Duty Payable | 8,773,259 | - |
| - Handling Charges Payable | 2,460,000 | - |
| | 70,733,816 | 91,726,211 |

Note 15 Revenue from operations

| | Particulars | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-----|--------------------------------|--------------------------------------|--------------------------------------|
| (a) | Sale of products | | |
| | Manufactured Goods | 2,639,896,702 | 2,090,132,940 |
| | Traded Goods | 551,326,257 | 281,915,408 |
| | | 3,191,222,959 | 2,372,048,349 |
| | Add: Excise Duty | - | 58,546,402 |
| | Total (a) | 3,191,222,959 | 2,430,594,751 |
| b) | Other Operating Revenue | - | |
| | Contract Receipt | | 1,189,232 |
| | Total (b) | - | 1,189,232 |
| | Total (a) + (b) | 3,191,222,959 | 2,431,783,982 |

Note 16 Other income

| | Particulars | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-----|-------------------------------------|--------------------------------------|--------------------------------------|
| (a) | Interest Income | 4,818,567 | 3,436,081 |
| (b) | Rent Income | 396,000 | 575,000 |
| (c) | Interest Received on Bill Purchased | 55,259 | 658,892 |
| | Total | 5,269,826 | 4,669,973 |

Note 17 Cost of Material Consumed

| | Particulars | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-----|---|--------------------------------------|--------------------------------------|
| (a) | Sponge Division | | |
| | (i) Iron Ore | | |
| | Opening Stock | 59,980,139 | 89,299,865 |
| | Add: Purchase | 675,149,191 | 406,823,942 |
| | Add: Entry Tax Paid | - | 120,467 |
| | Add: Analysis & Security Charges | - | 10,000 |
| | Add: Freight Inward & Unloading Charges | 143,193,923 | 76,763,748 |
| | | 878,323,253 | 573,018,022 |
| | Less: Quality Difference | 1,999,414 | - |
| | Less: Cost of Trading Purchase | 31,264,050 | 20,217,650 |
| | Less: Closing Stock | 76,760,178 | 59,980,139 |
| | Iron Ore Consumed | 768,299,611 | 492,820,233 |
| | (ii) Coal | | |
| | Opening Stock | 104,737,985 | 83,840,347 |
| | Add: Purchase | 550,113,056 | 407,116,710 |
| | Add: Quality Difference | 506,508 | - |
| | Add: Commission on Coal Purchase | 10,402,694 | - |
| | Add: Other Charges Coal | 72,359,818 | - |
| | Add: Freight Inward & Unloading Charges | 144,768,157 | 110,877,304 |
| | | 882,888,217 | 601,834,361 |
| | Less: Transfer to Power Division | 99,849,227 | 71,960,213 |
| | Less: Cost of Trading Purchase | 30,040,290 | 75,289,568 |
| | Less: Quality Difference | - | 1,679,614 |
| | Less: Closing Stock | 193,699,779 | 104,737,985 |
| | Coal Consumed | 559,298,921 | 348,166,982 |

| | Particulars | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|------------|---|--|--|
| | (iii) Dolomite | | |
| | Opening Stock | 1,252,285 | 233,360 |
| | Add: Purchase | 4,323,766 | 5,135,879 |
| | Add: Freight Inward & Unloading Charges | 5,710,014 | 6,534,477 |
| | Add: Entry Tax Paid | - | 7,695 |
| | | 11,286,065 | 11,911,411 |
| | Less: Closing Stock | 362,671 | 1,252,285 |
| | Dolomite Consumed | 10,923,394 | 10,659,126 |
| | (iv) Stores & Spares | | |
| | Opening Stock | 18,668,102 | 19,053,367 |
| | Add: Purchase | 15,771,427 | 34,180,095 |
| | | 34,439,529 | 53,233,462 |
| | Less: Closing Stock | 4,594,967 | 18,668,102 |
| | Stores Consumed | 29,844,562 | 34,565,360 |
| | Total (a): Material Consumed Sponge Division | 1,368,366,489 | 886,211,701 |
| | | | |
| (b) | Steel Division | | |
| | (i) MS Scrap | | |
| | Opening Stock | 13,431,088 | 996,553 |
| | Add: Purchase | 520,048,842 | 423,686,585 |
| | Add: Carriage Inward | 4,171,476 | 4,465,531 |
| | Add: Loading & Unloading Charges & Handling Charges | 404,596 | 148,670 |
| | Add: Rate Difference | - | (36,843) |
| | Add: Terminal Tax on Scrap | 419,495 | - |
| | Add: Entry Tax | - | 17,236 |
| | | 538,475,497 | 429,277,733 |
| | Less: Cost of Trading Purchase | 140,188,950 | 113,573,250 |
| | Less: Closing Stock | 37,601,791 | 13,431,088 |
| | MS Scrap Consumed | 360,684,756 | 302,273,395 |
| | (ii) Pig Iron | | |
| | Opening Stock | 37,961 | 225,671 |
| | Add: Purchase | 87,761,766 | 83,387,301 |
| | Add: Carriage Inward & Freight | 5,335,852 | 4,465,531 |
| | Add: Loading & Unloading Charges | 43,501 | - |
| | | 93,179,080 | 88,078,503 |
| | Less: Discount on Pig Iron | 100,980 | - |
| | Less: Cost of Trading Purchase | 35,158,100 | 25,479,630 |
| | Less: Closing Stock | 9,573,067 | 37,961 |
| | Pig Iron Consumed | 48,346,933 | 62,560,912 |
| | (iii) Ferro Silicon | | |
| | Opening Stock | 417,262 | 80,554 |
| | Add: Purchase | 1,225,400 | 2,497,323 |
| | Add: Loading & Unloading Charges | 2,491 | - |
| | Add: Carriage Inward & Freight | 92,699 | 99,234 |

