

INDUCTO STEEL LIMITED

Registered off.: 302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005

TWENTY THIRD

ANNUAL REPORT 2010 - 2011

BOARD OF DIRECTORS	Mr. Rajeev Reniwal Ms. Sweety Reniwal Mr. Prashant Agarwal Mr. Yogesh Thakkar Ms. Neela Shah Mr. Bhushanlal Behl
AUDITORS	Jain Seth & Co. Chartered Accountants Bhavnagar 364 003
BANKERS	Indian Overseas Bank, 30/32, Tamarind House, Tamarind Lane, Fort, Mumbai – 400 023.
REGISTERED/CORPORATE OFFICE	302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005.
BRANCH OFFICE	308 Madhav Darshan, Waghawadi Road, Bhavnagar – 364001 (Gujarat)
SHIP BREAKING YARD	Plot No.45, Ship Breaking Yard, Alang, District : Bhavnagar
FINANCIAL YEAR	2010 - 2011
ASSESSMENT YEAR	2011 - 2012
CONTENTS	Notice Directors' Report Corporate Governance Report Auditors' Report Annual Accounts

Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to shareholders.

Members are requested to support this green initiative by updating their email address with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

CONTENTS

	Page No.
Notice	3
Directors' Report	5
Corporate Governance Report	12
Auditor's Report	24
Balance Sheet	29
Profit & Loss Accounts	30
Schedules to Accounts	31
Notes Forming Parts of the Accounts	36
Cash Flow Statement	42
Attendance Slip & Proxy	43

Annual General Meeting

Date : Friday, 30th September, 2011

Time : 12.00 a.m.

Venue : 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005.

Twenty Third Annual Report 2010-2011

INDUCTO STEEL LIMITED

Registered off.: 302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005

NOTICE

Notice is hereby given that the 23rd ANNUAL GENERAL MEETING of the Members of INDUCTO STEEL LIMITED will be held on Friday, 30th September, 2011 at the Registered Office of the Company at 302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005 at 12.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and Auditors' thereon.
2. To declare a Dividend.
3. To appoint a director in place of Mrs Neela Shah, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a director in place of Mr. Bhushanlal Behl, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint M/s. Jain Seth & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

By Order of the Board

Sd/-

Rajeev Reniwal
Chairman

Place: Mumbai
Date : 16/07/2011

NOTES:

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (B) Proxies in order to be effective, should reach duly completed, stamped and must be deposited at the registered office of the Company not less than 48 hours before the meeting.
- (C) The Register of Members and transfer register will remain closed from 21st September, 2011 to 30th September, 2011 (both days inclusive).
- (D) Details required under Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting, are given in the relevant section of the Corporate Governance Report included in the Annual Report.
- (E) The Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2011, if declared at the Annual General Meeting, will be made payable to those members whose names appears in the Register of Members of the Company as on date of Annual General Meeting. The dividend in respect of Equity Shares held in electronic form as at close of business hours of 20th September, 2011 will be payable to the beneficial owners of the Equity Shares as per the details furnished by the Depositories for the purpose.
- (F) Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
- (G) Members who have not encashed their dividend warrant for FY 2005-2006, FY 2006-2007, FY 2007-2008, FY 2008-2009 and FY 2009-2010 are requested to make their claim to the Company/Registrar and Share Transfer Agent immediately. Members are requested to lodge Share Transfer documents and all other correspondence and queries relating to Share Transfer, Share Certificates, Change of Address etc., at the Office of Registrar & Share Transfer Agent. The relevant address of Registrar and Share Transfer Agent is as under:

Contact Person: Mr. Shashikumar

Sharex Dynamic (India) Pvt. Ltd

Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E),
Mumbai – 400 072.

Ph: 022 28515606, 022 28515644 Fax: 022 28512885 Email : sharexindia@vsnl.com

- (H) Members are hereby informed that in terms of the provisions of section 205A of the Companies Act, 1956, dividend not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to Investor Education & Protection Fund established by the Central Government. In terms of the provisions of section 205C of the Companies Act, 1956, no claim shall lie against the Company or said fund after the said transfer.
- (I) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the Office.

DIRECTORS' REPORT

To,
The Members
Inducto Steel Limited

The Directors are pleased to submit the 23rd Annual Report of the Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2011.

Performance:

(Rs in Lacs)

	<u>2010-11</u>	<u>2009-10</u>
Sales & Other Income	6,965.35	4,524.59
Profit/(Loss) before Tax	554.25	457.21
Provision for Tax	175.44	155.25
Adjustment for deferred tax	3.83	1.87
Profit after tax	374.98	300.08

Keeping in view the good market potential, the company carried out its Ship Breaking activities on a full scale during the year and that is reflected in the increase in the Gross Revenues as well as in Net Profit Margins. In spite of heavy fluctuation in the prices of old ship in the international market and also heavy dollar exchange rate fluctuations, coupled with corresponding fluctuations in sale price of re-rollable scrap and old machineries etc, your company has been able to optimize the market situation and have achieved increase in Turnover and Net Profit Revenues. Your Directors are hopeful that there will be even much more improvement in sales and profit margin in the coming year. However, due to price volatility of Ferrous and Non Ferrous metals in the international market, the company preferred not to do any trading business activities during the year.

Dividend

Taking into account the good performance, the Directors recommend a Dividend of 25% (Rs. 2.50 per share) on the Equity Share for approval by the Members. The total dividend, if approved by the Members at the Annual General Meeting, would absorb Rs. 100,43,135/- out of profits for the year. Dividend distribution tax payable amounting to Rs. 16,68,039/- has also been appropriated out of profits.

Prospects for the coming year

The Company is hopeful that with the stabilizing, the price for the old ship in the international market and also sale prices of company's products in the domestic market, the company will be able to improve the turnover and the profitability in the coming year.

Management Discussion and analysis

a) Overview

Last year, prices of old ships, Iron and Steel Products, which had seen a sharp increase. However, the prices in Iron and steel industry got stabilized comparatively during the year and the company could achieve manifold increase in the net profit margins. Increase The same is expected to remain so at least in the near future. The management is exercising

caution in purchase of ships for breaking to optimize the profit margin and minimize the possibilities of losses, if so happen.

Whenever, there is no immediate payment liability against old ship purchased for breaking, the surplus funds available with the Company are given as loan on short-term basis and also invested in the stock market for earning interest/short term capital gain. The Company is hopeful that the Company can earn reasonable return on this loans/investment.

Surplus funds are also invested in new avenues of earnings in the form of partnership with other entities like in Real Estate and Construction firms etc. At present the Company has partnership with M/s Jai Maa Durge Associates with 50% share. The firm has purchased 2.038 hectare, Appx. 220000 sq.ft. of land. The management is hopeful that the Company can earn reasonable return on this investment.

b) Segmental Review.

The Company is engaged in the ship breaking activities and value of single purchase is very large. The company effect sale from above and occasionally the company have surplus fund, which the company advance to other companies and earn interest. However the income from such activities are not substantial and the main activities of the Company continue to be that of ship breaking only and there is no other segmental business for the Company.

c) Review of operation

As has been stated in the out-look, due to boom in the availability of old ships in the international market, the company's ship breaking unit at Alang Ship Breaking Yard, Bhavnagar is fully operational through out the year and in ship breaking activities has seen a substantial increase in Turnover as well as Net Profit before Taxes. Now the market has stabilized and taking into account the market standing of the company in Ship Breaking Market, it is hoped that the turnover and the profitability will see a considerable increase in the current financial year.

d) Financial Review and analysis

Performance	(Rs. in Lacs)	
	2010-11	2009-10
Gross Turnover	6423.27	4010.94
Net Turnover	6423.27	4010.94
Other income	542.09	513.65
Total Expenditure	6332.79	3996.73
Operating Profit (PBIDT)	632.57	527.85
Interest	70.52	64.49
Gross Profit (PBDT)	562.04	463.36
Depreciation	7.79	6.15
Profit before tax & exceptional items	554.25	457.21
Exceptional Items	0.00	0.00
Profit before tax	554.25	457.21
Provision for current Tax	175.44	155.25
Profit after Current Tax	378.81	301.95
Deferred tax	3.83	1.87
Net Profit after total and Exceptional items	374.98	300.08

e) **Cash Flow Analysis**

Sources of Cash	2010-11	2009-10
- Cash from operation	269.49	214.00
- Non-operating cash flow	26.38	17.11
- Increase in debts	1056.77	1876.42
- Decrease in cash and cash equivalents	318.39	–
Uses of Cash		
- Net capital expenditure	26.12	24.80
- Increase In Working Capital	1010.72	1812.28
- Increase in cash and cash equivalents.	–	270.46

f) **Risk Management**

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging upto 180 days to 360 days. Though the Company is not hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary.

