



INDIA STEEL  
WORKS LTD  
Inner Vision. Global Action.

**BOARD OF DIRECTORS**

Mr. Ashwinkumar H. Gupta	Executive Chairman
Mr. Sudhir H. Gupta	Managing Director
Mr. Varun S. Gupta	Executive Director
Mr. Rahul M. Yenukar (w.e.f 14 <sup>th</sup> February,2014)	Whole-time Director
Mr. Mahesh Sheregar	Director
Mr. S. P. Khosla	Independent Director
Mr. Neeraj Agarwala	Independent Director
Mr. Bimal Desai	Independent Director
Mr. Subrata Dey (up to 22 <sup>nd</sup> May, 2013)	ARCIL - Nominee

**COMPANY SECRETARY**

Mr. Dilip Maharana

**STATUTORY AUDITORS**

Thanawala &amp; Company

**REGISTERED OFFICE**India Steel Works Complex, Zenith Compound,  
Khopoli, Raigad-410203**WORKS**

Zenith Compound, Khopoli, Raigad - 410203.

**REGISTRARS**

Link Intime India Private Limited

**& SHARE TRANSFER AGENTS****BANKER**Kotak Mahindra Bank Ltd.  
Dombivli Nagari Sahakari Bank Ltd.**CONTENTS**

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**NOTICE**

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of **INDIA STEEL WORKS LIMITED** (CIN:L29100MH1987PLC043186) will be held on Monday, 8<sup>th</sup> day of September, 2014 at 11.30 a.m. at the Registered office of the Company at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Varun S. Gupta (DIN-02938137) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and, in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof), the retiring auditors, M/s. Thanawala & Co., Chartered Accountants (Firm Registration No.110948W), be and are hereby appointed as Statutory Auditors of the Company for the period of 3 (three) years, subject to ratification by the members at every Annual General Meeting and eligibility of the firm, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the thirtieth Annual General Meeting of the Company, on such remuneration to be fixed by the Board of Directors."

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Rahul Madhukar Yenurkar (DIN-06802786), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 14<sup>th</sup> February, 2014, effective from the said date, pursuant to Article 127 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Rahul Madhukar Yenurkar, as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**FURTHER RESOLVED THAT** subject to the provisions of sections 2(94), 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consents, approvals and permissions and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to the appointment of Mr. Rahul Madhukar Yenurkar, as a Whole time Director of the Company designated as "Director -Technical" on the terms and conditions as set out below :

1. Period of office: 3 years with effect from 14th February, 2014 with liberty to either party to terminate by giving two months notice in writing to other.
2. Remuneration and Perquisites:
  - A. Salary: Rs. 1.80 Lacs per month.
  - B. Perquisites: In addition to the basic salary referred to in (A) above, the Whole-time Director shall be entitled to perquisites & allowances in accordance with the rules of the Company, as follows :
    - a. House Rent Allowances: Rs.0.72 Lacs p.m
    - b. Medical Reimbursement: Rs.0.10 Lacs p.m for self and family in accordance with the rules of the Company.
    - c. Leave travel Assistance: Rs.0.89 Lacs p.m.  
For self and family in accordance with the rules of the Company.



- d. Special Allowance: Rs.0.98 Lacs p.m
- e. Bonus: Rs.0.08 Lacs p.a.
- f. Leave: Leave as per rules of the Company
- g. Provident Fund/ Gratuity/ pension: As per the rules of the Company
- h. Personal Accident insurance premium: As per rules of the Company.
- i. Car: Free use of Company's car including maintenance and operations together with driver for official purpose.
- j. Telephone: Free telephone facility at residence.
- k. Entertainment: Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increments effective 1<sup>st</sup> April each year from time to time not exceeding 100 % p.a. of the immediately drawn salaries, perquisites etc.

**C.** Commission: Mr. Rahul Madhukar Yenurkar would not be entitled to any Commission except the Remuneration that would be payable to him as per the agreed terms and conditions.

