

AUDITORS' REPORT

To, The Members of VARRSANA ISPAT LIMITED

- 1. We have audited the attached Balance Sheet of Varrsana Ispat Limited as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements hased on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, Government of India in terms of sub-section (4A) of the Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
- 4. Further to our comments in the Annexure referred to in para 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

Mumbai Branch :

106, Nirman Kendra, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011

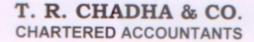
Tel.:022-26100091, Fax No.022-26100092, Email: mumbai@trchadha.com

Head Office

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Branches at



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- v. On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- 5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and notes thereon as per Schedules 18 and 19, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of Balance Sheet, of the state of affairs of the Company, as at 31st i) March, 2011;
 - In the case of the Profit and Loss Account of the Profit for the year ended on ii) that date: and
 - In the case of Cash Flow Statement, of the cash flows for the year ended on that

For T.R.Chadha & Co.

Chartered Accountants Firm Regn. No. 006711N

Kashyap I. Vaidya

Partner

Membership No. 37623

Place: Mumbai Date: 2%

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Varrsana Ispat Limited Annexure to the Auditors' Report for the year ended March 2011 (Referred to in Paragraph 3 of our Report of even date)

I. Fixed Assets

- a) The Company has generally maintained proper records showing full particulars including quantitative details and situattion of its fixed assets.
- b) The fixed assets have been physically verified by the management during the year under audit, which in our opinion is reasonable. No material discrepancies were noted on such verification.
- During the year under audit, the company has not sold / disosed off any substantial part of its fixed assets.

II. Inventories

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and records were not material in relation to the operation of the company and the same have been properly dealt with in the books of account.

III. Loans given / taken

The Company has not granted any unsecured loan to company, firm or other party covered in the register maintained under section 301 of the Companies Act, 1956.

The Company has taken interest free unsecured loans from four companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 171.21 Crores and the year-end balance was Rs. 65 crores in respect of such loans taken. The terms and conditions on which such loans have been taken are not prima facie prejudicial to the interest of the company.

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There was no stipulation regarding repayment of such loans taken by the company from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. There is no overdue amount of loans taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

IV. Internal Control

According to the information and explanations given to us and in our opinion, there are adequate internal control systems commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and with regard to sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

V. Contracts and arrangement under Section 301

According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.

In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

VI. Public Deposit

During the year, the Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956 and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.

VII. Internal Audit System

In our opinion, the Company has an internal audit system commensurate with size and nature of its business.

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VIII. Cost Records

We have broadly reviewed the records maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

IX. Statutory Dues

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including, Provident Fund, Sales Tax, Customs Duty, Excise Duty, Cess, etc. except Service Tax and VAT which are deposited with some delay during the year. As at 31st March 2011, there are no undisputed dues payable, outstanding for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no amounts in respect of sales tax, income tax, customs duty, cess and service tax that have not been deposited with the appropriate authorities on account of any dispute.

- X) The Company has no accumulated losses. It has not incurred cash losses during the year covered by our audit and the immediately preceding year.
- XI) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- XII) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII) As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIV) As explained, the Company is not dealing or trading in shares, debentures, securities and other investments.
- XV) As per information given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

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Branches at



T. R. CHADHA & CO. CHARTERED ACCOUNTANTS

- XVI) In our opinion, the term loans have been applied for the purpose for which they were raised.
- XVII) According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment.
- XVIII) During the year, the company has made prefential allotment of 22,21,332 shares to companies covered in the register maintained under section 301 of the Act. According to the information and explanations given to us, the price at which shares have been issued are not prima facie prejudicial to the interest of the Company.
- XIX) The company has not issued any Debentures during the year under audit.
- XX) According to the information and explanations given to us, the Company has not raised any money from the public during the year through public issue.
- XXI) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For T.R.Chadha & Co.

Chartered Accountants Firm Regn. No. 006711N

Kashyap I. Vaidya

Partner

Membership No. 037623

Place: Mumbai Date: 28

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VAERSANA ISPAT LIMITED

(Formarly Eureka Rapid Communication Limited)

		AS AT	AS AT
	SCHEDULE	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
CAPITAL	1	21,90,82,330	18,90,91,240
RESERVES & SURPLUS	2	3,72,47,54,480	2,31,73,65,484
LOAN FUNDS			
SECURED LOANS	3	2,32,59,29,588	3,22,78,95,631
UNSECURED LOANS	4	65,00,00,000	1,06,21,00,000
DEFERRED TAX LIABILITY		1,28,21,176	
Т	OTAL	6,93,25,87,574	6,79,64,52,355
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	5	5,91,32,64,008	4,83,68,08,896
Less: DEPRECIATION		70,34,11,461	46,78,59,037
NET BLOCK		5,20,98,52,547	4,36,89,49,859
CAPITAL WORK IN PROGRESS		2,52,01,390	40,52,32,215
		5,23,50,53,937	4,77,41,82,074
INVESTMENT	6	3,52,45,000	3,53,75,000
CURRENT ASSETS, LOANS & ADVANCES	7		
INVENTORIES	7A	1,54,90,54,294	1,03,38,63,577
SUNDRY DEBTORS	7B	1,40,82,77,348	1,29,86,49,304
CASH & BANK BALANCES	7C.	29,66,94,246	28,02,70,470
LOANS & ADVANCES	7D	84,11,31,092	71,53,79,137
		4,09,51,56,980	3,32,81,62,488
LESS: CURRENT LIABILITIES & PROVISIONS	8		
LIABILITIES		2,42,90,74,251	1,32,27,48,720
PROVISIONS	-	37,94,092 2,43,28,68,343	1,85,18,488
		2,43,28,08,343	1,34,12,67,207
NET CURRENT ASSETS		1,66,22,88,637	1,98,68,95,281
1	OTAL	6,93,25,87,574	6,79,64,52,355

SIGNIFICANT ACCOUNTING POLICIES NOTES TO ACCOUNTS

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As per our report of even dated attached

For T R Chadha & Co. Chargered Accountants

(KASHVAP I VAIDYA) Partner

Place: 28 7 2011

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For and on behalf of Board of Directors

Menoj Mishra Director

Mahesh Sureka Director Jaswant Singh Company Secretary

VARRSANA ISPAT LIMITED

(Formarly Euroka Rapid Communication Limited)