Though the Company is employing such measures, the Company is still exposed to the risk of any heavy foreign exchange fluctuation.

Likewise, the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any up and down in the price of the iron and steel will affect the profitability of the Company. However taking into account, the price fall already effected during the year 2010-11, further major down fall in the price of iron and steel is not expected.

In addition to the above, the Company is also exposed to the risk of fluctuation in the real estate and construction market as the Company has invested some of its surplus funds in partnership firm engaged in such business. However the Directors considering their past experience, is confident that the Company will not face any major set back in this area.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of Annual Accounts for the financial year ended 31st March 2011, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such Accounting policies and applied them and made judgments and estimates that were 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 the year under review;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities;

d) that the Directors had prepared the accounts on a going concern basis.

Board of Directors

During the year, there has been no change since the last Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Mrs. Neela Shah and Mr. Bhushanlal Behl retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Auditor's Observation/qualification.

The observation/qualification of the auditors are based on the facts stated in the schedules of notes and members are requested to refer to the Note no. 2(a), 2(b) and 3(a) to 3(d) in the Schedule 15 forming part of the accounts, which are self explanatory and does not require any further clarification/reply.

Deposits

During the year under review, the Company did not accept any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rule, 1975 as amended.

Auditors

M/s. Jain Seth & Co., Chartered Accountants, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

Members are requested to re-appoint M/s. Jain Seth & Co., Chartered Accountants, as Statutory Auditors of the Company for the period commencing from ensuing Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

Particulars of Employees

Pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, your Company has no person in its employment drawing salary within the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo:

In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earning and outgo is annexed hereto, which is forming part of this report.

Corporate Governance

Your Company has been practicing the principles of good Corporate Governance. In addition to basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The report on the Corporate Governance is attached herewith.

Listing of Shares

The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai & applicable listing fees have been paid within the prescribed time limits.

Twenty Third Annual Report 2010-2011

Acknowledgement

Your Directors wish to place on record their appreciation for the continued support from the Shareholders, Investors, Customers, Suppliers and Bankers. Your Directors place on record their appreciation of the consistent contribution made by employees at all levels through their hard work, dedication, solidarity, and cooperation and acknowledge that their support has enabled the Company to achieve new heights of success.

For & on behalf of the Board of Directors

Sd/-

Place: Mumbai
Date : 16/07/2011

Rajeev Reniwal
Chairman & Managing Director

ANNEXURE - I

Information as per section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 and forming part of the Director's Report for the period ended on 31st March, 2011.

A Conservation of Energy

- a) Energy conservation measure taken : In the ship breaking activities carried out by the company, the energy consumption of the company is negligible, and does not warrant any specific energy conservation measures.
- b) Additional investment and proposal if any being implemented for reduction in consumption of energy : No material consideration looking to the business of the company.
- c) Impact of the measures at (a) & (b) on energy consumption & consequent impact on the cost of production. : Nil
- d) Total energy consumption and energy consumption per unit of production : Nil

B Technology Absorption as per Form-B : Form B Attached**FORM-B**

Form for disclosure of Particulars with respect to absorption, research and development (R&D)

- 1 Specific area in which R&D carried out by the company : The company is engaged in the breaking of old and used ships, and no material R & D in any specific area is carried out.
- 2 Benefits derived as a result of the above R&D : Nil
- 3 Future plan of action : No material consideration is required.
- 4 Expenditure on R&D
- a) Capital : Nil
- b) Recurring : Nil
- c) Total : Nil
- d) Total R&D expenditure as % of total turnover : Nil

Technology Absorption, adoption and innovation.

- 1 Efforts in brief toward technology absorption, adaption and innovation : No material consideration is required.
- 2 Benefits derived as result of the above efforts : Nil
e.g. product improvement, cost reduction, product development, import substitution etc.
- 3 In case of imported technology (imported during the last five years) reckoned from the beginning of the financial year) following information may be furnished : Nil
- a) Technology imported : NA
- b) Year of Import : Not applicable
- c) Has technology been fully absorbed : Not applicable

Twenty Third Annual Report 2010-2011

- d) If no fully absorbed, arrears where this : Not applicable
has not been taken place, reasons therefore
and future plans of action.

Foreign Exchange Earning & Outgo

- 1 Activities relating to export initiatives taken to : Nil
increase exports, development of new markets
for products and services and
export plans.

Total foreign exchange used and earned : Members are requested to refer the notes
in schedules of notes attached with annual
accounts.

For & on behalf of the Board of Directors

Sd/-

Place: Mumbai
Date : 16/07/2011

Rajeev Reniwal
Chairman & Managing Director

Report on Corporate Governance

Company's philosophy :

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Keeping in view the Company's size and complexity in operations, the company's corporate governance framework is based on the following main principles:

- Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas and being accountable to the Company and stakeholders.
- Strategic guidance and Effective monitoring by the Board and equitable treatment to all stakeholders.
- Timely and accurate disclosure of all material operational and financial information to the stakeholders.
- Protection to minority interests and rights.

The Securities and Exchange Board of India (SEBI) through clause 49 of the listing agreement with the stock exchanges regulates corporate governance for listed companies. The details of compliance for the year ended March 31, 2011 are as follows:

Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 1956 and is in the process of complying with clause 49 of the listing agreement. The strength of the Board as on 31st March, 2011 is 6 Directors comprising of 3 Non Executive Directors and 3 Independent Non – Executive Directors.

Composition, Membership, Attendance and Other Directorships:

The detailed composition of the Board of Directors with their membership in the committees, attendance of each director at the Board of Directors' Meetings and the last Annual General Meeting as on 31st March 2011 are provided in the following paragraphs:

Name of Directors	Category of Directorship	*No. of other Directorships		No. of Committee Memberships##	
		Public	Private	Public	Private
Mr. Rajeev Reniwal	Promoter, Chairman & Non Executive Director	Nil	4	Nil	Nil
Mrs. Sweety Reniwal	Promoter & Non Executive Director	Nil	5	Nil	Nil
Mr. Prashant Agarwal	Non - Executive Director	1	3	Nil	Nil
Mr. Yogesh Thakkar	Non-Executive Independent Director	Nil	Nil	Nil	Nil
Mrs. Neela Shah	Non-Executive Independent Director	Nil	Nil	Nil	Nil
Mr. Bhushanlal Behl	Non-Executive Independent Director	Nil	Nil	Nil	Nil

*** Excludes Alternate Directorships, Directorships in Section 25 Companies and Foreign Companies and proprietorship and partnership firms.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, membership/ chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.

Twenty Third Annual Report 2010-2011

There are no nominees or Institutional Directors in the Company. None of Directors have pecuniary or Business relationship with the Company other than as mentioned in the elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

The Company's Board of Directors play primary role in ensuring good governance and functioning of the company. Board reviews compliance reports of all laws as applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

The Meetings of the Board of Directors were scheduled well in advance and generally held at the Company's Registered Office in Mumbai. All the information required to be furnished to the Board were made available to them along with detailed Agenda notes.

