

ANNUAL REPORT
2010-11

GODAWARI INTEGRATED
STEELS (INDIA) LIMITED

DIRECTORS' REPORT

Dear Shareholders,

GODAWARI INTEGRATED STEELS (INDIA) LIMITED

Registered Office: Hira Arcade, Near New Bus Stand, Pandri, Raipur – 492001 (C.G.)

Your Directors have pleasure in presenting the First Annual Report of the Company with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended 31st March, 2011.

REVIEW OF OPERATIONS:

Your Company has been incorporated as a Special Purpose Vehicle (SPV) for setting up an integrated steel plant in Rajnandgaon District of Chhattisgarh comprising sponge iron plant of 10 lacs TPA, pig iron plant of 10 lacs TPA, sinter plant of 15 lacs TPA, steel billets of 20 lacs TPA, steel rolled products of 5 lacs TPA, ferro alloys of 2 lacs TPA, calcinations plant of 1 lac TPA and iron ore pelletisation plant of 35 lacs TPA with captive power plant of 300 MW.

Your Company has not started its business during the Financial Year ended 2010-11. However the company is intending to commence business operation in the near future for which the company has obtained Certificate of Commencement of business from the Registrar of Companies.

DIVIDEND:

Since the Company did not do any business, no dividend could be recommended for the year ended 31st March, 2011.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There were no foreign exchange earnings/ outgo period under review.

PARTICULARS OF EMPLOYEES:

There is no employee in the Company whose name and other particulars are required to be set out in the Report as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Dinesh Agrawal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state;

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed:
- (ii) That your Directors have 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 or loss of the company for that period;
- (iii) That your Directors have 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 your company and for preventing and detecting fraud and other irregularities; and
- (iv) That your Directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Information on Conservation of Energy, required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, is not required since the company did not engage in any manufacturing activity.

AUDITORS:

M/s O.P. Singhanian and Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT:

There is no qualifying remark in the Auditor's Report except for the interest free loan granted by the Company to a Company listed in the registered maintained under section 301 of the Companies Act, 1956, as referred by the Auditors at point no. (iii)(b) of the Annexure to their report.

The company has granted interest free short term loan as a reciprocal business arrangement with other Company to meet the short term fund requirement.

ACKNOWLEDGEMENT:

The Board expresses its sincere gratitude to the shareholders, bankers, State and Central Government Officials for their continued support. The Board also wholeheartedly acknowledges with thanks the dedicated efforts of all the staff and employees of the Company.

For and on behalf of the Board of Directors

Date : 17th May, 2011
Place : Raipur

Sd/-
Dinesh Agrawal
Director

Sd/-
Siddharth Agrawal
Director

GODAWARI INTEGRATED STEELS (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHE- DULE	AS AT 31ST MARCH, 2011 Rs.
SOURCES OF FUNDS		
A. SHAREHOLDERS' FUNDS	A	
a) Share Capital		500000.00
b) Reserves and Surplus		0.00
		500000.00
B. LOAN FUNDS		
a) Secured Loans		0.00
b) Unsecured Loans		0.00
		0.00
TOTAL		500000.00
APPLICATION OF FUNDS		
A. FIXED ASSETS (At Cost)		
Project & Pre-operative Expenses		417660.00
B. INVESTMENTS		0.00
C. CURRENT ASSETS, LOANS & ADVANCES		
a) Cash & Bank Balances	B	5801.00
b) Loans & Advances	C	250000.00
		255801.00
Less: CURRENT LIABILITIES & PROVISIONS	D	207979.00
Net Current Assets		47822.00
D. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		0.00
PROFIT & LOSS ACCOUNT		34518.00
TOTAL		500000.00
NOTES TO FINANCIAL STATEMENTS	E	

As per our attached report of even date.

For OPSinghania & Co.
(Firm Regn.No.002172C)
Chartered Accountants,

Sd/-
SANJAY SINGHANIA
Partner
Membership No.076961

Raipur, 17th May,2011

For and on behalf of the Board

Sd/-
DINESH AGRAWAL, Director

Sd/-
SIDDHARTH AGRAWAL, Director

GODAWARI INTEGRATED STEELS (INDIA) LIMITED**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	SCHE- DULE	FOR THE PERIOD ENDED 31ST MARCH, 2011 Rs.
INCOME		0.00
		0.00
EXPENDITURE		
Bank Charges & Interest		838.00
Legal, Professional & Consultancy charges		6946.00
Auditors' Remuneration		3309.00
Preliminary Expenses		23425.00
		34518.00
LOSS FOR THE YEAR		(34518.00)
BALANCE CARRIED TO BALANCE SHEET		(34518.00)
Earning Per Share (Basic)		(2.05)
NOTES TO FINANCIAL STATEMENTS	E	

As per our attached report of even date.