PROFIT & LOSS ACCOUNT FOR THE YER ENDED 31ST MARC	SCHEDULE	YEAR ENDED 31.03.2011 (12 Months)	PERIOD ENDED 31.03.2010 (9 Months)
INCOME SALES	9	7,18,66,13,115	5,26,79,10,268
LESS: EXCISE DUTY	1	37,32,33,541	20,92,76,636
NET SALES		6,81,33,79,575	5,05,86,33,632
OTHER INCOME	10	1,61,040	9,63,987
INCREASE/ (DECREASE) IN FINISHED PRODUCTS	11	11,44,44,809	(8,36,08,053
		6,92,79,85,424	4,97,59,89,566
EXPENDITURE			400 00 15 505
RAW MATERIAL CONSUMED / COST OF GOODS TRADED	12	5,65,96,08,821	4,03,27,15,676 7,62,80,271
STORES & SPARES CONSUMED			15,10,30,901
MANUFACTURING EXPENSES	14 15	21,55,58,168 12,72,69,053	7,66,75,122
EMPLOYEES' EMOLUMENTS	16	12,61,56,317	7,77,28,436
SELLING & ADMINSTRATIVE EXPENSES FINANCE CHARGES	17	32,71,91,970	29,74,16,244
DEPRECIATION DEPRECIATION		23,56,74,517	15,90,76,773
TOTAL		6,80,31,76,593	4,87,09,23,422
PROFIT/ (LOSS) BEFORE TAX		12,48,08,831	10,50,66,144
Less :PROVISION FOR TAXATION		2 40 75 024	7 60 28 643
- FOR CURRENT TAX		2,48,75,024 1,28,21,176	7,69,28,543 (3,44,48,761
- FOR DEFERRED TAX - ADJUSTMENT FOR EARLIER YEARS		(6,68,406)	(3,44,40,701
PROFIT/(LOSS) AFTER TAX		8,77,81,036	6,25,86,362
BALANCE B/F FROM PREVOUS YEAR		16,44,26,474	10,18,40,112
BALANCE CARRIED TO BALANCE SHEET		25,22,07,510	16,44,26,474
Basic & Diluted Earning Per Share (in Rs.)		4.42	3.49

SIGNIFICANT ACCOUNTING POLICIES

CHADHA

NOTES TO ACCOUNTS

As per our report of even dated attached

For T R Chadha & Co. Chartered Accountants

(KASHYAP I VAIDYA) Partner

Ahman Agood Place : 28 7 2011

18 19

For and on behalf of Board of Directors

Marroj Mishra

Director

Mahesh Sureka Director

Jaswant Singh Company Secretary

VARRSANA ISPAT LIMITED
(Formarly Euroka Rapid Communication Limited)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

CHEDULE 1 SHARE CAPITAL	AS AT 31.03.2011 •	AS AT 31,03,2010
	31.00.2011	
UTHORISED		
00,00,000 (Previous Period -2,00,00,000) Equity Shares of Rs. 10/- each	30,00,00,000	20,00,00,000
SSUED, SUBSCRIBED & PAID UP		
,19,08,233 (Previous Period 1,89,09,124) Equity Shares of Rs. 10/- each Fully Paid-up	21,90,82,330	18,90,91,240
Total	21,90,82,330	18,90,91,240
CHEDULE 2 RESERVES & SURPLUS		
- Co & 1 A	25,22,07,510	16,44,26,474
rofit & Loss Account		
ecurity Premium	2,15,29,39,010	1,73,24,94,560
Opening Balance Addition during the Period	1,31,96,07,960	42,04,44,450
Closing Balance	3,47,25,46,970	2,15,29,39,010
Total	3,72,47,54,480	2,31,73,65,484
SCHEDULE 3 SECURED LOANS		
	2,38,08,60,390	2,65,65,53,640
Term Loans from Banks	2,50,00,00,570	2,00,00,00,00
All above loans are secured by creation of first charge on pari-passu basis on Fixed Assets and second pari-		
nassu charge on Current Assets of the company.)		
Repayment due in one year Rs. 7100.72 lacs, previous period Rs. 6352.44 lacs)		
Cash Credit Limits & Short Term Loans From Banks	(5,61,30,855)	56,98,06,196
Secured by creation of first charge on pari-passu basis on Current Assets and second pari- passu charge on		
Fixed Assets)		16.26.704
Vehicle Loans	12,00,053	15,35,795
(Secured by way of hypothecation of Vehicles)		
Total	2,32,59,29,588	3,22,78,95,631
SCHEDULE 4 UNSECURED LOANS	2	
OTHER LOANS		
Inter Corporate Deposits	65,00,00,000	1,06,21,00,000
Total	65,00,00,000	1,06,21,00,000
SCHEDULE: 6 INVESTMENTS		
(LONG TERM & NON-TRADE) (At Cost)		
Unquoted	2 62 46 000	2 52 45 00
40,08,800 (Previous Period 40,08,800) Equity Shares of Octal Suppliers Pvt Ltd of Rs. 10 each fully paid-up.	3,52,45,000	3,52,45,00
Nil (Previous Period 13,000) Equity Shares of Varrsana Energy Infrastructure Ltd of Rs. 10 each fully paid-	.	1,30,00
up.		
Total	3,52,45,000	3,53,75,00
		3,53,75,00