| | | | |
|--|--|--------------------|--------------------|
| | | 1,737,852 | 2,677,111 |
| | Less: Closing Stock | 380,605 | 417,262 |
| | Ferro Silicon Consumed | 1,357,247 | 2,259,849 |
| | | | |
| | (iv) Sponge Iron | | |
| | Opening Stock | 2,828,502 | 461,709 |
| | Add: Purchase | 55,605,235 | 84,700,725 |
| | Add: Loading & Unloading Charges | 83,100 | - |
| | Add: Carriage Inward & Freight | 1,853,989 | - |
| | | 60,370,826 | 85,162,434 |
| | Less: Closing Stock | 129,369 | 2,828,502 |
| | Sponge Iron Consumed | 60,241,457 | 82,333,932 |
| | | | |
| | (v) Silico Manganese | | |
| | Opening Stock | 1,528,024 | 2,274,973 |
| | Add: Purchase | 50,190,827 | 50,444,670 |
| | Add: Loading & Unloading Charges | 2,657 | |
| | Add: Carriage Inward & Freight | 926,995 | 793,872 |
| | | 52,648,503 | 53,513,515 |
| | Less: Cost of Trading Purchase | 2,545,800 | 930,400 |
| | Less: Closing Stock | 2,943,553 | 1,528,024 |
| | Silico Manganese Consumed | 47,159,150 | 51,055,091 |
| | | | |
| | (vi) Petro Coke (CPC) | | |
| | Opening Stock | 114,310 | 625,247 |
| | Add: Purchase | 10,987,186 | 13,964,235 |
| | Add: Loading & Unloading Charges | 2,455 | |
| | Add: Carriage Inward & Freight | 370,798 | 99,234 |
| | | 11,474,749 | 14,688,716 |
| | Less: Closing Stock | 1,066,546 | 114,310 |
| | Petro Coke Consumed | 10,408,203 | 14,574,406 |
| | | | |
| | (vii) Stores & Spares | | |
| | Opening Stock | 28,468,102 | 29,262,693 |
| | Add: Purchase | 68,886,652 | 37,944,106 |
| | | 97,354,754 | 67,206,799 |
| | Less: Closing Stock | 43,774,570 | 28,468,102 |
| | Stores & Spares Consumed | 53,580,184 | 38,738,697 |
| | Total (b): Material Consumed Steel Division | 581,777,929 | 553,796,281 |
| | | | |
| | (c) Power Division | | |
| | (i) Coal | | |
| | Opening Stock | 50,717 | 309,907 |
| | Add: Purchase | - | - |
| | Add: Transfer from Sponge Division | 99,849,227 | 71,960,213 |
| | | 99,899,944 | 72,270,120 |
| | Less: Transfer to Sponge Division | - | - |
| | Less: Closing Stock | 1,393,011 | 50,717 |
| | Coal Consumed | 98,506,933 | 72,219,403 |
| | | | |
| | (ii) Stores & Spares | | |

| | | | |
|--|--|----------------------|----------------------|
| | Opening Stock | 5,233,927 | 5,033,142 |
| | Add: Purchase | 16,275,726 | 16,524,575 |
| | | 21,509,653 | 21,557,717 |
| | Less: Closing Stock | 6,482,510 | 5,233,927 |
| | Stores & Spares Consumed | 15,027,143 | 16,323,790 |
| | Total (c): Material Consumed Power Division | 113,534,076 | 88,543,192 |
| | | | |
| | Total Material Consumed: (a) + (b) + (c) | 2,063,678,494 | 1,528,551,174 |