**D.** Incentive Remuneration: Mr. Rahul Madhukar Yenurkar would not be entitled to any incentive remuneration.

**RESOLVED FURTHER THAT** during the currency of tenure of the Whole-time Director, if the Company has no profits or its profits are inadequate in any financial year, Mr. Rahul Madhukar Yenurkar shall be entitled to aforesaid remuneration as Minimum Remuneration subject to the limit specified in Section II of Part II of the said Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, in the event of any statutory modification or of relaxation by the central Government in Schedule V to the Companies Act, 2013, to vary or increase the Remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** subject to the provisions of sections 2(94), 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consents, approvals and permissions and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to the re-appointment of Mr. Ashwinkumar H. Gupta (DIN-00010850), as Whole-time Director designated as "Executive Chairman" of the Company upon the terms and conditions as set out herein below:

Period : 3 years with effect from 1<sup>st</sup> November, 2014 with liberty to either party to terminate by giving two months notice in writing to the other.

**A)** Salary: Rs. 2.5 Lacs p.m.

**B)** Perquisites: In addition to salary the Whole-time Director shall also be entitled to following perquisites and allowances:

**a.** Accommodation:

Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.



- b. Medical Reimbursement:  
For self and family in accordance with the rules of the Company.
- c. Leave Travel Assistance:  
For self and family in accordance with the rules of the Company.
- d. Leave:  
Leave on full pay as per rules of the Company
- e. Provident Fund/ Gratuity/ pension:  
As per the rules of the Company
- f. Insurance:  
Personal Accident insurance of an amount, the total annual premium of which does not exceed to Rs. 0.20 Lacs per annum.
- g. Car:  
Free use of Company's car including maintenance and operations together with driver for official purpose.
- h. Telephone:  
Free telephone facility at residence.
- i. Entertainment:  
Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
- j. Other Perquisites:  
Travelling and halting allowances on actual basis.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increment of salary effective 1<sup>st</sup> April each year from time to time at a rate not exceeding Rs.0.25 Lacs p.m..

**RESOLVED FURTHER THAT** during the currency of tenure of the Whole-time Director, if the company has no profits or its profits are inadequate in any financial year, Mr. Ashwinkumar H. Gupta shall be entitled to aforesaid remuneration as Minimum Remuneration subject to the limit specified in Section II of Part II of the said Schedule V of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized , in the event of any statutory modification or of relaxation by the Central Government in Schedule V to the Companies Act,2013 , to vary or increase the Remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and thing as may be deemed necessary to give effect to the above resolution."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
"**RESOLVED THAT** in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Section 2(94), 196,197,198 and 203 read with schedule V and other applicable provisions including rules, regulations made there under, if any, of the Companies Act, 2013, ("the Act"), the approval of the Company be and is here by accorded to the variation in the remuneration payable to Mr. Sudhir H. Gupta (DIN-00010853), Managing Director of the Company with effect from 1<sup>st</sup> April,2014,for the remaining tenure of office as set out here under :
- A. Salary: Rs. 2.25 Lacs p.m..
  - B. Perquisites: In addition to salary the Whole-time Director shall also be entitled to following perquisites and allowances:
    - a. Accommodation:  
Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit



of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.

- b. Medical Reimbursement:  
For self and family in accordance with the rules of the Company.
- c. Leave Travel Assistance:  
For self and family in accordance with the rules of the Company.
- d. Leave:  
Leave on full pay as per rules of the Company
- e. Provident Fund/ Gratuity/ pension:  
As per the rules of the Company
- f. Insurance:  
Personal Accident insurance of an amount, the total annual premium of which does not exceed to Rs.0.20 Lacs per annum.
- g. Car:  
Free use of Company's car including maintenance and operations together with driver for official purpose.
- h. Telephone:  
Free telephone facility at residence.
- i. Entertainment:  
Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
- j. Other Perquisites:  
Travelling and halting allowances on actual basis.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increment of salary effective 1<sup>st</sup> April each year from time to time at a rate not exceeding Rs.0.25 Lacs p.m..

**RESOLVED FURTHER THAT** during the currency of tenure of the Managing Director, if the company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to aforesaid remuneration as Minimum Remuneration subject to the limit specified in Section II of Part II of the said Schedule V of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized , in the event of any statutory modification or of relaxation by the central Government in Schedule V to the Companies Act,2013 , to vary or increase the Remuneration including salary, perquisites, allowances etc.,as within such prescribed limits or ceiling without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and thing as may be deemed necessary to give effect to the above resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
"RESOLVED THAT in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Section 2(94), 196,197,198 and 203 read with schedule V and other applicable provisions including rules, regulations made there under, if any, of the Companies Act, 2013, ("the Act"), the approval of shareholders be and is hereby accorded , to the variation in the remuneration payable to Mr. Varun S. Gupta (DIN-02938137), Executive Director of the Company for the remaining tenure of his office with effect from 1<sup>st</sup> April,2014 as set out here under :
- A. Salary: Rs.2 Lacs p.m..
  - B. Perquisites: In addition to salary the Whole-time Director shall also be entitled to following perquisites and allowances:



- a. Accommodation:  
Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.
- b. Medical Reimbursement:  
For self and family in accordance with the rules of the Company.
- c. Leave Travel Assistance:  
For self and family in accordance with the rules of the Company.
- d. Leave:  
Leave on full pay as per rules of the Company
- e. Provident Fund/ Gratuity/ pension:  
As per the rules of the Company
- f. Insurance:  
Personal Accident insurance of an amount, the total annual premium of which does not exceed to Rs. 0.20 Lacs per annum.
- g. Car:  
Free use of Company's car including maintenance and operations together with driver for official purpose.
- h. Telephone:  
Free telephone facility at residence.
- i. Entertainment:  
Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
- j. Other Perquisites:  
Travelling and halting allowances on actual basis.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increment of salary effective 1<sup>st</sup> April each year from time to time at a rate not exceeding Rs.0.25 Lacs p.m..

**RESOLVED FURTHER THAT** during the currency of tenure of the Executive Director, if the company has no profits or its profits are inadequate in any financial year, the Executive Director shall be entitled to aforesaid remuneration as Minimum Remuneration subject to the limit specified in Section II of Part II of the said Schedule V of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized , in the event of any statutory modification or of relaxation by the central Government in Schedule V to the Companies Act,2013 , to vary or increase the Remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and thing as may be deemed necessary to give effect to the above resolution."

- 8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Bimal Desai (DIN-00872271), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for a term up to the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2019.



9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded for entering in to related party transactions by the Company with effect from 1<sup>st</sup> April, 2014 upto a maximum value of Rs.300crs per annum with an increment of not more than 100% per annum on account of growth of business of the Companies on the terms as agreed / may be agreed between Board of Directors of the Company and the related party as appended here in below:

Name of Related Party	Particulars of Transactions
Isinox Steels Limited	Purchase, Sale and Supply of Goods, Leasing of property, Availing or rendering of any services, etc and entering into long term arrangements for the same.

**RESOLVED FURTHER THAT** to give effect to this Resolution the Board of Directors and /or any Committee thereof be and is hereby authorised to do all such acts, deeds and things as may be in its absolute discretion deem fit, proper, desirable to give effect to the Resolution including finalization /execution of any documents , agreements & writings there to.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vishesh Naresh Patani (Membership No. 30328) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31st, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

Place: Mumbai

Regd. Office: India Steel Works Complex,  
Zenith Compound, Khopoli, Raigad-410203  
Date: 28th May, 2014

Dilip Maharana  
Company Secretary

**NOTES:**

**(A)** A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

**(B)** The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.

**(C)** Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.





- (D) Statement as required under section 102 (1) of the Companies Act, 2013, in respect of special business is annexed hereto.
- (E) The Register of Members and the share transfer books of the Company will remain closed from Monday, 1st September, 2014 to Monday, 8th September, 2014 both days inclusive.
- (F) The Registrar and Transfer Agent of the Company M/s. Link Intime is handling registry work in respect of shares held both in physical form and in electronic/demat form.
- (G) Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
- (H) Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- (I) Non-Resident Indian Members are requested to inform Link Intime India Pvt Limited, immediately of change in their residential status on return to India for permanent settlement.
- (J) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- (K) Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.
- (L) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (M) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

**(N) Voting through electronic means**

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

Procedure / Instructions for e-voting are as under :

**1. In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "INDIA STEEL WORKS LIMITED " from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e INDIA STEEL WORKS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**2. In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Monday 1st September, 2014 (9.00 a.m.) and ends on Wednesday, 3rd September, 2014 (6.00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 1st August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**3. General:**

- (a) During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 1st August, 2014 may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
  - (b) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, 1st August, 2014.
  - (c) Mr. Vicky M. Kundaliya Practising Company Secretary, Membership No:- A20501, CP No:- 10989 Mumbai, [vickyscrutinizer@gmail.com](mailto:vickyscrutinizer@gmail.com) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (d) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (O)** The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website [www.indiasteel.in](http://www.indiasteel.in) within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- (P)** Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (Q)** In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the Members, the Chairman may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the AGM Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Companies Act, 2013. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Rules made there under.