VARRSANA ISPAT LIMITED SCHEDULE - § FIXED ASSETS

		GROSS BLOCK	ROCK			DEPRECIATION / AMORTISATION	AMORTISATION		NET BLOCK	
PARTICULARS	AS ON 01.04.2010	ADDITIONS	DEDUCTIONS	AS ON 31.03.2011	Opening AS ON 01.04.2010	FOR THE PERIOD	DEDUCTIONS	AS ON 31.03.2011	AS ON 31,03,2011	AS ON 31.03.2010
TANGIBLE ASSETS:										
LAND	2,76,90,028			2,76,90,028					2,76,90,028	2,76,90,028
FACTORY BUILDING	94,15,74,354	17,89,08,140		1,12,04,82,494	7,82,01,560	3,32,93,046		11,14,94,606	1,00,89,87,888	86,33,72,794
OTHER BUILDING	\$2,00,000			\$2,00,000	1,05,892	84,760		1,90,652	50,09,348	50,94,108
COMPUTER	35,04,886	3,73,786		38,78,672	16,18,964	5,84,311		22,03,275	16,75,397	18,85,922
PLANT & MACHINERY	3,82,02,26,859	89,19,09,749		4,71,21,36,607	37,58,27,430	19,68,77,377		57,24,04,807	4,13,97,31,800	3,44,43,99,429
OFFICE EQUIPMENT	17,43,061	6,90,175		24,33,236	1,87,802	1,09,371		2,97,172	21,36,064	15,55,259
FURNITURE & FIXTURES	42,75,313	16,75,364		59,50,677	19,86,886	5,48,345		25,35,231	34,15,446	22,88,427
TELEPHONE & TELEX	7,74,919	1,87,810		9,62,729	3,75,023	1,50,297		5,25,320	4,37,409	3,99,896
MOTOR CAR	62,94,847	4,84,315	4,00,779	63,78,383	15,34,926	5,96,424	1,22,093	20,09,257	43,69,125	47,59,921
BUS	14,07,605	11,67,115		25,74,720	14,855	2,28,459		2,43,314	23,31,406	13,92,750
MOULDS & DYES	2,21,49,675	9,38,907		2,30,88,582	78,26,093	25,77,218		1,04,03,311	1,26,85,271	1.43.23.582
INTANGIBLE ASSETS:										
COMPUTER SOFTWARE	19,67,350	5,20,530		24,87,880	1,79,607	9,24,909		11,04,516	13,83,364	17,87,743
TOTAL	4,83,68,08,896	1,07,68,55,890	4,00,779	5,91,32,64,008	46,78,59,037	23.56.74.517	1.22.003	20 14 11 461	2 30 00 63 63 645	000 00 00 75 7
Previous Period	4,66,98,84,181	16,69,24,715		4,83,68,08,896	30,87,82,264	15,90,76,773		46.78.59.037	4.36.89.49.869	4,36,69,49,659

Note:
Depreciation / Amortization mentioned above include depreciation / amortization pertaining to prior period as below:

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VARRSAÑA ISPAT LIMITED
(Formarly Eureka Rapid Communication Limited)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULE 7 CURRENT ASSTES, LOAN & ADVANCES		
SCHEDULE 7A INVENTORIES		
SCHEDULE /S INVESTORIES		
Finished Goods	57,52,30,733	46,07,85,923
Raw Materials (including trading goods)	92,67,46,542	54,00,06,784
Stores & Spares	4,70,77,020	3,30,70,870
Total	1,54,90,54,294	1,03,38,63,577
SCHEDULE 7B SUNDRY DEBTORS		
(Unsecured - Considered Good)		
Debts due for a period exceeding six months	9,60,82,381	9,96,13,016
Other Debts	1,31,21,94,967	1,19,90,36,288
Total	1,40,82,77,348	1,29,86,49,304
SCHEDULE 7C CASH & BANK BALANCES		
Cash in Hand	5,66,442	4,65,546
Balances with Scheduled Banks		
- In Current Accounts	4,20,38,705	6,04,33,758
	25,40,89,099	21,93,71,166
- In Fixed Deposits (For Margin Money)	25,40,05,055	21,55,11,100
Total	29,66,94,246	28,02,70,470
SCHEDULE 7D LOANS & ADVANCES		
(UNSECURED - CONSIDERED GOOD)		
Advances recoverable in Cash or in kind or for value to be received	47,19,72,664	26,23,64,654
Security Deposits	7,12,54,672	8,37,01,388
Vat, Excise & Service Tax Receivable	29,24,64,026	36,03,56,744
TDS Receivable & Self Assessment Tax (Net of Provision)	31,59,454	33,05,992
Other Receivables	22,80,277	56,50,359
Total	84,11,31,092	71,53,79,137

Total	2,43,28,68,343	1,34,12,67,20
	37,94,092	1,85,18,48
- Leave Encashment	1,86,091	1,62,35
- Gratuity		
- FBT Payable	35,38,119	19,96,50
- For Taxation (Net of Advance Tax and TDS)	69,882	24,22
PROVISIONS		1,63,35,41
	2,42,90,74,251	1,32,27,48,72
- For LC Acceptance & Buyers Credit Facilities from Banks	2,14,45,82,588	91,21,81,93
- For Expenses & Others	14,48,78,142	97,27,87,95
- For Capital Expenditure	5,39,49,613	16,83,73,40
- For Goods Supplied		7,18,41,65
undry Creditors	8,56,63,907	10,97,45,70
CURRENT LIABILITIES		
CHEDULE & CORREST EMPIRITION TROTEGOES		
CHEDULE 8 CURRENT LIABILITIES & PROVISIONS		