Note 18 change in Inventory of Finished Goods & Traded Goods

| | Particulars | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-----|-------------------------------|--------------------------------------|--------------------------------------|
| (a) | <u>Opening Stock</u> | | |
| | (i) Finished Goods | | |
| | Sponge Iron | 10,375,354 | 9,862,303 |
| | Char & Dolochar | 131,144 | 364,909 |
| | Billets | 15,724,576 | 28,142,347 |
| | End Cutting | 982,626 | 864,765 |
| | Slag Scrap | 408,450 | 1,660,819 |
| | Ingot | 3,120,006 | 4,804,030 |
| | Runner Riser | 894,730 | 428,518 |
| | Fly Ash | 117,214 | 32,681 |
| | Total (i) | 31,754,100 | 46,160,372 |
| | (ii) Traded Goods | | |
| | Land | 42,613,000 | 42,613,000 |
| | Total (ii) | 42,613,000 | 42,613,000 |
| | Total (a) = (i) + (ii) | 74,367,100 | 88,773,372 |
| (b) | <u>Closing Stock</u> | | |
| | (i) Finished Goods | | |
| | 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 |
| | Total (i) | 89,213,138 | 31,754,100 |

| | | | |
|--|-----------------------------|---------------------|-------------------|
| | (ii) Traded Goods | | |
| | Land | 42,613,000 | 42,613,000 |
| | Total (ii) | 42,613,000 | 42,613,000 |
| | Total (b) = (i)+(ii) | 131,826,138 | 74,367,100 |
| | | | |
| | Total: (a)-(b) | (57,459,038) | 14,406,272 |

Note 19 Employee benefits expense

| Particulars | | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-------------|---|--------------------------------------|--------------------------------------|
| (a) | <u>Salaries & Allowances</u> | | |
| | Salary | | |
| | - Sponge Division | 16,236,554 | 13,084,013 |
| | - Steel Division | 2,763,454 | 2,508,310 |
| | - Power Division | 7,596,142 | 7,976,362 |
| | Bonus | | |
| | - Sponge Division | 858,621 | 665,602 |
| | - Steel Division | 223,136 | 184,350 |
| | - Power Division | 607,297 | 461,086 |
| | House Rent Allowance | | |
| | - Sponge Division | 1,385,461 | 1,056,026 |
| | - Steel Division | 270,600 | 241,560 |
| | - Power Division | 1,046,221 | 1,046,103 |
| | Convaynce Allowance | | |
| | - Sponge Division | - | 27,755 |
| | - Steel Division | - | - |
| | - Power Division | - | - |
| | Education Allowance | | |
| | - Sponge Division | 24,000 | 23,500 |
| | - Steel Division | 12,000 | 11,500 |
| | - Power Division | 65,500 | 80,000 |
| | Special Allowance | | |
| | - Sponge Division | 2,305,475 | 945,164 |
| | - Steel Division | 775,761 | 533,549 |
| | - Power Division | 1,944,380 | 1,378,936 |
| | Director Remuneration | 3,292,034 | 1,848,903 |
| | Director Remuneration (Other Benefits) | 639,912 | 335,964 |
| | Total (a) | 40,046,548 | 32,408,683 |
| (b) | <u>Contribution to PF, ESIC & Others</u> | | |
| | Employers Contribution to ESI | 782,385 | 647,882 |
| | Employers Contribution to PF | 782,109 | 962,001 |
| | Gartuity | 1,820,451 | 1,069,753 |
| | Total (b) | 3,384,945 | 2,679,636 |
| (c) | <u>Staff Welfare Expenses & Others</u> | | |

| | | |
|---|-------------------|-------------------|
| Medical Expenses | | |
| - Sponge Division | 664,520 | 301,204 |
| - Steel Division | 114,445 | 88,407 |
| - Power Division | 432,804 | 400,119 |
| Employee Compensation | 1,300,000 | - |
| Staff Welfare Exp. | 100,732 | - |
| Others | 182,160 | 184,129 |
| Total (c) | 2,794,661 | 973,859 |
| Total Employee Benefit Expenses: (a) + (b) + (c) | 46,226,154 | 36,062,178 |