## ANNEXURE TO THE NOTICE

**Statement pursuant to section 102 of Companies Act, 2013 in respect of special business and details pursuant to Clause 49 of the Listing Agreement :**

**ITEM NO. 4****APPOINTMENT OF MR. RAHUL MADHUKAR YENURKAR AS WHOLE-TIME DIRECTOR DESIGNATED AS "DIRECTOR –TECHNICAL"**

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Rahul Madhukar Yenurkar as an Additional Director of the Company with effect from 14<sup>th</sup> February, 2014 to hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rahul Madhukar Yenurkar for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Further based on the recommendation of the Remuneration Committee, the Board of Directors of the Company at the same Board Meeting appointed him as a Whole-time Director designated as "Director-Technical" for a period of 3 (three) years with effect from February 14, 2014. As the Company has no profits, the appointment was guided by the then applicable provisions, Schedule XIII of the Companies Act 1956, Notification No. GSR 534(E) dated July 14, 2011 issued by the Ministry of Corporate Affairs and applicable provisions of the Companies act, 1956 (including any modification or enactment thereof) and subject to the Members approval by way of Special Resolution at the next General Meeting.

An abstract dated 24<sup>th</sup> February 2014 pursuant to Section 302 of the Companies Act, 1956 was sent to the shareholders. In view of the enactment of the Companies Act 1956, the corresponding provisions of the Companies Act 2013, rules, schedules are substituted.

He will perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to Board's control, superintendence and guidance and he will be under the overall authority of the Managing Director.

The appointment may be terminated by either parties by giving the other 2 (two) months' prior notice in writing.

The Whole-time Director satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment.

**Mr. Rahul Madhukar Yenurkar**, aged about 50, is B. E- Mechanical from Gulbarga University alongwith Masters in Human Resource Management from Jamnalal Bajaj Institute of Management Sciences, Mumbai. He also has various major certifications to his credit. He has rich experience of over 27 years in Project Management and Operations of Steel Plants. Previously he was associated with Companies like Bhushan Power and Steel Company Ltd, New Delhi, as an executive Director, Arcelor Mittal as Head Of Projects (Green Field) at Luxembourg, Mukand Ltd. as Chief of Manufacturing Operations – Steel Plant, where he was associated for 18 long years, Sunflag Iron and Steel Company Ltd as Senior Engineer – Bar and Section Mill and Sharda Ispat Ltd., as Engineer.

He does not hold any shares in the share capital of the Company. He is a Director in Isinox Steels Limited & has no directorship in any other public limited Companies in India.

**ITEM NO. 5****RE-APPOINTMENT OF MR. ASHWINKUMAR H. GUPTA AS A WHOLE TIME DIRECTOR DESIGNATED AS "EXECUTIVE CHAIRMAN"**

The Board of Directors of the Company at its meeting held on May 28, 2014 has, subject to the approval of members, re-appointed Mr. Ashwinkumar H. Gupta as Whole-time Director, designated as Executive Chairman, for a period of 3 (three) years from the expiry of his present term, which will expire on November 1, 2014, at the remuneration approved by the Nomination & Remuneration Committee and also by the Board.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Ashwinkumar H. Gupta as Whole-time Director, designated as Executive Chairman are more specifically mentioned in the Resolution.

The Executive Chairman will perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to superintendence, guidance and control of the Board.

The appointment may be terminated by giving the other 2 (two) months' prior notice in writing.

Mr. Ashwinkumar H. Gupta satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

**Mr. Ashwinkumar H. Gupta**, aged about 64 years, is B.E Mech from the Bombay University and has been associated with the Company since incorporation of the Company. Presently he is the executive Chairman of the Company and holds



5515825 shares consisting of 1.39% of the Equity Share Capital of the Company. He is member of Stakeholders relationship Committee of the company. He has no Directorship in other public limited Companies in India.

**ITEM NO. 6****VARIATION IN THE TERMS OF REMUNERATION PAYABLE TO MR. SUDHIR H. GUPTA, MANAGING DIRECTOR**

The consent of the members of the Company was accorded to the re-appointment of Mr. Sudhir H. Gupta as Managing Director for a period of three years effective 1<sup>st</sup> September, 2013 at a Remuneration comprising Salary of Rs.1.40 Lacs p.m and other perquisites at the twenty sixth Annual General Meeting of the Company held on 10<sup>th</sup> day of August, 2013. Under the Act, directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Managing Director by the Company should be commensurate with his increased role, responsibilities and duties keeping in view the losses / inadequacy of profits of the Company. Your Board of Directors proposes to increase the remuneration of Mr. Sudhir H. Gupta, the Managing Director of the company for the remaining term of office within permissible limits of Schedule V of the Companies Act 2013 and rules made there under. Increase in remuneration / variation in the terms of remuneration of Mr. Sudhir H. Gupta as Managing Director of the company requires confirmation of Share Holders of the Company by passing Special Resolution in the General Meeting of the company.