FAED ACCOU

	YEAR ENDED- 31.03.2011 (12 Months)	PERIOD ENDED 31.03.2010 (9 Months)
SCHEDULE: 9 SALES & SERVICES	(12 Stolitis)	() intontino)
CHEDULE: 9 SALES & SERVICES		2 12 20 02 655
sales Manufacturing	4,63,20,71,259 2,54,22,02,796	3,12,28,02,655 2,14,24,05,484
Sales Trading	1,23,39,060	27,02,129
ob Work Income	1,20,00,000	
Total	7,18,66,13,115	5,26,79,10,268
SCHEDULE: 10 OTHER INCOME		
		9,63,987
Sundry Balances Written Back (Net)	1,61,040	
Interest on I.T. Refund		9,63,98
Total	1,61,040	9,03,96
SCHEDULE: 11 INCREASE / (DECREASE) IN FINISHED INVENTORY		
Closing Stock of Finished Goods	57,52,30,733	46,07,85,92
Less: Opening Stock of Finished Goods	46,07,85,923	54,43,93,97
	11,44,44,809	(8,36,08,05
Total		
SOME OF COORS TRADER		
SCHEDULE: 12 RAW MATERIAL CONSUMED / COST OF GOODS TRADED		
Raw Material Consumed	52,84,42,784	34,90,61,44
Opening Stock	3.91,82,60,676	2,35,18,96,21
Add: Purchases (Net of Sales)	92,67,46,542	52,84,42,78
Less: Closing Stock Sub-Total (A)	3,51,99,56,918	2,17,25,14,87
Cost of Goods Traded		
Opening Stock	1,15,64,000	
Add: Purchase of Trading Goods	2,12,80,87,903	1,87,17,64,79
Less: Closing Stock	2,13,96,51,903	1,86,02,00,75
Sub-Total (B)	2,13,50,31,503	1 junio a junio 1
Total (A + B)	5,65,96,08,821	4,03,27,15,67
SCHEDULE: 13 STORES & SPARES CONSUMED		
Onemias Stock	3,30,70,870	3,34,06,20
Opening Stock Add: Purchases	12,57,23,897	7,59,44,9
Less: Closing Stock	4,70,77,020	3,30,70,8
Total	11,17,17,747	CHADH 7.62,80,2
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	(.)	181
	(5)	A HILLIAM PARTIES
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SCHEDULE: 14		
Manufacturing Expenses		4 10 25 457
Electricity Expenses & Power Charges	5,60,93,213	4,10,35,457 28,74,177
Water Charges	62,42,442 9,42,17,588	7,09,01,032
abour charges	1,56,44,480	1,43,37,071
JI Charges (For Power)		61,24,419
nspection Charges	77,36,799	1,18,52,071
Material Handling Charges	1,87,77,450	1,90,761
Tower Erection Expenses		1,50,701
Repair & Maintenance	30,55,173	22,51,545
- Plant & Machinery	26,16,968	20,01,040
- Building	60,651	62,936
- Others	1,11,13,404	14,01,432
Excise duty on stock of finished goods (net)	1,11,13,104	11,01,100
Total	21,55,58,168	15,10,30,901
SCHEDULE: 15		
Employees' Emoluments	11,13,81,135	6,78,57,597
Salary & Wages	62,60,638	36,22,969
Bonus	41,66,987	26,96,346
Contribution to Provident Fund	15,65,357	3,04,034
Gratuity & Leave Encashment	38,94,936	21,94,176
Staff Welfare	36,94,930	21,74,170
Total	12,72,69,053	7,66,75,122
SCHEDULE: 16		
Selling & Adminstrative Expenses		
Carriage Outward	2,55,90,832	1,67,17,679
Brokerage	83,43,569	19,33,220
Power Selling Expenses	83,55,858	1,26,23,080
Insurance	30,17,490	14,25,869
Rates & Taxes	3,77,944	3,55,910
Auditors Remuneration	7,95,000	6,86,000
Travelling & Conveyance	1,08,26,757	90,82,483
Rent	12,29,667	13,44,866
Security Charges	37,42,330	25,51,999
Service Tax	21,73,050	8,25,090
VAT Expenses	2,13,01,758	1,13,91,082
Misc Expenditure	2,86,87,785	1,87,91,158
Sundry Balances written off (Net)	1,15,30,592	
Loss on Sale of fixed Asset	1,83,686	
Total	12,61,56,317	7,77,28,436
SCHEDULE: 17		
FINANCE CHARGES (NET)	24.70.40.44	10.01.42.51
Interest On Term Loan	25,39,42,546	19,81,43,510
Interest On Working Capital	6,16,11,708	9,31,65,86
Interest On Car Loans	1,63,121	1,03,77
Other Finance Charges	1,14,74,595	60,03,08
Total	32,71,91,970	29,74,16,24
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VARRSANA ISPAT LIMITED

(Forumly Euroly Appid Communication Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31st March 2011

PARTICULARS	YEAR ENDED	(Amount in Rs.) PERIOD ENDED
	31.03.2011	31.03.2010
	(12 Months)	(9 Months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT (LOSS) BEFORE TAX	12,48,08,831	10,50,66,14
Adjustment For:		1400,00,11
Depreciation	23,56,74,517	15,90,76,77
Provision For Gratuity & Leave Encashment	15,65,357	3,04,03
Loss On Sale Of Fixed Assets	1,83,686	
Sundry Balances Written Off / (Written Back) (Net) Finance Charges (Net)	1,15,30,592	(9,63,98
r mance Charges (Net)	32,71,91,970	29,74,16,24
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	70,09,54,952	56,08,99,20
Adjustment For		
Decrease (Increase) In Trade And Others Receivables	(11,01,11,940)	(12.75.07.17
Decrease (Increase) In Inventories	(51,51,90,717)	(42,78,87,57
Decrease/(Increase) In Loan & Advances	(16,73,28,232)	(3,11,11,69
Increase/(Decrease) In Current Liabilities	1,10,93,72,311	(5,97,98,74
CHANGES IN WORKING CAPITAL	31,67,41,422	(62,57,99,96
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAX	1,01,76,96,375	(6,49,00,75
Taxes paid (Net of Refund)	(4,03,49,833)	(7,13,36,62
NET CASH FLOW FROM OPERATING ACTIVITIES	97,73,46,542	(13,62,37,38
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase Of Fixed Assets Including Capitalisation Of Expenditure & Capital Work In		
Progress	(61,52,06,766)	(50,96,83,40
Proceeds On Sale Of Fixed Assets	95,000	
Cash Flow From Purchase And Sale Of Investments (Net)	1,30,000	
NET CASH FLOW FROM INVESTING ACTIVITIES	(61,49,81,766)	(50,96,83,40
CASH FLOW FROM FINANCING ACTIVITIES		
Finance Charges (Net)	(38,14,74,007)	(29,74,16,24
Proceeds From Issue Of Share Capital	1,34,95,99,050	43,00,00,00
Proceeds From Unsecured Loans	(41,21,00,000)	26,21,00,00
Proceeds From Secured Loans	(27,60,28,992)	(2,51,55,12
Proceeds From Cc Loans	(62,59,37,051)	35,64,91,66
NET CASH FLOW FROM FINANCING ACTIVITIES	(34,59,41,000)	72,60,20,29
NET CASH FLOW:	1,64,23,776	8,00,99,50
Cash And Cash Equivalents At The Beginning Of The Year	28,02,70,470	20,01,70,96
Cash And Cash Equivalents At The Closing Of The Year	29,66,94,246	28,02,70,470
Net Increase In Cash And Cash Equivalents	1,64,23,776	8.00,99,500

Note:		
1 Cash and cash equivalents represents:	(Amount in Rs.)	(Amount in Rs.)
	31.03.2011	31.03.2010
Cash in Hand	5,66,442	4,65,546
Balances with Scheduled Banks		4,00,040
- In Current Accounts	4,20,38,705	6,04,33,758
- In Fixed Deposits*		
Total	25,40,89,099	21,93,71,166
1003	29,66,94,246	28,02,70,470

As per our report of even date CHADHA

AHMEDABAD

FRED ACCOU

For T Chadha & Co.