Note 20 Finance costs

| Particulars | | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-------------|------------------------------------|--------------------------------------|--------------------------------------|
| (a) | <u>Interest expense on:</u> | | |
| | CC Account (IDBI) | 12,204,681 | 13,847,050 |
| | CC Account (SBI) | 15,749,625 | 17,328,023 |
| | CC Account (BOB) | 9,939,943 | 8,432,879 |
| | Term Loan (SBI) | - | 8,655 |
| | LC | 18,170,701 | 19,280,684 |
| | Forex Charges | 7,517,800 | - |
| | SLC a/c (SBI) | 5,818,976 | 6,270,674 |
| | Late Payment of Tax | 72,660 | 296,680 |
| | Late Payment of GST | 2,393,075 | 834,270 |
| | Car Loan (BMW) | 180,092 | 168,437 |
| | India Bulls | 9,312,628 | 2,299,258 |
| | Equipment Loan , Loader (HDFC) | 307,071 | 400,538 |
| | Income Tax | 66,823 | 115,139 |
| | Service Tax | - | 67,459 |
| | Others | 640,080 | 1,530,242 |
| | Total (a) | 82,374,155 | 70,879,987 |
| (b) | <u>Bank Charges</u> | | |
| | Bank Charges & Commission | 12,833,612 | 16,375,538 |
| | Total (b) | 12,833,612 | 16,375,538 |
| | Total : (a) + (b) | 95,207,767 | 87,255,525 |

Note 21 Other expenses

| Particulars | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|--|--------------------------------------|--------------------------------------|
| <u>(a) Manufacturing Expenses</u> | | |

| | | |
|---|--------------------|--------------------|
| Electricity, Fuel & Water | | |
| - Electricity Charges | 286,488,497 | 252,989,638 |
| - Electricity From CSPDCL | 35,899,127 | 44,193,435 |
| - Gas Refilling Charges | 4,603,650 | 3,697,706 |
| - Water Charges | 2,871,408 | 6,303,277 |
| Freight | | |
| - Carriage Inward & Freight | 2,216,261 | 915,394 |
| - Material Shifting Charges | 607,963 | 300,962 |
| Repair & Maintenance | | |
| - Plant & Machinery (Sponge) | 24,050,268 | 8,240,673 |
| - Plant & Machinery (Steel) | 2,711,492 | 805,650 |
| - Plant & Machinery (Power) | 7,285,253 | 4,614,503 |
| - Vehicle | 14,018,625 | 10,212,919 |
| Labour Charges | | |
| - Production Charges | 29,062,794 | 24,836,046 |
| - Wages | - | 327,658 |
| - Labour Welfare Charges | 215,000 | 30,000 |
| - Equipment Charges | - | 6,640 |
| Other Manufacturing Expenses | | |
| - Lab & Chemical Expenses | - | 1,770 |
| - Pollution Control Expenses | 385,000 | 204,600 |
| - Slag Crushing Charges | 4,209,261 | 842,637 |
| Total Manufacturing Expenses (a) | 414,624,599 | 358,523,509 |
| | | |
| <u>(b) Administrative & Other Expenses</u> | | |
| Commission Expenses | | |
| - Commission Sales | 3,448,310 | 2,165,146 |
| Travelling & Conveyance Expenses | | |
| - Conveyance Expenses | 1,107,252 | 851,443 |
| - Travelling Expenses | 2,992,843 | 1,750,992 |
| Rent, Rates & Taxes | | |
| - Excise Duty Paid (on Dolochar Sales) | 2,975,449 | 18,674 |
| - Entry Tax Paid | 2,872,643 | 747,441 |
| - Electricity Duty (Power) | 24,127,492 | 13,319,385 |
| - JCB Hire Charges | 2,508,614 | 1,137,970 |
| - Facility Fees | 234,000 | 234,000 |
| - Maintenance And Street Light Charges(Siltara) | 363,000 | 363,000 |
| - Import Charges (Steel) | 184,261 | 44,319 |
| - Sales Tax Paid | 17,000 | - |
| - CST Paid | 9,000 | - |
| Insurance Expenses | | |