During the year there were in total 14 (Fourteen) Board Meetings which were held on 10.04.10, 13.04.10, 30.04.10, 15.07.10, 13.08.10, 16.08.10, 20.08.10, 30.08.10, 01.09.10, 04.09.10, 15.10.10, 12.11.10, 21.02.11 and 05.03.11 and the time gap between the two meetings was not more than 4 months.

Name of Director	Category	No. of Board meetings at Attended	Attendance Last AGM
Mr. Rajeev Reniwal	Chairman	14	Yes
Mrs. Sweety Reniwal	Promoter and Non Executive Director	14	Yes
Mr. Prashant Agarwal	Independent Non Executive Director	14	Yes
Mr. Yogesh Thakkar	Independent Non Executive Director	14	Yes
Mr. Bhushanlal Behl	Independent Non Executive Director	14	No
Mrs. Neela Shah	Independent Non Executive Director	14	No

Code of Conduct:

The Board has formulated a Code of Conduct for the Board members and senior executives of the Company. All Board members and senior management personnel as on 31st March 2011 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto.

Board Committees :

The Board has constituted Committees of Directors to monitor the activities and to deal with matters within the terms of reference of the respective Committees.

Audit Committee:

The Company has an Independent Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement. The Committee acts as a link between the management, the statutory auditors and the Board of Directors and oversees the financial reporting process

The Audit Committee comprises of 3 Non Executive & Independent Directors. Mr. Yogesh Thakkar is an independent Chairman while Mr. Bhushanlal Behl and Mrs. Neela Shah are the other two independent members of the committee.

The functions of the Audit Committee are as per the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges. These include the Review of accounting and financial policies and procedures, Review of financial reporting system, Internal control system and Procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 8 times during the year under report on 13.04.10, 28.04.10, 15.07.10, 30.07.10, 12.08.10, 15.10.10, 30.10.10 and 21.02.11. The time gap between the two meetings was not more than 4 months.

Composition of Audit Committee and details of the meeting attended:

From 01-04-2010 to 31-03- 2011

Name	Category	No. of Committee meetings attended
Mr. Yogesh Thakkar	Chairman (Non Executive & Independent Director)	8
Mrs. Neela Shah	Non Executive & Independent Director	8
Mr. Bhushanlal Behl	Non Executive & Independent Director	8

Broad terms of reference of the Audit Committee are as per following:

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit reports of statutory auditors with management and Statutory Auditors.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory auditors, adequacy of the internal control systems.
- Reviewing the finding of any internal investigations where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Twenty Third Annual Report 2010-2011

- Review of Related party Transactions.
- Reviewing accounting treatment and confirmation of the fact that financial statement are giving true and fair view as per Company Law and Listing Agreement with the Stock Exchanges.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

Remuneration Committee :

The Company does not have remuneration Committee and no remuneration or commission is paid to any Directors.

Shareholders/Investors Grievance Committee :

The Company has a Shareholder's /Investor's Grievance & Share Transfer committee comprising of Mr. Prashant Agarwal, Mr. Bhushanlal Behl and Mr. Yogesh Thakkar. Mr. Prashant Agarwal is the Chairman of the Committee.

The Shareholder's /Investor's Grievance & Share Transfer committee is empowered to perform all the functions of the Board in relation to handling of Shareholder's grievances. The Company has appointed Sharex Dynamic (India) Private Limited to act as Registrar and Share Transfer Agent of the Company. The committee monitors redressal of investors' grievances on regular basis. It primarily focuses on:

- Review of investor complaints and their redressal.
- Review of the queries received form the investors.
- Review of the work done by Share Transfer Agent.
- Review of corporate actions related work.

During the year, the Committee met 4 (Four) times to deliberate on various matters referred above. The Committee met on 28.04.10, 30.07.10, 30.10.10 and 21.02.11.

Composition of Shareholder's /Investor's Grievance & Share Transfer committee and details of the meeting attended :

Name	Category	No. of Committee meetings attend.
Mr. Prashant Agarwal	Chairman (Non Executive & Independent Director)	4
Mr. Yogesh Thakkar	Member (Non – Executive Director).	4
Mr. Bhushanlal Behl	Member (Non – Executive Director).	4

The name and Address of the Compliance Officer is as follows :

Mr. Shantisarup Reniwal
302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005
Tel. No. +9122 22182569 Fax No. +9122 22182524
Email id : hsbl@vsnl.com, contact@hariyanagroup.com

All valid requests for the share transfers received during the year have been acted upon. There were no share transfer request pending as on March 31, 2011. The Company has not received any complaint from shareholders/investors during the year.

CEO / CFO Certification

The CEO AND CFO certification of the financial statements and the cash flow statement for the year are enclosed separately at the end of this report.

General Body Meetings :

Details of last three year's Annual General Meetings are given below :

Financial Year	Type of General Meeting	Date	Time	Venue
2010-2011	Annual General Meeting	30.09.2010	12.00 A.M.	302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005
2009-2010	Annual General Meeting	30.09.2009	12.00 A.M.	302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005
2008-2009	Annual General Meeting	25.09.2008	11.00 A.M.	302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005.

Resolutions put through postal ballot during the last three years and details of voting pattern:

For the financial year ended 31st March, 2009, the following Special Resolutions were passed by the Company's Shareholders through postal ballot:

- 1) Postal Ballot Notice dated 8th July 2008 in respect of the following matters:
 - a) Delisting of Shares of the Company from the Ahmedabad Stock Exchange and the Saurashtra Kutch Stock Exchange.
 - b) Shifting of the registered office from Bhavnagar, State of Gujarat to Mumbai, State of Maharashtra.

Mr. Dilip Bharadiya of M/s. Dilip Bharadiya & Associates, Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot process. Based on the report of the Scrutinizer dt. 30th August, 2008, the results of voting by Postal Ballot were declared on 30th August 2008. The same is summarised as under :

Particulars	Resolution No. 1 Delisting of Shares of the Company		Resolution No. 2 Shifting of the Registered Office	
	No. of Postal Ballots	No. of Votes	No. of Postal Ballots	No. of Votes
Valid Ballots/ Votes	14	2517379	14	2517379
In Favour	14	2517379	14	2517379
%age	100	100	100	100
Against	Nil	Nil	Nil	Nil
%age	Nil	Nil	Nil	Nil
Invalid Ballots/ Votes	Nil	Nil	Nil	Nil

Twenty Third Annual Report 2010-2011

During the year, no resolution was passed through postal ballot by the shareholders.

Any special resolution which is required to be conducted through postal ballot will be conducted as per prevailing law.

1. Disclosures

a) Related party transactions

All the transactions with the related parties are at the prevalent market rate and details and quantum of such transactions are disclosed in the schedules of notes to the accounts and they are not in the conflict with interest of the Company at large.

b) Accounting Treatment

The accounts are prepared in line with the accounting standard followed and any treatment which is not in consonance with the generally accepted accounting standard and principles are separately stated in the schedules of notes with reasons and justifications for such treatment.

c) Risk Management

The Board regularly review and discuss the risk perception of the company and executive management of the company is guided to control risk through means of a properly defined framework.

d) Proceeds from public issues, right issues, preferential issues etc.

As and when money is raised through an issue, the utilization of the fund is properly disclosed through a separate statement duly certified by the auditors of the company.

e) Remuneration of Directors

The Company does not have practice of payment of any remuneration / fees etc. to Non Executive Director. However in the future if any payment is to be made to Non Executive Director, the same shall be paid having regard to prevalent practice in the industry & commensurate with their experience. Besides the above, there is no pecuniary relationship or transaction by the company with its Non Executive Director.

f) Management Discussion and Analysis Report :

In addition to the Directors Report, Management discussion and analysis forms part of the Annual Report.

g) Shareholders

Whenever a new Director is appointed, brief resume, his experience and expertise, his directorship and membership of committees and Board and shareholding of Non Executive Directors etc are disclosed in the relevant section of the Corporate Governance Report included in the Annual Report.

h) Non compliance with any statutory provisions and penalties, strictures etc.