Place 28 7 2011

oj Mishra Director

Company Secretary

Schedule: 18

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention:

- a) The financial statement of the company have been prepared under the historical cost convention and on the assumption of going concern in compliance with the accounting standards referred to in section 211 (3C) to the Companies Act 1956.
- The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2. Revenue Recognition:

- Sales are inclusive of excise duty, VAT, export benefits and waste sales, and are net of returns, discounts and claims.
- b) Profit/Loss on future and option transactions for commodities is booked on the basis of contract notes for sale of shares and commodities, respectively.
- c) Dividend and other income are accounted for when the right to receive the payment is established.

3. Fixed Assets:

- a. Fixed Assets are stated at cost less accumulated depreciation / amortization.
- b. Land is stated at cost of acquisition inclusive of incidental expenses thereto.
- c. The cost includes taxes and duties (excluding Cenvat claimed) cost of acquisition/construction, installation and pre-operative expenditure including trial run period i.e. attributable direct expenses as well as indirect expenses incurred for bringing the asset to its working condition for its intended use and borrowing costs incurred during pre-operational period.
- d. When assets are sold /disposed off / discarded, their cost and accumulated depreciation are removed from fixed assets and any gain/ loss resulting from disposal is included in profit & loss account.

4. Expenditure during the Construction Period:

Expenditure (net) incurred on Project(s) under construction is carried forward as expenditure during Construction Period (pending capitalization/allocation) and will be allocated to fixed assets on completion of Project(s).

5. Depreciation:

a. Depreciation on assets is provided on straight-line method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in case of Rolls used in rolling plant where the life of asset is assumed as equivalent to other types of Plant and Machinery based on the Technical Engineers assessment. b. Depreciation on fixed assets added / disposed off / discarded during the year has been provided on a pro-rata basis with reference to the date of addition / disposal / discarding. Intangible assets are amortized over a period of five years.

6. Borrowing Costs:

Borrowing costs attributable to acquisition / construction of qualifying assets are capitalized with the respective assets till the date of asset put to commercial use and other borrowing costs are charged to Profit and Loss Account.

7. Investments:

Long Term Investments are stated at cost. Provision for diminution in value of long term investments is made, if the diminution is other than temporary.

8. Inventories

i. Inventories are valued as under:

A.	Raw Material	At Cost on FIFO Basis
B.	Stores and Spare Parts	Cost or Net Realisable Value, which is lower.
C.		Cost or Net Realisable Value, which is lower.

- ii. Excise Duty on closing stock of finished goods lying in the factory is provided for.
- iii. Finished goods and work-in-progress include Cost of Conversion incurred in bringing the inventories to its present conditions and locations.

9. Taxes on Income

The provision for current tax is based on the assessable profits of the Company computed in accordance with the applicable provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

10. Employees Benefits:

The Liability for Gratuity to Employees, which is a defined benefit plan, is determined on the basis of actuarial valuation based on project unit credit method. Actuarial gain / (loss) in respect of the same are charged to profit & loss account.

Leave Encashment Benefits to eligible employees has been ascertained on actuarial basis and provided for. Actuarial gain / (loss) in respect of the same are charged to profit & loss account.

CHADHA

Contribution to recognized provident fund is accounted for on accrual basis.

11. Foreign Currency Transactions

Transactions in foreign currency are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency assets and liabilities are converted into rupee equivalent at the exchange rates prevailing on the Balance Sheet date and exchange difference arising there from is charged to the revenue.

12. Impairment of Assets:

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount & post impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life of assets. Reversal of impairment loss recognized in prior period is recorded when there is an indication that the impairment loss recognized from the assets no longer exists.

13. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not recognized but are disclosed by way of notes.

14. Earnings Per Share:

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax available to equity shareholders. The number of shares used for computing Basic & Diluted EPS is the weighted average number of shares outstanding during the year.

15. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, employment retirement benefit plans, provision for doubtful debts and advances and estimates useful life of fixed assets. Actual results could differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Schedule: 19

(B) Notes on accounts

 Financial statements of previous period were prepared for nine months (1st July 2009 to 31st March 2010). Figures in respect of current period are for 12 months (1st April'10 to 31st March'11) and hence not directly comparable with the figures in respect of the previous period, which are for 9 months.

Contingent liabilities not provided for :

(Amount Rs. In Crores)

Particulars	As At 31.03.2011	As At 31.03.2010
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	10.15	16.32
Custom Duty on imported turbines	2.35	2.35
Bills discounted with banks	15.10	7.69
Duty on import against advance export obligation license	8.35	1.83
Bank Guarantees	10.88	6.73

- Based on the information available with the Company, there are no dues to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.
- Balances of unsecured loans, sundry debtors, sundry creditors, loans & advances, etc. are subject to confirmation / reconciliation. The impact of reconciliation of the same, if any, will be accounted for as and when ascertained.