| | | |
|--|-----------|-----------|
| - Insurance Charges | 1,104,311 | 736,195 |
| - Transit Insurance | 150,000 | 201,377 |
| Legal & Professional Expenses | | |
| - Legal & Professional Charges | 2,796,986 | 2,628,404 |
| - Consultancy Charges | 404,682 | 2,333,450 |
| - Payment to Auditors | 200,000 | 125,000 |
| - Payment to Internal Auditors | 675,000 | 250,000 |
| Repair & Maintenance | | |
| - Building | - | 116,784 |
| - Computer | 104,821 | 100,672 |
| Telephone, Printing, Stationary & Postage Expenses | | |
| - Printing & Stationary | 641,390 | 597,828 |
| - Postage & Courier | 128,165 | 55,129 |
| - Telephone Expenses | 290,011 | 238,530 |
| Freight | | |
| - Carriage inward | 538,087 | 535,659 |
| - Freight on Sale of Billet | 192,085 | 5,356 |
| - Unloading Charges (Store) | 8,329 | 57,636 |
| Other Misc. Expenses | | |
| - Advertisement & Publicity | 7,259 | 57,000 |
| - CSR social development | 696,993 | 104,425 |
| - CSR a/c plantation & gardening exp. | 205,784 | 54,245 |
| - Donation | 605,000 | - |
| - Excise Duty Paid | 470,744 | - |
| - Electricity charges (indrawati) | - | 110,430 |
| - Filing fees | 11,650 | 50,265 |
| - Initiation fee | 90,000 | 560,000 |
| - Inspection fees | 20,000 | 10,000 |
| - Licence & registration | 524,935 | 610,498 |
| - Licence & registration (power) | 44,900 | 58,600 |
| - Security Guard Expenses | 973,888 | 461,085 |
| - Membership fees | 53,417 | 368,772 |
| - Office expenses (SID) | 109,497 | 354,307 |
| - Office expenses (Power) | 137,514 | 97,497 |
| - Office expenses (Steel) | 68,944 | 8,658 |
| - Preliminary exp. Written off | 3,541,825 | 3,514,240 |
| - service tax paid (under rule 6(3)) | - | 20,975 |
| - USD Conversion Charges Coal | 2,197,455 | 3,659,275 |
| - Non delivery settlement | - | 313,543 |
| - Misc. Expenses | 80,198 | 85,264 |

| | | |
|--|--------------------|--------------------|
| - Quality Difference Sale | - | 31,049 |
| - Sundry balances written off | (29,028) | (1,020,033) |
| - Nmet (IO) | 433,604 | 14,535 |
| - Rate difference | 0 | (353,329) |
| - Analysis charges | 29,513 | 106 |
| - Swachh bharat cess (sbc) | - | 184,447 |
| - Lorry Freight | - | 143,191 |
| - Krishi kalyan cess (kkc) | - | 149,155 |
| - Handling & forwarding charges (steel) | 3,155,441 | 120,942 |
| - Operation Charges (Power) | 413,612 | - |
| - Repair & Renewals | 575,000 | - |
| - Rounding Off | 8,531 | - |
| - Repair & Renewals | 148,851 | - |
| - Freight charges (store)(sid) | 1,600 | 3,250 |
| Total Administrative & other Expenses (b) | 62,650,857 | 38,386,784 |
| Total Other Expenses (a) + (b) | 477,275,456 | 396,910,292 |

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 yearend in respect of Sundry Creditors, Loans and Advances, Deposits and certain Bank Accounts are subject to confirmation / reconciliation from the respective parties and the same have been reckoned in these accounts as per the balances appearing in the books. Any further adjustments arising out of reconciliation will be accounted for as and when such reconciliation is completed. The company however does not expect any material effect in a particular year or in future years.
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.
28. (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.
29. 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 | 31-03-2019 | 31-03-2018 |
|--------------------------------|-------------------|-------------------|
| Contribution to Provident fund | 782,109 | 962,001 |
| Contribution to ESIC | 782,385 | 647,882 |

b) **Defined Benefit Plans**

| Description | 2018-19 | 2017-18 |
|---|----------------|----------------|
| 1. Reconciliation of opening and closing balances of obligations | | |
| a. Obligation at the beginning of the year | 4,447,711 | 3,377,958 |
| b. Current Service Cost | 1,477,977 | 1,417,744 |
| c. Interest Cost | 342,474 | 260,103 |
| d. Actuarial (Gain) / Loss | (1,376,734) | (608,094) |
| e. Benefits Paid | -- | -- |
| f. Obligation at the end of the year | 48,91,428 | 4,447,711 |
| 2. Change in Fair Value of Plan Assets | | |
| 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 | -- | -- |
| 3. Reconciliation of fair value of plan assets and obligations | | |
| a. Present value of obligation at the end of the year | 48,91,428 | 4,447,711 |
| b. Fair value of plan assets at the end of the year | -- | -- |
| c. Amount recognised in the balance sheet (Assets) / Liability | 48,91,428 | 4,447,711 |
| 4. Expenses recognised during the year | | |
| a. Current Service Cost | 1,477,977 | 1,417,744 |
| b. Interest Cost | 342,474 | 260,103 |