Non compliance with any of the statutory provisions, if any are disclosed in the Directors report and wherever penalties, strictures are imposed, if any they are distinctively disclosed in the schedules of notes to the accounts.

i) Though there is no formal Whistle Blower Policy, the Company takes cognizance of the complaints made and suggestions given by the employees and others. Even anonymous

complaints are looked into and wherever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

- j) The Company is yet to adopt Non mandatory requirement as per Clause 49 of Listing Agreement as amended. The Company has adopted all mandatory requirements as are required to be adopted by the Company and to the extent applicable.

2. Means of Communication:

- The Unaudited Quarterly Financial Results of the Company to be submitted to the Bombay Stock Exchange Limited (BSE) are approved and taken on record by the Board of Directors of the Company within forty five days of the close of the respective quarter. The approved results are forthwith sent to BSE as prescribed in the Listing Agreement.
- The Company is sending the quarterly results and presentations to the stock exchanges on which the company is listed so as to put it on its web site. No presentations have been made to institutional investors or to the analysts.

3. General Shareholders information

- a) 23rd Annual General Meeting will be held at 12 A.M. Friday, 30th September, 2011 at the Registered Office of the Company.
- b) Financial Year: 1st April to 31st March

For the financial year ending on 31st March, 2012 results will be announced tentatively :

First quarter results (30 th June)	On or around 14 th August
Mailing of Annual Reports	On or around 15 th August
Annual General Meeting	On or before 30 th September
Payment of Dividend	On or around 5 th October
Second quarter results (30 th September)	On or around 14 th November
Third quarter results (31 st December)	On or around 14 th February
Fourth quarter / Annual Results	On or around 15 th May

- c) Date of Book Closure: 21st September 2011 to 30th September, 2011 (both days inclusive).
- d) Dividend Payment Date: Dividend, if declared by the Company at the 23rd Annual General Meeting to be held on the 30th September, 2011 will be paid on or after 5th October, 2011 to those shareholders, whose names appear in the Register of Members of the Company on 30th September 2011.
- e) **Listing on stock exchange**

Presently, Company's shares are listed on the Bombay Stock Exchange Limited and all applicable listing fees have been paid up till date. The stock exchange with respective stock code are as follows:

ISIN NO. : INE 146H01018
 Name of Stock Exchange : Bombay Stock Exchange Ltd.
 Code No. : 532001

Twenty Third Annual Report 2010-2011

ii. Market price data: (All figures in Indian Rupees)

Month	High Price	Low Price	No. of Shares
April-10	46.00	38.05	6,254
May-10	42.40	34.35	3,519
June-10	41.55	37.45	18,758
Jul-10	56.60	38.95	10,989
August-10	57.00	38.00	4,197
Sep-10	43.95	34.65	63,851
October-10	39.70	34.15	50,135
Nov-10	38.00	34.25	45,733
December-10	37.00	30.15	17,809
Jan-11	37.60	32.85	15,043
February-11	37.20	30.05	7,282
Mar-11	35.50	28.60	16,182

Distribution of shareholding as on 31st March, 2011.

-DISTRIBUTION SCHEDULE ON NUMBER OF SHARES/DEBS -As On :31-Mar-2011				
SHARES (OR DEBENTURES)	NUMBER OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES (OR DEBS)	% OF SH/DB
UPTO TO 100	132	28.76	6609	0.16
101 TO 200	49	10.68	8593	0.21
201 TO 500	168	36.60	74373	1.85
501 TO 1000	48	10.46	40268	1.00
1001 TO 5000	34	7.41	76861	1.91
5001 TO 10000	5	1.09	32819	0.82
10001 TO 100000	14	3.05	812790	20.23
100001 TO ABOVE	9	1.96	2964941	73.81
** TOTAL **	459	100.00	4017254	100.00

Shareholding Pattern as on 31st March 2011

Category	No. of Shares	% of Shares
Indian Promoters and Promoter Group	2524954	62.853
Foreign Promoters	0	0
Institutional Investors	0	0
Private Corporate Bodies	26535	0.661
Indian Public	1464609	36.458
NRIs/OBC	856	0.21
Others (Clearing Members)	300	0.007
	4017254	100%

Statement Showing Shareholding Pattern

Name of the Company : INDUCTO STEEL LIMITED								
Scrip Code : 532001			As on 31 st March 2011					
Category Code	Category of Shareholder	Number of Shareholders	Total Number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		shares pledged or otherwise encumbered	
					Asa% of (A+B) ¹	Asa% of (A+B+C)	No. of Shares	Asa%
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	19	2524954	2517354	62.85	62.85	1500090	59.41
(b)	Central Government/ State Government(s)				0.00	0.00		0
(c)	Bodies Corporate				0.00	0.00		0
(d)	Financial Institutions/ Banks				0.00	0.00		0
(e)	Any Others(Specify)				0.00	0.00		0
(e-i)					0.00	0.00		0
(e-ii)					0.00	0.00		0
	Sub Total(A)(1)	19	2524954	2517354	62.85	62.85	1500090	59.41
2	Foreign							
a	Individuals (Non-Residents Individuals/Foreign Individuals)				0.00	0.00		0
b	Bodies Corporate				0.00	0.00		0
c	Institutions				0.00	0.00		0
d	Any Others(Specify)				0.00	0.00		0
d-i					0.00	0.00		0
d-ii					0.00	0.00		0
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	19	2524954	2517354	62.85	62.85	1500090	59.41
(B)	Public shareholding Institutions							
1	Institutions							
(a)	Mutual Funds/ UTI				0.00	0.00		
(b)	Financial Institutions / Banks				0.00	0.00		
(c)	Central Government/ State Government(s)				0.00	0.00		
(d)	Venture Capital Funds				0.00	0.00		
(e)	Insurance Companies				0.00	0.00		
(f)	Foreign Institutional Investors				0.00	0.00		
(g)	Foreign Venture Capital Investors				0.00	0.00		
(h)	Any Other (specify)				0.00	0.00		
(h-i)					0.00	0.00		
(h-ii)					0.00	0.00		
	Sub-Total (B)(1)	0	0	0	0.00	0.00		
B 2	Non-institutions							
(a)	Bodies Corporate	33	26535	26535	.661	.661		
(b)	Individuals				0.00	0.00		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	388	201252	143752	5.010	5.010		
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13	1263357	1263357	31.448	31.448		
(c)	Any Other (specify)	1	300	300	0.007	0.007		
(c-i)	Clearing Member				0.00	0.00		
(c-ii)	OCB				0.00	0.00		
(c- iii)	NRI	5	856	856	0.021	0.021		
	Sub-Total (B)(2)	440	1492300	1434800	37.147	37.147		
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	440	1492300	1434800	37.147	37.147	1500090	37.341
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group					0.00		0
2	Public					0.00		0
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	459	4017254	3952154	100.00	100.00	1500090	37.341

vii. Register and Transfer Agents.

Contact Person : Mr. Shashikumar
Sharex Dynamic (India) Pvt Ltd.
Unit-1, Luthra Ind. Premises, Safed Pool Road,
Andheri (E)
Mumbai – 400 072
Ph: 022 - 28515606, 022 - 28515644
Fax: 022 - 28512885
Email : sharexindia@vsnl.com

viii. Share Transfer System

The Share transfer of Securities in Physical form are registered, duly transferred and dispatched within one month of the receipt, if the transfer documents are in order. The share transfers are approved every fifteen days. The shares in de-materialized form are normally processed and transferred with 21 days from receipt of dematerialization requests.