5. Details of Capital Work-in-Progress:

	(Amounts R	s. in Lacs)
Particulars	As At 31.03.2011	As At 31.03.2010
Capital Expenditure	252.01	3,938.49
Interest to be Capitalized	Nil	59.57
Other Revenue Expenditure to be Capitalized	Nil	54.26
Total	252.01	4,052.32

6. Earnings per Share:

arnings per snare:	(Amoun	t in Rs.)
Particulars	Period Ended 31.03.2011 (12 Months)	Period Ended 31.03.2010 (9 Months)
Net Profit available for Equity shareholders (Rs.)	8,77,81,036	6,25,86,362
Weighted No. of Shares	1,98,62,265	1,79,57,056
Basic Earnings Per Share (Rs.)	4.42	3.49

Deferred Tax Assets / (Liabilities):

	(Amount i	n Rs.)
Particulars	As At 31.03.2011	As At 31.03.2010
a) Deferred Tax Liabilities;		
Due to Depreciation	(40,75,13,442)	(30,60,48,228)
b) Deferred Tax Assets :		
Due to carried forward losses / Depreciation	27,30,31,695	21,41,86,875
Others	12,16,60,571	9,62,39,162
Total Deferred Tax Asset	39,46,92,266	31,04,26,037
Net (Liability)/Asset	(1,28,21,176)	43,77,809

Auditors' Remuneration:

	(Amount	in Rs.)
Particulars	Period Ended 31.03.2011 (12 Months)	Period Ended 31.03.2010 (9 Months)
Audit Fees	6,95,000	6,11,000
Tax Audit Fees	1,00,000	75,000
Out of Pocket Expenses	27,896	56,714
Service Tax	81,885	75,876
Total	9,04,781	8,18,590

A) Related Party disclosures:

i. Names of Related Parties:

Names of Party	Relation
REI Agro Limited.	Associate Concern
Ramdhan Merchandise Pvt. Ltd.	Associate Concern
Mahavir Tie Up Pvt. Ltd.	Associate Concern
Sh. Manoj Mishra	Key Management Personnel
Varrsana Energy Infrastructure Ltd.	Associate Concern

ii. Details of Transactions made with Related Parties:

(Amount in Rs. Lacs)

	Associate Firm	ns/Company
secured Loans Accepted	Period Ended 31.03.2011 (12 Months)	Period Ended 31.03.2010 (9 Months)
Purchase of Scrap	Nil	0.01
Unsecured Loans Accepted	22590.56	10409.19
Unsecured Loans Given	1436.99	11926.95
Issue of Shares	10899.99	4300.00
Sale of Investments	1830.76	Nil

Note: Related party relationship is as identified by the company and relied upon by the

Auditors.

B) Segment Reporting

BUSINESS SEGMENT

Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS-17) issued by The Insitiute of Chartered Accountants of India, the company's primary business segment are

a) Steel

b) Power

c) Other Activities

		The same			The Atlanta Land	The same of the same of the same of	100-4-1
		Sicel	Lower	Transactions	Expenditure/	Ellminations	1001
					Revenue		
Revenue							
Euternal Calae / Income from Onerations	2010-11	6,49,40,69,844	31,93,09,730				6,81,33,79,574.56
parental sales / income nom operations	2009-10	4,77,75,83,607	28,10,50,025				5,05,86,33,631.94
Inter Securent Bermine	2010-11		65,54,61,105			(65,54,61,105.00)	
meet oeginem vevenue	2009-10		41,78,37,812			(41,78,37,811.50)	
	2010-11	6,49,40,69,844	97,47,70,835			(65,54,61,105.00)	6,81,33,79,574.56
Total Revenue	2009-10	4,77,75,83,607	69,88,87,837			(41,78,37,811.50)	5,05,86,33,631.94
	2010-11	42,10,43,962	26,68,24,665	(1,93,310.00)			68,76,75,317.67
Segment Result Profit(+)/Loss(-) before tax, Interest & Depreciation from each segment	2009-10	35,92,17,131	20,23,42,030				56,15,59,160.77
Interest & Depreciation from each segment							
Less: 1) Interest	2010-11	11,00,71,576	14,38,70,970		7,32,49,424.48		32,71,91,970.41
	2009-10	8,58,42,799	11,23,00,717		9,92,72,727.80		29,74,16,243.80
2) Depreciation	2010-11	14,38,51,624	9,18,22,893				23,56,74,516.55
	2009-10	9,42,38,906	6,48,37,867				15,90,76,772.83
Total Profit hefore tax	2010-11	16,71,20,763	3,11,30,802	(1,93,310)	(7,32,49,424.48)		12,48,08,830.71
	2009-10	17,91,35,426	2,52,03,446		(9,92,72,727.80)		10,50,66,144.14
Segment Assets	2010-11	7,27,02,22,739	2,05,68,28,724		3,84,04,453,72		9,36,54,55,916,57
Barrell	2009-10	6,13,70,14,224	1,96,18,31,037	1,93,310.00	3,86,80,991.85		8,13,77,19,562.41
Segment liabilities	2010-11	3,58,21,29,068	1,82,28,74,771		37,94,092.00		5,40,87,97,931.06
District the second sec	2009-10	4,06,28,55,293	1,54,98,89,057		1,85,18,487.85		5,63,12,62,837.99
Addition to Segment Fixed Assets	2010-11	1,03,94,47,435	3,74,08,455				1,07,68,55,890.32
Constitution of the consti	2009-10	4,22,19,867	12,47,04,848				16.69.24.715.14

Notes:

1. Inter Segment transfer from the power segment is measured at the rate of Energy Charges at which power is purchased from the respective Electricity Board. 2. Figures for F.Y. 2010-11 are for 12 months (Apr'10 to March'11) and figures for F.Y. 2009-10 are for 9 months (July'09 to Mar'10)



10. Employee Benefits:

a) Defined Contribution Plan:
 Company's Contribution to Provident fund Rs. 41.66 Lacs (Previous Period Rs. 26.96 Lacs).

b) Defined Beneft Plans:

(Amount in Rs. Lacs)

c-		Privilege Le	eave Benefits	Gra	tuity
Sr. No.	Particulars	(Apr'10 - Mar'11)	(Apr'09 - Mar'10)	(Apr'10 - Mar'11)	(Apr'09 - Mar'10)
A	Present Value of funded obligation	Nil	Nil	Nil	Nil
	Fair Value of plan assets	Nil	Nil	Nil	Nil
	Present value of unfunded obligations	1.86	1.62	35.38	19.97
	Net Liability	1.86	1.62	35.38	19.97
В	Expenses recognized for the year				
	Current Service Cost	0.04	0.02	16.83	9.78
	Interest on obligations	0.14	0.11	2.21	1.33
	Expected return on plan assets	Nil	Nil	Nil	Nil
	Net actuarial losses (gains) recognized in the year	0.06	0.20	(3.63)	(4.42)
	Total included in employee benefit expenses	0.24	0.33	15.42	6.69
	Actual return on Plan assets	Nil	Nil	Nil	Nil
С	Changes in the present value of defined benefit obligations representing reconciliation of opening and closing balances				
	Opening defined benefit obligation	1.62	1.29	19.97	13.28
	Service Cost	0.04	0.02	16.83	9.78
	Interest Cost	0.14	0.11	2.21	1.33
	Actuarial losses (gains)	0.06	0.20	(3.63)	(4.42)
	Benefits Paid	Nil	Nil	Nil	Nil
	Closing defined benefit obligation	1.86	1.62	35.38	19.97
D	Principal Actuarial assumptions at the balance sheet date				
	Discount rate	8.00%	8.00%	8.00%	8.00%
	Expected return on plan assets	Nil	Nil	Nil	Nil
	Proportion of employees opting for early retirements	Nil	Nil	Nil	CHADHA