| | | |
|---|------------------|------------------|
| c. Expected return on plan assets | -- | -- |
| d. Actuarial (gains) / loss | (1,376,734) | (608,094) |
| e. Expenses recognised during the year | 443,717 | 1,069,753 |
| 5. Assumptions | | |
| a. Discount Rate (per annum) | 7.70% | 7.70% |
| b. Estimated rate of return on plan assets (per annum) | -- | -- |
| c. Rate of escalation in salary | 7.00% | 7.00% |
| 6. Bifurcation of Present Value of Obligation at the end | | |
| Current Liability (Amount due within One Year) | 1,477,977 | 130,075 |
| Non-Current Liability (Amount due over One Year) | 3,413,451 | 4,317,636 |
| Present Value of Obligation as at the end | 4,891,428 | 4,447,711 |

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

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

Claims against the Company not acknowledged as debt: -

| Particular | 2018-19 | 2017-18 |
|-------------------------|------------|------------|
| - Sales Tax & Entry Tax | 15,990,000 | 20,007,933 |
| - Excise Duty | -- | 15,538,385 |
| - Customs Duty | 8,602,704 | 8,602,704 |

32. **Deferred Tax :**

| PARTICULARS | 31-03-2019 | 31-03-2018 |
|--|--------------|-------------|
| Deferred Tax Liabilities:- Difference in WDV as per Books of Accounts & WDV under Income Tax Act | 252,043,964 | 261,130,307 |
| Deferred Tax Assets:- Unabsorbed Depreciation and Business Loss and Expenses allowed on payment basis | 144,129,232 | 235,594,235 |
| Net Timing Difference | 107,914,732 | 25,536,072 |
| Total deferred tax Assets/(Liabilities) to be recognized | (30,021,879) | 8,679,711 |
| Deferred Tax Assets/(Liabilities) previously recognized | 8,679,711 | 28,457,857 |
| Net deferred tax assets/(Liability) created during the year | (21,342,168) | 19,778,146 |

33. Segment-wise Revenue Results:

Basis of Preparation

34. 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 (2018-19) | Current year (2017-18) |
|---|------------------------|------------------------|
| 1. Segment Revenue | | |
| <input type="checkbox"/> Iron & Steel | 2,993,946,621 | 2,171,207,009 |
| <input type="checkbox"/> Power | 202,546,163 | 206,700,544 |
| <input type="checkbox"/> Real Estate | -- | -- |
| <input type="checkbox"/> Fabrics | -- | -- |
| Sub – total | 3,196,492,784 | 2,377,907,553 |
| Less: Inter- Segment Revenue | 197,502,232 | 205,526,152 |
| Net Segment Revenue | 2,998,990,552 | 2,172,381,401 |
| 2. Segment Result (Profit /Loss before Tax and interest from each segment) | | |
| <input type="checkbox"/> Iron & Steel | 203,090,008 | 107,250,776 |
| <input type="checkbox"/> Power | (74,666,066) | 5,304,187 |
| <input type="checkbox"/> Real Estate | -- | -- |
| <input type="checkbox"/> Fabrics | -- | -- |

| | | |
|--|----------------------|----------------------|
| Sub – total | 128,423,942 | 112,554,963 |
| Less: Financial Costs | 95,207,767 | 87,255,525 |
| Profit before Tax | 33,216,175 | 25,299,438 |
| Provision For Tax | 21,442,818 | (19,778,146) |
| Profit After Tax | 11,773,757 | 45,077,584 |
| 3. Other Information | | |
| I Segment Assets | | |
| <input type="checkbox"/> Iron & Steel | 1,557,535,496 | 1,284,184,184 |
| <input type="checkbox"/> Power | 284,347,873 | 302,750,665 |
| <input type="checkbox"/> Real Estate Division | 42,613,000 | 42,613,000 |
| <input type="checkbox"/> Fabrics Division | -- | 34,994,343 |
| <input type="checkbox"/> Un- allocated Assets | 98,490,096 | 41,068,187 |
| Total Assets | 1,982,986,464 | 1,705,610,379 |
| II Segment Liabilities | | |
| <input type="checkbox"/> Iron & Steel | 537,645,499 | 727,415,095 |
| <input type="checkbox"/> Power | -- | 8,116,125 |
| <input type="checkbox"/> Real Estate Division | -- | -- |
| <input type="checkbox"/> Fabrics Division | -- | -- |
| <input type="checkbox"/> Un- allocated Liabilities | 74,147,267 | 96,260,119 |
| Total Liabilities | 611,792,766 | 831,791,339 |

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.