For OPSinghania & Co.

(Firm Regn.No.002172C)

Chartered Accountants,

Sd/-

SANJAY SINGHANIA

Partner

Membership No.076961

Raipur, 17th May,2011

For and on behalf of the Board

Sd/-

DINESH AGRAWAL, Director

Sd/-

SIDDHARTH AGRAWAL, Director

GODAWARI INTEGRATED STEELS (INDIA) LIMITED**SCHEDULES FORMING PART OF THE ACCOUNTS**

	AS AT 31ST MARCH, 2011 Rs.
SCHEDULE - A : SHARE CAPITAL	
Authorised 50000 Equity Shares of Rs.10/- each	500000.00
Issued, Subscribed & Paid up 50000 Equity Shares of Rs.10/- each fully paidup (out of above 50000 equity shares held by Godawari Power & Ispat Ltd., the holding company)	500000.00
	500000.00
SCHEDULE - B : CASH & BANK BALANCES	
Balance with Schedule Banks on Current Account	5801.00
	5801.00
SCHEDULE - C : LOANS & ADVANCES (Unsecured, Considered good)	
Advance recoverable in cash or in kind or for value to be received	250000.00
	250000.00
SCHEDULE - D : CURRENT LIABILITIES & PROVISIONS	
Other Liabilities	207979.00
	207979.00

SCHEDULE 'E'

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) System of Accounting

- The financial statements are prepared under the historical cost convention, on going concern concept and in compliance with the accounting standards issued by The Institute of Chartered Accountants of India.
- The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.

b) Fixed Assets

Fixed Assets are stated at "acquisition cost". The various expenditure incurred during the construction stage and upto the date of commencement of commercial production for setting-up the relevant project-assets are grouped under the head "Pre-operative Expenditure" and allocated to related fixed assets on pro-rata basis.

c) Contingent Liabilities

Contingent Liabilities are not provided for and are disclosed in Notes on Accounts.

d) Earning Per Share

- Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

e) Taxation

- Deferred Tax Assets/Liabilities are not recognized as there is no virtual certainty about future profitability.

2. There is no contingent liabilities against the company.

3. Since the company has been incorporated on 02.11.2010, the statement of accounts has been prepared from the date of incorporation to 31.03.2011. Hence no previous year figures have been given.

EARNING PER SHARE (AS-20)	2010-11
Net Loss for the year	(34,518)
Weighted average number of equity shares outstanding during the year	16,849
Basic earning per share (Rs.)	(2.05)

5. There is no additional information as required by paragraph 3, 4(c) and 4(d) of Part II of Schedule VI to the Companies Act, 1956.

For **OPSinghania & Co.**
(Firm Regn.No.002172C)
Chartered Accountants,

Sd/-
SANJAY SINGHANIA
PARTNER
MEMBERSHIP NO.076961

Raipur, 17th May,2011

For and on behalf of the Board

Sd/-
DINESH AGRAWAL, Director

Sd/-
SIDDHARTH AGRAWAL, Director

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	U27100CT2010PLC022146
State Code	10
Balance Sheet Date	31.03.2011

2. Capital raised during the year (Rs.in thousand)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	500

3. Position of mobilisation and deployment of funds (Rs.in thousand)

Total Liabilities	708
Total Assets	708

..... Sources of Funds (Rs.in thousand)

Paid-up Capital	500
Share Application Money	NIL
Reserves & Surplus	NIL
Secured Loans	NIL
Unsecured Loans	NIL

..... Application of Funds (Rs.in thousand)

Net Fixed Assets	418
Investments	NIL
Net Current Assets	48
Miscellaneous Expenditure	NIL
Accumulated Losses	35

4. Performance of the Company (Rs.in thousand)

Turnover (Gross Receipts)	NIL
Total Expenditure	35
Profit/(Loss) before tax	(35)
Profit/(Loss) after tax	(35)
Earning per Share(Rs.)	(2.05)
Dividend Rate Including Special Dividend, if any	
-- on Preference Shares	N.A.
-- on Equity Shares	N.A.

5. Generic Name of Principal Products, services of the Company :

Item Code No. (ITC Code)	N.A.
Product Description	N.A.

For and on behalf of the Board

Sd/-

DINESH AGRAWAL, Director

Sd/-

SIDDHARTH AGRAWAL, Director

Raipur, 17th May,2011