Sr.		Privilege Leave Benefits		Gratuity	
No.	Particulars	(Apr'10 - Mar'11)	(Apr'09 - Mar'10)	(Apr'10 - Mar'11)	(Apr'09 - Mar'10)
	Annual increase in salary costs	5.00%	5.00%	5.00%	5.00%

- There is no other known liability except those stated in the Balance Sheet. Further, there is no other
 contingent liability except those disclosed by way of notes of accounts,
- 12. Additional Information pursuant to Part-II of Schedule VI of the Companies Act, 1956

a) Licensed & Installed Capacity

(As certified by management and accepted by auditors, being a technical matter)

(Metric Tons per annum)

Installed capacity*	Current Period (April'10 - Mar'11)	Previous Period (July'09 - March'10)
Steel Melt Shop	2,16,000	2,16,000
Rolling Mill	4,80,000	4,80,000
Sponge Iron	156,000	96,000
Tower Plant	28,800	14,400
Power Plant	36MW	36MW

b) Quantitative Details

Sr.			Year Ended	31.03.11	Year Ended	31.03.10
No.	Particulars	Item	Qty In MT	Amount In Rs.	Qty In MT	Amount In Rs.
			(Rs in Tho	usands)	(Rs in Tho	usands)
1)	Opening Stock					
	Power Division	Power			-	
	Sponge Iron Division	Sponge			595.58	7,065.53
	Steel Melting Division	Billet	6,212.17	1,68,984.22	9,145.40	1,97,603.31
	Rolling Mill Division	TMT	3,227.61	99,577.74	2,000.10	47,775.86
	Rolling Mill Division	Beam	2,063.56	64,094.39	4,109.61	1,28,111.28
	Rolling Mill Division	Angel	1,700.04	* 58,379.67	3,304.45	91,345.56
	TLT Division	Tower	1,130.92	58,926.98	1,328.17	64,242.74
	All Division - Others	Scrap & Waste	507.78	10,822.92	791.53	15,315.22
	Total			4,60,785.92		5,51,459.51
	Production					
2)	Power Division	Power(kwh)	21,20,61,250.00		17,60,76,660.00	CHADHA

Sr. No.	Particulars	Item	Year Ended	31.03.11	Year Ended	31.03.10
			Qty In MT	Amount In Rs.	Qty In MT	Amount In Rs
			(Rs in Tho	usands)	(Rs in The	
	Sponge Iron Division	Sponge	62,389.19		39,855.47	
	Steel Melting Division .	Billets	1,21,571.70		95,676.08	
	Rolling Mill Division	TMT Bar	52,216.81		50,498.18	
	Rolling Mill Division	Beam	6,137.64		6,729.88	
	Rolling Mill Division	Angel	21,465.55		5,038.30	
	TLT Division	Towers	3,508.49	-		
	All Division	Others	5,354.96		1,186.31 3,592.22	
	Sales					
	Power Division					
3)	[incl. internal transfer of 139066730 kwh (previous period 100683810 kwh)]	Power(kwh)	21,20,61,250.00	3,19,309.73	17,60,76,660.00	2,81,050.0
	Sponge Iron Division [incl. internal transfer of 62192.51 MT (previous period 40451.05 MT)]	Sponge	62,192.51		40,451.05	
	Steel Melting Division [incl. internal transfer of 77392.91 MT(previous period 65674.27 MT)]	Billets	1,25,809.31	14,59,896.09	98,609.31	8,61,305.5
	Rolling Mill Division [incl. internal transfer of 1549.13 MT (previous period 3065.66 MT)]	TMT Bar	52,580.32	17,77,424.17	49,270.67	13,58,038.1
	Rolling Mill Division [incl. internal transfer of 146.90 MT (previous period 266.87 MT)]	Beam	6,315.02	2,23,641.85	8,775.93	2,62,228.3
	Rolling Mill Division [incl. internal transfer of 3257.53 MT(previous period 254.51 MT)]	Angel	19,266.93	6,34,717.32	6,642.71	2,05,402.9
	TLT Division	Towers	1,336.11	69,604.04	1,463.01	73,324.0
	All Division [incl. internal transfer of 4312.92 MT (previous period 1861.18 MT)]	Scrap & Waste	5,595.41	28,621.29	3,875.97	24,286.3
	All Division	Others		1,18,856.76		57,167.14
	Total			46,32,071.26		
	7000			40,32,071.20		31,22,802.6
	Closing Stock					
1	Power Division					
)	Sponge Iron Division	C	407.40	-	-	
1		Sponge	196.68	-		
-	Steel Melting Division	Billets	1,974.57	66,021.48	6,212.17	1,68,984.22
	Rolling Mill Division	TMT Bar	2,864.10	1,08,428.71	3,227.61	99,577.74
	Rolling Mill Division	Beam	1,886.18	74,387.34	2,063.56	64,094.39
	Rolling Mill Division	Angel	3,898.66	1,58,318.93	1,700.04	58,379.67
	TLT Division (excluding 79.46 MT nut bolt)	Towers	3,223.85	1,57,331.98	1,130.92	58,926.98
	All division	Others	267.33	10,742.28	507.78	
	Total		207.03	5,75,230.73	307.78	10,822.92 4,60,785.92
	Trading Good					
1	Opening Stock	Steel		/ -	-	
)	Purchase	Steel	52,466.37	18,10,366.91	52,227.07	17,11,297.15