35. Earning per share

| Particulars | 31-03-2019 | 31-03-2018 |
|---------------------------------------|------------|------------|
| Net Profit/(Loss) for the year | 11,773,357 | 45,077,584 |
| Weighted Average No. of Equity Shares | 30,000,000 | 30,000,000 |
| Earnings per share | 0.39 | 1.50 |

36. Foreign Exchange Earning and Outgo :

| S. No. | Particulars | 2018-19 | 2017-18 |
|--------|--|-------------|-------------|
| 1 | CIF Value of Import | 267,284,021 | 134,626,538 |
| 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 |

37. Directors Disqualification

Shri Ravi Kumar Vaswani Managing Director of the company and Shri Pawan Kumar Jha, Director of the Company are disqualified under section 164 of the Companies Act, 2013, as they are also director in M/s Elite Buildhome Limited which has been Strike-off by ROC, Chhattisgarh. Presently, directors have initiated process for revival of Elite Buildhome Limited.

38. 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 Personnel |
|---|---|---|
| 1. M/S Kwaliti Foundry Industries 2. C.G.Ispat Pvt. Ltd. | 1. Shri Ravi Vaswani 2. Smt. Sudha Vaswani 3. Shri Yashwant Vaswani | 1.Smt. Manisha Vaswani 2. Pramod Vaswani |

| | | |
|------------------------------------|-----------------------|--|
| 3. Cosmos Castings (India) Limited | 4. Ashok Kumar Suri | |
| 4. Vaswani Ispat Ltd. | 5. Pawan Kumar Jha | |
| 5. Vaswani Cement Ltd. | 6. Satyawati Parashar | |
| 6. Vaswani Energy Ltd. | 7. Lekhu Mulchandani | |
| 7. Shubh Infrastructure Ltd. | Thadaram | |
| 8. Gold Star Steels Pvt. Ltd. | 8. Sanjay Jadwani | |
| 9. Vaswani Enterprises. | 9. Ragini Shukla | |
| | 10. Kushal Vaswani | |

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

| Name | Relationship | Nature of Transaction | Amount of transaction in 2018-19 (2017-18) | Amount Outstanding as at 31/03/2019 (31/03/2018) |
|------------------|---------------------|--------------------------|--|--|
| Ravi Vaswani | Chairman & M.D. | Remuneration | 1,519,956 (1,139,976) | 1,582,139 (484,398) |
| | | Unsecured loan Repayment | Nil (15,465,000) | 0.00 (0.00) |
| | | Unsecured loan Repayment | Nil (1,148,000) | 0.00 (0.00) |
| Yashwant Vaswani | Whole Time Director | Remuneration | 1,519,956 (4,90,988) | 1,135,696 (173,166) |
| | | Unsecured loan Repayment | 0.00 (11,888,000) | 0.00 (0.00) |

| | | | | |
|-------------------------------|---|--------------------------|------------------------------|----------------------------|
| Kushal Vaswani | CFO | Salary | 1,200,000 (900,000) | 999,851 (228,142) |
| Sudha Vaswani | Director | Remuneration | 430,000 (90,000) | 90,942 (29,402) |
| | Relative of KMP | Salary | 0.00 (90,000) | 0.00 (0.00) |
| Manisha Vaswani | Relative of KMP | Salary | 430,000 (0.00) | 492,914 (0.00) |
| Pawan Kumar Jha | Director | Remuneration | 462,034 (463,903) | 0.00 (0.00) |
| Ragini Shukla | Company Secretary | Salary | 180,000 (54,000.00) | 0.00 (0.00) |
| M/s Kwalty Foundry Industries | Proprietorship Firm in which Director has Significant influence | Sale of Goods | 236,679,206 (106,697,505) | 43,072,687 (14,241,553) |
| | | Purchase of Goods | 45,933,765 (44,890,019) | |
| | | Advance for Raw Material | (0.00) 14,241,553 | |

| | | | | |
|---------------------------------|----------------------|--------------------|--------------------------------|------------------------------|
| Cosmos Castings (India) Limited | Group Companies | Advances | 0.00 (205,983) | 0.00 (205,983) |
| C.G. Ispat Private Limited | Group Companies | Sale of Goods | 1,107,709,268 (915,115,690) | 239,242,224 (227,124,252) |
| | | Purchase /Services | 149,614,093 (169,331,060) | |
| Gold Star Steel Pvt. Ltd. | Relative is Director | Sale of Goods | 5,056,422 (0.00) | 0.00 (0.00) |