Details of Shares held by Directors as on 31st March 2011.

Name of Directors	No. of Equity Shares Held
Mr. Rajeev Reniwal	237526
Ms. Sweety Reniwal	247745
Mr. Prashant Agrawal	Nil
Mr. Yogesh Thakkar	Nil
Ms. Neela Shah	Nil
Mr. Bhushanlal Behl	Nil

ix. Dematerialization of securities

As on 31st March 2011, **98.38%** of your Company's Equity Shares are held on dematerialized mode and the balance were in paper for.

c) Address of Registered & Corporate Office and the places of situation of the factory/ plant of the Company.

Registered & Corporate Office: 302 Sylverton, 102 Wode House Road, Colaba, Mumbai 400 005 Phone No.022-22182569 Fax No.022-22182524 Email: hsbl@vsnl.com	Factory / Plant Plot No.45, Ship Breaking Yard Alang, District : Bhavnagar
---	--

**CERTIFICATION BY
CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,

The Board of Directors,
Inducto Steel Limited
302, Sylverton Building,
102, Wode House Road,
Colaba, Mumbai – 400005.

We hereby certify that for the financial year, ending 31st March, 2011 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. 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.
3. 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.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we are 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.

Sd/-

Rajeev Reniwal
(Chairman & Managing Director)

Date: 16/07/2011

Place: Mumbai.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration Regarding Affirmation Of Code Of Conduct

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all members of the Board and the Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2011.

FOR INDUCTO STEEL LIMITED

Sd/-

RAJEEV RENIWAL
(Chairman & Managing Director)

Date: 16/07/2011

Place: Mumbai.

To

The Members of
Inducto Steel Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by Inducto Steel Limited (the Company) for the financial year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange. 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 to ensure compliance with 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 Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended on March 31, 2011, no investor grievances are pending against the Company for more than one month as per records maintained by the Company and presented to the Investor Grievance / Share Transfer Committee.

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

For Jain Seth & Co.
Chartered Accountants
Firm Reg. No.(002069W)

Sd/-

Prem Goplani
Partner
M.No.103765

Place : Bhavnagar
Date : 16/07/2011

JAIN SETH & CO

Chartered Accountants

2nd Floor, Jain House,

Opp: Vitthalwadi, Bhavnagar 364 003.

To:
The Members
Inducto Steel Limited
Bhavnagar.

We have audited the attached Balance Sheet of **INDUCTO STEEL LIMITED** as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow 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 based on our audit.

We conducted our audit in accordance with 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to 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 propose of our audit;
- ii) In our opinion, proper books of account, as required by the law have been kept by the Company so far as appears from our examination of the books;
- iii) The Balance Sheet and Profit & Loss Account and cash flow statements dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report, subject to :

and read with notes in Schedule-15, forming part of the accounts, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956:

- v) On the basis of the written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011, from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes and schedules thereon 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 the principles generally accepted in India.

Twenty Third Annual Report 2010-2011

- i) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2011 and
- ii) In the case of Profit & Loss account of the Profit of the company for the year ended on that date.
- iii) In the case of the cash flow statement of the cash flows for the year ended on that date.

For Jain Seth & Co.
Chartered Accountants
Firm Reg. No.(002069W)

Sd/-
Prem Goplani
Partner
M.No.103765

Place : Bhavnagar
Date : 16/07/2011

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

- i) a) As informed by the management, Proper records of fixed assets showing the full particulars, including the quantitative details and situation of its fixed assets are under updation and compilation.
- b) All the assets have not been physically verified by the management during the year, but there is a regular programme of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- During the year the Company has Sold Cars, Accordingly, the going Concern Status of the Company, on account of disposal of fixed Assets is not affected.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) 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 the inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The company has taken loans from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 47.49 Crore and the year-end balance of the loan taken is Rs. 2.62 Lacs.
- There is one company covered in the register maintained under section 301 of the Companies Act, 1956, to which the company has granted loans. The maximum amount involved during the year was Rs. 323.12 Crore and the year-end balance of loans granted to such parties was Rs. 52.09 Crore.
- b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the 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

Twenty Third Annual Report 2010-2011

rupee five Lakhs in respect of any party during the year have been made at a price which are reasonable having regard to prevailing market prices at the relevant time.

- vi) According to the information and explanations given to us, the company has not accepted any deposits from the Public. The Company Law Board has passed no order.
- vii) The Directors themselves conduct the affairs of the company. The company does not have a formal system of internal audit but there are adequate checks and controls at all levels.
- viii) As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Custom Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of wealth tax, sales tax, customs duty and cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, the company has not paid/ deposited Sales tax and central excise duty as detailed below on account of dispute.

Amount	Nature of payment	Nature of dispute	Pending with
4598354.00	Central Excise	Capacity ascertainment	CEGAT
96000.00	Sales Tax	Non submission of Form-F (revision of assessment order 1993-94	Assistant Commissioner of Sales Tax

- x) In our opinion, the company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- xii) In our opinion and as per the information provided to us, 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) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provision of clause 4 (xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the Company.
- xiv) In our opinion, the company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
- xv) As per the information provided to us, the company has not given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the company.
- xvi) As per the information and explanation given to us the company has not raised any term loans during the year.

- Xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment. However the long-term funds have been used to finance short-term investment.
- Xviii) According to the information and explanations given to us, the company has not made any issue of shares or securities during the year.
- xix) According to the information and explanations given to us, during the period covered by our audit, the company has not issued any debentures.
- xx) According to the information and explanations given to us, during the period covered by our audit, the company has not raised any money by 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 course of our audit.

For Jain Seth & Co.
Chartered Accountants
Firm Reg. No.(002069W)

Sd/-

Prem Goplani
Partner
M.No.103765

Place : Bhavnagar
Date : 16/07/2011

BALANCE SHEET AS ON 31st MARCH, 2011

PARTICULARS	SCH.	CURRENT YEAR	PREVIOUS YEAR
I SOURCES OF FUNDS			
1) Shareholders' Funds			
a) Share Capital	1	47,584,540	47,584,540
b) Reserves and Surplus	2	203,432,381	177,645,144
2) Loan Funds			
a) Secured Loans	3	106,769,277	1,354,370
b) Unsecured Loans	4	262,248	62,871,921
3) Deffered Tax Liability		961,531	578,516
TOTAL		359,009,977	290,034,492
II APPLICATION OF FUNDS			
1) Fixed Assets	5		
a) Gross Block		13,998,680	11,386,466
b) Less : Depreciation		3,223,308	3,048,741
c) Net Block		10,775,372	8,337,725
2) Investment	6	1,147,883	3,785,514
3) Working Capital			
a) Current Assets, Loans & Advances	7		
i) Inventories		142,329,225	334,675,822
ii) Sundry Debtors		37,801,788	13,889,130
iii) Cash and Bank Balances		503,430	32,342,924
iv) Loans and Advances		565,140,374	371,072,586
Total Current Assets		745,774,817	751,980,463
b) Less : Current Liabilities & Provisions	8		
i) Current Liabilities		346,689,103	439,545,396
ii) Provisions		51,998,992	34,523,815
Total Current Liabilities		398,668,095	474,069,211
c) Net Working Capital		347,086,722	277,911,253
TOTAL		359,009,977	290,034,492
Notes forming part of the Balance Sheet	15	-	-

Auditor's Report

As Per Our Separate Report Of Even Date Attached

For Jain Seth & Co.