-			Year Ended 31.03.11		Year Ended 31.03.10		
		Item		Amount In Rs.	Qty In MT	Amount In Rs.	
١	Particulars	Item	(Rs in Thous		(Rs in Thousands)		
-		Canal	52,466.37	21,88,701.08	52,227.07	19,80,787.37	
L	Sales	Steel	32,100,01	-	-	-	
1	Closing Stock	Steel					
1		Coal/Scrap	5,000.00	11,564.00		-	
1	Opening Stock	Coal/Scrap	64,194.55	3,17,720.99	72,349.42	1,60,467.65	
1	Purchase	Coal/Scrap/Pellet	69,194.55	3,53,501.72	67,349.42	1,61,618.11	
1	Sales				5,000.00	11,564.00	
١	Closing Stock	Coal/Scrap					
1	Raw Material Consumed						
١	Raw Material Consumed	Coal	1,46,167.37	5,02,663.52	1,29,715.87	3,68,015.26	
		Lignite	57,400.51	1,22,861.77	11,717.25	20,106.13	
	Power Plant	Charcoal (internal transfer)	9,990.42	-	11,766.18	-	
	31,460.54 2,04,797.31 67,392.22 3,98,68						
	Sponge Iron Division	Iron Ore	31,460.54	5,72,857.93	1,453.07	8,136.72	
		Pellets	62,832.77	3,21,441.76	44,063.80	2,35,354.48	
		Coal	62,198.42	3,21,441.70	44,003.00	B)o 2/0	
		Scrap	67,522.99	13,08,785.26	53,393.03	8,72,636.60	
	Steel Melting Division	Scrap (internal consumption)	6,789.90		2,477.58		
		Sponge	1,160.81	32,280.34	12,284.33	1,70,860.29	
		Sponge (Internal consumption)	63,562.16		40,451.05		
		Billet - Purchase	9,654.26	2,65,715.40	1,440.68	36,381.6	
	Rolling Mill Division	Billet Internal consumption	77,392.91		65,674.28		
	3 762 17 16.856.53 1,246.90 32,206.4						
		Structure Steel	3,762.17	16,856.53			
	TLT Division	Zinc	177.84	21,508.75	72.63	4,307.7	
		Out - 2 (Not of					
	All Division	Others * (Net of TMT & Structure internal use for				25 520 65	
		project)		1,50,188.36		25,539.65	
	* Net of gain due to exchange ra			35,19,956.92		21,72,514.88	

* Net of gain due to exchange rate fluctuations amounting to Rs. 57309.25 thousands (previous period net of gain due to exchange rate fluctuations amounting to Rs. 65121.58 thousands) and also net of TMT & Structure internally used for project.

	Particulars		Year Ended 31.03.11		Tedi Lilucu 51.05.25	
			%	Amount In Rs	%	Amount In Rs
		Lunantad	48.72	17,15,079.39	36.60	7,95,102.32
	Raw Material Consumed	Imported	51.28	18,04,877.52	63.40	13,77,412.56
7)		Indigenous	52.00	35,19,956.92		21,72,514.88
		Total		-	0.79	604.41
0)	Stores & Spares Consumed	Imported	100.00	1,11,717.75	99.21	75,675.86
8)		Indigenous	100.00	1,11,717.75	CHADHA	76,280.27

Sr. No.	Particulare		Year Ended 31.03.11		Year Ended 31.03.10	
		Item	Qty In MT	Amount In Rs.	Qty In MT	Amount In Rs.
			(Rs in Thousands)		(Rs in Thousands)	
9)	CIF VALUE OF IMPORT	A) Raw / Trading Material		25,16,985.49	,	8,63,640.55
		B) Capital Goods		14,203.70		1,829.68
10)	Other Expenditure in Foreign Currency Earnings in Foreign Currency			21,901.09		Nil
11)				Nil		Nil

- 13. In the opinion of the Board of Directors, Current Assets, Loans and Advances (including capital advances) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. Adequate provisions have been made in accounts for all the known liabilities.
- 14. In the opinion of management, there is no indication of impairment loss in accordance with the provision of Accounting Standard 28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Figures of previous period are rearranged / regrouped wherever considered necessary.
- 15. Figures of previous period are rearranged/regrouped wherever considered necessary.

Signatures to Schedule 1 to 19

As per our separate report of even date annexed herewith

AHMEDABAD

For T. R. CHADHA & CO.

Chartered Accountants CHADH

(Kashyap I. Vaidya)

Partner

M. No. 37623 Place: Mumbai

Date: 28 7 201

For and on behalf of Board of Directors

Manoj Mishra Director

Mahesh Sureka

Jaswant Singh

Director **Company Secretary**

VARRSANA ISPAT LIMITED SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.3.2011

Part IV of Schedule -VI Balance Sheet Abstract and Company's General Business Profile:

1	Registration Details					
	Registration No.	124804	State Code	21		
	Balance Sheet Date	31.03.2011				
		DD-MM-YY				
II	Conital unional during the susa	on (Amount in Do The				
11	Capital raised during the ye					
	Public Issue	Nil	Right Issue	Nil		
	Bonus Issue	Nil	Private Placement	29,991		
III	Position of mobilization and	d deployment of funds	(Amount in Rs. Thousand)			
	Total Liabilites	6,932,588	Total Assets	6,932,588		
	Source of funds					
	Paid-up capital	219.082	Secured Loan	2,325,930		
	Share Application Money	Nil	Un secured Loans	650,000		
	Reserve & Surplus	3,724,754	Deferred Tax Liability	12,821		
	reserve & surprus	3,724,734	Deletted Tax Liability	12,021		
	Application of funds					
	Net Fixed Assets	5,209,853	Investments	35,245		
	Capital work in Progress	25,201	Misc. Expenditure			
	Net current Assets	1,662,289	Accumulated Profit / (Losses)			
IV	Performance of the Compa	ny				
	Turnover	6,813,380	Total Expenditure	6.803,177		
	Profit/(Loss) before Tax	124,809	Profit/(Loss) after Tax	87,781		
	Earning per share in Rs.	4.42	Dividend Rate (%)	Nil		
V	C	. In 1 . 10				
V	Generic Names of three Principal Products/Services of the Company Item Code No. (ITC Code) For the description					
	72.07	Billet				
	72.14 N.A	TMT				

For and on behalf of Board of Directors

oj Mishra Director Mahesh Sureka Director

Jaswant Singh Company Secretary