AS PER OUR REPORT OF EVEN DATE
FOR, AMITABH AGRAWAL & COMPANY
CHARTERED ACCOUNTANTS
FRN 006620C

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

Sd/-
AMITABH AGRAWAL
PARTNER
M.NO.075315
Date : 30.05.2019

Sd/-
YASHWANT VASWANI
DIRECTOR
DIN : 01647208

Sd/-
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 amortized 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 amortized 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 Cos

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

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.

- (a) 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.

- (b) 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.
- (c) 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 recognize 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:-**
- 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.
 - Gratuity Liability is defined benefit obligations and is provided for on the basis of Actuary Valuation obtained from Registered Actuary.
 - Short Term Compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation.
 - Actuarial gains / losses are immediate taken to the profit & loss account and are not deferred.
 - Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.
- r. Segment Reporting:-**
- Business Segment:** - The accounting policies adopted for segment reporting are in the line with the accounting policies of the company. Segment Revenue, Segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, Expenses, Assets, Liabilities which relates to the company as whole and not allocable to segment on reasonable basis have been included under "Unallocated revenue/ expenses/ assets/ liabilities".
 - Geographical Segment:** - The Company sells its products within India. The condition prevailing in India being uniform. So no separate geographical segment disclosure is considered necessary.
- 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
Regd. Office: Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara
Raipur (C.G.) 493221

ATTENDANCE SLIP

Annual General Meeting – 30th September, 2019 (To be handed over at the entrance of the meeting hall)

I hereby record my presence at the Annual General Meeting of the Vaswani Industries Limited held at 3.00 p.m on Monday, the 30th September, 2019 at Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) – 493221.

Full Name of Member / Proxy (In Block Letters)

DP ID/Client ID/Folio

No.: _____

No. of Shares held:

Voted for Resolution:

| Resolutions (as above mentioned) | For | Against | Abstain |
|---|------------|----------------|----------------|
| Resolutions (as above mentioned) | | | |
| Resolution – 1 - To receive, consider and adopt audited Statement of Profit and Loss & Balance Sheet for the year 2018-19 | | | |
| Resolution – 2 - To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020. | | | |
| Resolution – 3 – To re-appoint Smt. Sudha Vaswani (DIN No. 02909309) as Director who retires by rotation. | | | |
| Resolution – 4 –To appoint Shri Babu Lal Baghwar (DIN: 08430962) as Director of the Company. | | | |

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

Member's/Proxy's Signature

NOTE:

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

Proxy form

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

| |
|------------------------|
| Name of the Member(s): |
| Registered address: |
| E-mail Id: |
| Folio No/ Clint |
| Id: DP ID: |

I/ We, being the member(s) of, holding.....shares, hereby appoint

1. Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____ or failing him/her;
2. Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____ or failing him/her,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Sixteenth Annual General Meeting of members of the Company, to be held on Monday, September 30, 2019 at 3.00 p.m. at the registered office of the Company at Bahesar Road, Near Cycle Park, Vill - Sondra Phase-II, Industrial Area, Siltara Raipur (C.G.) – 493221 and at any adjournment thereof in respect of such resolutions as are indicated below:

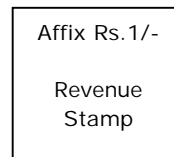
** I wish my above proxy to vote in the manner as indicated below:

| Resolutions (as above mentioned) | For | Against | Abstain |
|--|-----|---------|---------|
| Resolution – 1 - To receive, consider and adopt audited Statement of Profit and Loss & Balance Sheet for the year 2018-19. | | | |
| Resolution – 2 - To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020. | | | |
| Resolution – 3 – To re-appoint Smt. Sudha Vaswani (DIN No. 02909309) as Director who retires by rotation. | | | |
| Resolution – 4 –To appoint Shri Babu Lal Baghwar (DIN: 08430962) as Director of the Company. | | | |

Signed this day of September, 2019

Signature of Shareholder_____

Signature of Proxy holder(s)_____



NOTE:

1. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Those members who have multiple folios with different proxy holders may use Xerox copies of this Attendance Slip/ Proxy.
3. No instrument of Proxy shall be valid unless it is in Proxy Form (above) and duly stamped.

Route Map for the venue of the Annual General Meeting