Chartered Accountants
(Firm Reg. No. 002069W)

Sd/-

Prem Goplani

Partner

M. No. 103765

Place : Bhavnagar

Date : 16/07/2011

For Inducto Steel Limited

Sd/-

Director

Sd/-

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011

PARTICULARS	SCH.	CURRENT YEAR	PREVIOUS YEAR
I N C O M E			
- Sales & Other Income	9	696,535,370	452,458,634
		696,535,370	452,458,634
E X P E N D I T U R E			
- Raw Materials Consumed	10	598,078,855	378,807,200
- Payment to & Prov for Employees/workers	11	13,013,481	4,610,974
- Manufacturing Expenses	12	12,918,942	14,401,837
- Administrative & Selling Expenses	13	9,267,574	1,853,347
- Financial Expenses	14	7,052,339	6,449,376
Total Expenditure		640,331,191	406,122,734
- Profit before depreciation and tax		56,204,179	46,335,899
- Depreciation	5	778,684	615,166
- Profit Before Tax		55,425,495	45,720,733
- Provision for for current Tax		17,544,069	15,525,453
- Adjustment for deferred taxation		383,015	187,057
- Profit After Tax		37,498,411	30,008,223
- Income Tax Pertaining to Previous Year		-	9,979
- Surplus Brought Forward		80,495,772	59,897,500
- Profit available for appropriation		117,994,183	89,895,745
- Transfer to General Reserve		5,000,000	-
- Dividend for the year		10,043,135	8,034,508
- Tax on distributed Profit		1,668,039	1,365,465
- Surplus carried to balance sheet		101,283,009	80,495,772
- Earning per shares - Basic		9.33	7.47
- Earning per shares - Diluted		9.33	7.47
Notes forming part of the Balance Sheet	15		

Auditor's Report

As Per Our Separate Report Of Even Date Attached

For Jain Seth & Co.
Chartered Accountants
(Firm Reg. No. 002069W)

For Inducto Steel Limited

Sd/-

Prem Goplani

Partner

M. No. 103765

Place : Bhavnagar

Date : 16/07/2011

Sd/-

Director

Sd/-

Director

Twenty Third Annual Report 2010-2011

SCHEDULES TO BALANCE SHEET

SCHEDULE - 1 : SHARE CAPITAL

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
AUTHORISED SHARE CAPITAL 5500000 (P.Y.5500000) Equity Shares of Rs.10/- each	55,000,000	55,000,000
ISSUED & SUBSCRIBED 4017254 (P.Y 4017254) Equity Shares of Rs.10/- each	40,172,540	40,172,540
SUBSCRIBED & PAID UP 4017254 (P.Y 4017254) Equity Shares of Rs. 10/- each Fully Paid Up	40,172,540	40,172,540
Amount received on forfeitted shares	7,412,000	7,412,000
Total	47,584,540	47,584,540

Note: The issued and paid-up capital include :

1 2417856 equity shares allotted as fully paid up bonus shares in the year 1994-95 by capitalisation of revaluation reserve of Rs.1,38,65,528, capital subsidy of Rs.21,01,687 and surplus in profit and loss accounts of Rs.82,11,344.

2 499078 equity shares allotted to the shareholders of Inducto Technocastings Private Limited and Hariyana Industrial Gases Private Ltd , which were merged with the company w.e.f 01.04.2005.

SCHEDULE - 2 : RESERVES & SURPLUS

1 CAPITAL RESERVE		
Amalgamation Reserve	94,824,920	94,824,920
Capital Subsidy From State Government	1,684,975	1,684,975
	96,509,895	96,509,895
2 GENERAL RESERVE		
As Per Last Year	639,477	639,477
Addition during the year	5,000,000	–
Total	5,639,477	639,477
3 PROFIT & LOSS ACCOUNT	101,283,009	80,495,772
Total	203,432,381	177,645,144

SCHEDULE - 3 : SECURED LOANS

Indian Overseas Bank OD	98,421,562	–
Indian Overseas Bank - Mumbai	7,809,216	403,150
HDFC BANK LOAN (Skoda Laura)	538,499	951,219
Total	106,769,277	1,354,370

SCHEDULE - 4 : UNSECURED LOANS

From Bodies Corporates	262,248	62,871,921
Total	262,248	62,871,921

SCHEDULE : 5 - FIXED ASSETS

ASSETS	GROSSBLOCK					DEPRECIATION					NET BLOCK	
	AS ON 01.04.10	ADDITION DURING THE YEAR	DEDUCTIONS AS ON 30.09.10	TOTAL	AS ON 01/04/10	RATE of Dep.	DEP. FOR ADJUSTMENTS WRITE BACK	DEDUCTIONS AS ON 31.03.10	TOTAL 31.03.11	AS ON 31.03.2011	AS ON 31.03.2010	
Land	166,257	0	0	166,257	0	0.0	0	0	0	166,257	166,257	
Flat	155,986	0	0	155,986	40,391	1.63	2,543	0	42,934	113,052	115,595	
Factory Shed & Building	3,224,938	29,900	0	3,254,838	1,363,011	3.34	108,249	0	1,471,260	1,783,578	1,861,927	
Bore-well	82,026	0	0	82,026	42,008	3.34	2,740	0	44,748	37,278	40,018	
Plant & Machinery	790,032	0	0	790,032	216,417	4.75	37,527	0	253,944	536,088	573,615	
Weigh Bridge	209,450	0	0	209,450	76,230	4.75	9,949	0	86,179	123,271	133,220	
Winch	651,380	0	0	651,380	247,733	4.75	30,941	0	278,674	372,706	403,647	
Wire Rope	92,813	70,812	0	163,625	1,093	4.75	4,556	0	5,649	157,976	91,720	
Crane	2,191,240	3,555,151	0	5,746,391	108,022	4.75	233,951	0	341,983	5,404,408	2,083,218	
Office Equipments	277,857	0	0	277,857	92,450	4.75	13,198	0	105,648	172,209	185,407	
Furniture & Fixtures	22,045	0	0	22,045	12,117	6.33	1,395	0	13,512	8,533	9,928	
Car	3,395,762	0	1,043,649	2,352,113	814,269	9.50	322,597	604,117	532,749	1,819,364	2,581,493	
Vehicle	104,430	0	0	104,430	13,857	9.50	9,921	0	23,778	80,652	90,573	
Computers	22,250	0	0	22,250	21,143	16.21	1,107	0	22,250	-	1,107	
T O T A L	11,386,466	3,655,863	1,043,649	13,998,680	3,048,741		778,684	604,117	3,223,308	10,775,372	8,337,725	
PREVIOUS YEAR	8,906,673	2,486,832	7,039	11,386,466	2,433,575		615,166	0	3,048,741	8,337,725	6,473,098	

Twenty Third Annual Report 2010-2011

SCHEDULE - 6 : INVESTMENT

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
INVESTMENT IN SHARES QUOTED Market Value		
16000 Equity Shares of Hindalco Ltd 2,896,000	–	2,637,631
INVESTMENT IN PARTNERSHIP FIRM		
50% Share in the Profit/(Loss)		
Jai Maa Durge Associates	1,147,883	1,147,783
a partnership firm		
Total	1,147,883	3,785,514

SCHEDULE-7 : CURRENT ASSETS, LOANS & ADVANCES

A) Inventory (As verified, valued & certified by the Management)		
- Raw Materials	142,329,225	334,675,822
Total	142,329,225	334,675,822
B) Sundry Debtors - (Unsecured, unconfirmed and considered good)		
- More than Six Months	61,120	61,120
- Others	37,740,668	13,828,010
Total	37,801,788	13,889,130
C) Cash & Bank Balances		
- Cash in Hand	959,699	1,342,043
- Balance in Schedule Banks	(456,269)	31,000,881
Total	503,430	32,342,924
D) Loans & Advances		
- Loans	520,929,572	345,000,000
- Advances recoverable in cash or in kind or value to be received (unconfirmed and considered good)	44,038,364	25,512,586
Deposits	172,438	560,000
Total	565,140,374	371,072,586
Total Current Assets, Loans & Advances	745,774,817	751,980,463

SCHEDULE-8 : CURRENT LIABILITIES & PROVISIONS

A) Current Liabilities		
- Sundry Creditors for ship purchase against Letter of Credit	342,955,116	435,293,391
- Sundry Creditors	885,683	172,689
- Advance Received From Customers	325,000	1,909,794
- Other liabilities	2,523,304	2,169,522
B) Provisions		
- Provisions	51,998,992	34,523,815
Total Current Liabilities & Provision	398,688,095	474,069,211

SCHEDULE-9 : SALES & OTHER INCOME

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A SALES		
Sale of material derived from ship breaking	642,326,597	401,093,702
B OTHER INCOME		
Interest received (Gross)	48,549,618	41,676,567
Long term Capital Gain on Shares	2,773,632	248,769
Dividend Income	21,600	23,152
Foreign Exchange Rate Variation Gain	–	9,416,444
Interest Received on FDR	2,863,923	–
Total	696,535,370	452,458,634

SCHEDULE 10 : CONSUMPTION OF RAW MATERIALS

Opening Stock	334,675,823	201,522,227
Add: Purchases	405,732,257	511,960,796
	740,408,080	713,483,023
Less: Closing Stock	142,329,225	334,675,822
Consumption	598,078,855	378,807,200

SCHEDULE 11 : PAYMENT TO & PROVISIONS FOR EMPLOYEES

Salary & Wages	10,369,679	3,468,766
Bonus	1,946,799	504,755
Contribution to Provident Fund & Other fund	253,293	286,068
Staff Welfare	295,548	192,582
Workmen Compensation	148,162	158,803
Total	13,013,481	4,610,974

SCHEDULE 12 : MANUFACTURING EXPENSES

Consumable Stores	997,023	883,968
Environment Expenses	71,343	62,145
Oxygen	5,573,591	7,589,578
LPG	4,220,292	4,127,870
GMB Plot Development Charges	906,671	1513,989
Plot Rent	298,468	165,108
Plot Renewal Charges	500,000	–
Repair & Maintenance	338,734	47,147
Weighbridge Inspection Fees	12,820	12,032
Total	12,918,942	14,401,837

Twenty Third Annual Report 2010-2011

SCHEDULE-13 : ADMINISTRATIVE AND SELLING EXP.

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Advertisement	4,948	22,684
Auditors Remuneration	49,635	44,120
Brokerage & Commission	914,594	648,923
Business Promotion	12,589	-
Computer Expenses	5,850	6,650
Demate Expenses	17,397	431
Electric Charges	194,443	161,394
Exchange Variation	5,349,783	-
Insurance	19,552	45,939
Licence & Other Fees	22,000	4,566
Fees & Subscriptions	108,152	2,764
Listing Fee	24,366	24,266
Postage & Courier	8,834	6,631
Printing & Stationery	32,645	12,513
Loss on Sale of Car	254,532	-
Legal & Professional Fees	1,012,706	384,198
Professional Tax	37,750	2,460
Office & General Expenses	50,849	11,252
Rent, Rates and Taxes	86,452	27,638
Sales Tax Expenses	53,464	148,527
Shares Expenses	-	14,436
Service Tax & Other charges	31,786	-
Donation	16,500	11,497
Telephone Expenses	66,491	86,447
Travelling	633,371	314,401
Vehicle Running & Maintenance	258,885	129,979
Adjustment for deminution in the value of shares	-	(258,369)
Total	9,267,574	1,853,347

SCHEDULE - 14 : FINANCIAL EXPENSES.

Bank commission & Charges	3,541,356	827,724
Interest Paid	513,042	1,203,336
Interest Paid to Bank	2,866,169	4,331,358
Interest on HDFC Car Loan	79,280	86,219
Sales Tax Penalty	40,585	-
Interest on TDS/TCS	11,907	739.00
Total	7,052,339	6,449,376

**SCHEDULE -15 : NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT & LOSS
ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011****1. Significant Accounting Policies****a) General**

- i) The Accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- iii) All material expenditure and income to the extent considered payable and receivable respectively are accounted for on accrual basis, except insurance claims, refunds from statutory authorities are accounted on cash basis, keeping in view the concept of materiality.

b) Fixed Assets

Fixed assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation , less accumulated depreciation and impairment loss, if any.

Expenditure relating to fixed assets is added to costs only when the same involved modification work whereby it increased the life of the assets. Fixed assets acquired from ships during the course of scrapping operation are capitalised at value estimated by the management.

Depreciation is provided on Straight Line Method at the rates specified in the Schedule -XIV of the Companies Act,1956.

c) Impairment of Assets

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

d) Inventories

The weight of the ship purchased is accounted in terms of LDT of the ship at the time of its construction. Ascertaining of weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight on account of corrosion and other factors during the usage of the ship and its voyage for about 20 to 25 years.

Inventory at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

Stores & Spares are written off at the time of purchase itself and no inventory is maintained

The stock of inventory is valued at cost.

e) Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover include sale of goods, services , sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net) , Value Added Tax(VAT) and gain /loss on corresponding hedge contracts. Dividend income is recognized

when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

f) Investment

The investment is stated at cost. Provisions for increase/(decrease) in the market value of the quoted investment has been made in the accounts. However, value of unquoted investments have been shown at cost , market value being unascertainable.

g) Foreign Currency Transaction

Purchase in respect of raw materials are accounted for on actual payment basis if the same are made before the year end and/or at the rate of foreign exchange booking are made. In all other cases, the purchases and also the liability in respect of said foreign exchange are stated as converted at the exchnage rate prevalent at the last day of the financial year.

h) Excise duty and Cenvat

Excise duty is chargeable on production but is payable on clearance of goods. Accordingly excise duty on the goods manufactured by the company is accounted for at the time of their clearance. Excise duty payable is adjusted against the Cenvat credits, to the extent it is available and balance duty is paid and debited to Revenue.

i) Provision for Taxation

Provision for taxation are being made after considering applicable legal provisoions including claiming of reliefs, exemptions and deductions under the Income Tax Act, 1961.

j) Retirement Benefits

The management is of the opinion that since none of the employees of the Company were in continuous service of more than five years, Provisions of Gratuity Act is not applicable to the Company. The Management is also of the opinion that the payment of Pension Act, is also not applicable to the Company.

k) Deferred Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act 1961. Deffered tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deffered tax assets is recongised and carreid forward only to the extent that there is a virtual certainty that the asset will be realised in future.

2. Notes forming Part of the Accounts

- a) During the year, the Company was engaged in the ship breaking business only and did not do any trading activity. However, as and when any surplus fund are available, the same is given on interest to other parties and also invested in the shares and securities to earn short term and long term capital gains.
- b) In the opinion of the Management, the realisable value of the fixed assets of the company are much higher than the carrying cost and therefore, no provision for impairment is required to be made.
- c) Deferred tax has been accounted in accordance with the requirement of accounting standard on "Taxes on Income" (AS-22) taking into account the present earning of

the company, the anticipated earning etc and are subject to adjustment on year to year. The deferred tax assets on carry forward long term capital loss has not been considered, due to uncertainty in its realisation.

- d) There are no Micro, small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- e) The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31st March 2011, are as under.

Particulars	2010-11	2009-10
- Deferred Tax liability on account of Depreciation	961,531	578,516
- Deferred Tax Assets	-	-
- Net deferred tax assets at the year end	-	-
- Net deferred tax liability at the year end	961,531	578,516

- f) The annualised earning per equity shares has been calculated as under.

	Current year	Previous Year
- Profit after tax as per profit & Loss accounts	37,498,411	30,008,223
- Net profit for calculation of Earning per shares	37,498,411	30,008,223
- No. of Average issued shares outstanding during the year	4,017,254	4,017,254
- Earning per share (Basic)	9.33	7.47
- Weighted average No of shares outstanding during the year	4,017,254	4,017,254
- Earning Per Share Diluted	9.33	7.47

- g) Transaction with related parties during the year and outstanding balances as on 31st March 2011.

- Subsidiaries		Nil	
- Associates	Hariyana Ship Breaker Ltd	Hariyana Ship Demolition Pvt Ltd. Head Office Loan Taken	Hariyana Ship Demolition Pvt Ltd Branch Loan Granted
Opening Balance	(2,000)	-	(62,871,922)
Loans Given/Taken	67,901,508	894,980,512	893,393,927.00
Receipt/Payment against Loans	67,637,260	895,180,001	323,624,820
Closing Balance	262,248	-	520,929,572
Interest Received/Paid	291,387	221,655	15,591,541
TDS Received/Payable	29,138.00	22,166.00	1,559,154.00

Twenty Third Annual Report 2010-2011

3 Contingent Liabilities not provided for

- a) The Company was required to pay excise duty based on the capacity of the furnace during the year 1997-98 and the company was paying the duty as per the capacity determined by the department based on the documents available with the company. However subsequently the department has revised the capacity of the furnace and raised a demand of Rs.45,98,354/- on the company, which the company has disputed and the matter is pending before of the CEGAT. Pending decision on the appeal of the company, as directed by the CEGAT, paid an amount of Rs.15 Lacs. The company is hopeful that the matter will be decided in favour of the company, hence no provision for the demand has been made in the accounts and in case the decision is against the company, the same will be provided/ accounted for in the year in which such a decision comes.
- b) Income Tax assessment has been completed upto the year assessment year 2008-09. The Management has an opinion that no additional liability will arise in the case of pending assessment.
- c) Sales tax assessment has been completed upto the year 2005-06 The Company does not anticipate any liability on account of the pending sales tax assessment

4 Previous year figures have been regrouped/rearranged wherever necessary so as to make them comparable current year figures. Figures of previous year has been shown in the brackets wherever required.

5 Information pursuant to para No. 3 & 4 of Schedule - VI of the Companies Act, 1956.

1 Particulars of licenced, installed capacity and actual production.

	Current Year Quantity in M.T.	Previous Year Quantity in M.T
i) Licenced capacity	—	—
ii) Installed capacity	—	—
iii) Actual production	27,864.99	22,869.43

2 Particulars of Finished Goods (Ship Breaking)

	Current Year		Previous Year	
	Quantity MT	Value Rs	Quantity MT	Value Rs
i) Opening Stock	-	-	-	-
ii) Sales	27,864.99	642,326,597	22,869.43	401,093,702
iii) Closing Stock	-	-	-	-

Particulars of Finished Goods (Trading)

	Current Year		Previous Year	
	Quantity MT	Value Rs	Quantity MT	Value Rs
i) Opening Stock	-	-	-	-
ii) Sales	-	-	-	-
iii) Closing Stock	-	-	-	-

3 Value of Imported & indigenous raw materials & components consumed

	Current Year		Previous Year	
	Quantity MT	Value Rs	Quantity MT	Value Rs
- Scrap Indigneous	-	-	-	-
- Scrap Imported	31,085.26	598,078,855	26,438.64	378,807,200
Total	31,085.26	598,078,855	26,438.64	378,807,200

4 Value of Imported & indigenous Stores & Spares Consumed

- Indigneous		997,023.00		883,968.00
- Imported		-		-
Total		997,023.00		883,968.00

5 C I F Value of Imports		342,955,116		435,293,391
6 Expenditure in foreign currency other than import		Nil		Nil
7 Earning in foreign currency		Nil		Nil
8 Managerial Remuneration		Nil		Nil
9 Payment of auditors				
- As statutory auditor		49,635		44,120
- In other capacity		-		-
Total		49,635		44,120

10 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.	11,568
State Code	04
Balance Sheet Date	31st March,2011

2 Capital raised during the year

Rs. in '000s

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

3 Position of mobilisation and depoyment of funds

Twenty Third Annual Report 2010-2011

Total Liabilities	757,698
Total Assets	757,698
Sources of Funds	
Paid up Capital	47,584
Reserve & Surplus	204,393
Secured Loans	106,769
UnSecured Loans	262
Current Liabilities	398,688
Application of Funds	
Net Fixed Assets	10,775
Investments	1,147
Current assets	745,775
Miscellaneous Expenditure	—
Accumulated Losses	—
4 Performance of Company	
Turnover	696,535
Total Expenditure (including decrease in stock)	641,110
Profit/(Loss) before tax	55,425
Profit/(Loss) after tax	37,498
Earning per Share Basic & Diluted	9.33
Dividend Rate	0.25
5 Generic Names of Principal Products, services of the Company.	
Item Code No	7,204,909
Product Description	Shipbreaking

SIGNATURE TO SCHEDULES "1" TO "15 AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNTS

As Per Our Separate Report Of Even Date

For Jain Seth & Co.
Chartered Accountants
(Firm Reg. No. 002069W)

For Inducto Steel Limited

Sd/-
Prem Goplani
Partner
M. No. 103765
Place : Bhavnagar
Date : 16/07/2011

Sd/- Sd/-
Director Director

CASH FLOW STATEMENT

Particulars	2010-2011	2009-2010
A Cash Flow from Operating Activities		
- Net Profit before tax and extraordinary items	55,425,495	45,710,754
- Adjustment for :		
- Depreciation	778,684	615,166
- Operating Profit before Working Capital Changes	56,204,179	46,325,9200
- Adjustments for :		
- Trade & Other Receivables	(217,980,446)	(31,452,236)
- Inventories	192,346,598	(133,153,595)
- Trade Payable	(75,381,116)	(16,621,742)
Cash Generated from operation	(44,810,785)	(134,901,654)
- Tax Paid	(17,544,069)	(15,525,453)
Net cash from operating activities	(62,354,854)	(150,427,107)
B. Cash Flow from Investing Activities		
- Purchase of Fixed Assets/Investment	(3,655,863)	(2,486,832)
- Sale of Fixed Assets/Investment	3,077,163	1,718,170
	(578,700)	(768,662)
C Cash flow from Financing Activities		
- Proceeds from Borrowings	42,805,233	187,641,947
- Dividend Proposed	(11,711,174)	(9,399,973)
Net cash used for financing activities	31,094,059	178,241,974
Net Increase in cash & Cash Equivalents (A+B+C)	(31,839,495)	27,046,204
Opening Balance of Cash & Cash Equivalents	32,342,925	5,296,719
Closing Balance of Cash & Cash Equivalents	503,430	32,342,923

For Inducto Steel Limited

Sd/-

Director

We have examined the above Cash Flow Statement of Inducto Steel Limited for the year ended on 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 of Stock Exchanges and is based on and in agreement with the corresponding profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the Members of the Company.

For Jain Seth & Co.,
Chartered Accountants

Sd/-

Prem Goplani

Partner

Membership No. 103765

Place : Bhavnagar

Date : 16/07/2011

INDUCTO STEEL LIMITED

Regd. Office : 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005.

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the Meeting Venue.

(Joint Shareholders may obtain additional Attendance Slip on request).

Folio No. _____ No. of Shares held _____

Name and Address of the Shareholders _____

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company held on Friday, the 30th day of September, 2011 at 12.00 a.m. at 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005.

Signature of the Shareholder or Proxy*

* Strike out whichever is not applicable

INDUCTO STEEL LIMITED

Regd. Office : 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005.

PROXY FORM

Folio No. _____ No. of Shares held _____

I/We _____ of _____ being a member/members of INDUCTO STEEL LIMITED, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote me/us and on my/our behalf at the 23rd ANNUAL GENERAL MEETING to be held on Friday, the 30th day of September, 2011 at 12.00 a.m. at 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005. or at any adjournment thereof.

Affix One
Rupees
Revenue
Stamp

Date this _____ day of _____ 2011.

Note : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.