**ITEM NO.7****VARIATION IN THE TERMS OF REMUNERATION PAYABLE TO MR. VARUN S. GUPTA, EXECUTIVE DIRECTOR**

The consent of the members of the Company was accorded to the re-appointment of Mr. Varun S. Gupta as Executive Director for a period of three years effective 1<sup>st</sup> July, 2012 at 25<sup>th</sup> Annual General meeting held on 3<sup>rd</sup> August, 2012 at a Remuneration comprising salary up to Rs.0.50 Lacs & other perquisites. Under the Act, directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Executive Director by the Company should be commensurate with the increased role, responsibilities and duties keeping in view the losses / inadequacy of profits of the Company. Your Board of Directors proposes to increase the remuneration of Mr. Varun S. Gupta, the Executive Director of the company for the remaining term of his office within permissible limits of Schedule V of the Companies Act 2013 and rules made there under. Increase in remuneration / variation in the terms of remuneration of Mr. Varun S. Gupta as Executive Director of the company requires confirmation of Share holders of the company by passing Special Resolution in the General Meeting of the company.

**The statement as required under Part II of Section II, of the Schedule V of the Companies Act, 2013 with reference to the item no(s). 4 to 7 as follows :**

- Payment of Remuneration is approved by the Board as well as the Nomination & remuneration committee of the Company.
- The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;
- a statement along with a notice calling the general meeting referred to in clause (iii) is given to the shareholders containing the following information, namely:—

**I. General Information :**

- Nature of Industry : Manufacturing of Stainless Steel and alloy steel long products.
- Date or expected date of commencement of commercial production : Existing Company, already commenced from 1987.
- Financial performance based on given indicators (₹ In Lacs)

Sr.No.	Particulars	For the year ended 31.3.2012	For the year ended 31.3.2013	For the year ended 31.3.2014
1	Net sales / Income	60137.14	72486.38	61322.72
2	Other operating Income	104.06	515.36	1141.91
3	Total Expenditure	59492.71	72634.25	61589.14
4	Finance Cost	1476.88	1446.69	1518.70
6	Profit/(loss) before Tax	(728.39)	(1079.56)	(1254.91)
7	Tax Expenses	(1.89)	(1.50)	2.48
8	Net Profit/(loss): For the year b/f from previous years	(713.26) (16685.04)	(1081.06) (17398.30)	(1257.39) (18479.36)

- Export performance and net foreign exchange earnings: on FOB basis is Rs.1148.70 Lacs.
- Foreign Investments or Collaborators, if any: During the Financial Year preceding the date of re-appointment,



720 Lacs equity shares of Re.1 each was issued to UD Industrial Holdings Pte Limited, Singapore at a premium of Rs.5.75/-.The total foreign investment including NRI is 1528.21 Lacs Equity Shares of Re.1/- each constitutes 38.39% of the equity share capital of the Company.

**II. Information about the appointee:****A. Mr. Rahul Madhukar Yenurkar**

## 1. Back ground details:

Mr. Rahul Madhukar Yenurkar aged about 50, is B. E- Mechanical from Gulbarga University alongwith Masters in Human Resource Management from Jamnalal Bajaj Institute of Management Sciences, Mumbai. He also has various major certifications to his credit. Previously he was associated with Bhushan Power and Steel Company Ltd, New Delhi, Arcelor Mittal, Mukand Ltd, Sunflag Iron and Steel Company Ltd , Sharda Ispat Ltd. He is a Director in Isinox Steels Limited.

## 2. Past Remuneration: Salary Rs.2.60 Lacs per month

## 3. Recognition or awards: Nil

## 4. Job profile and suitability:

Mr. Rahul Madhukar Yenurkar as Whole-time Director will perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to superintendence, guidance and control of the Board.

## 5. Remuneration proposed:

Salary Rs.1.80 Lacs per month plus commission & perquisites as more specifically / fully described in the Resolution.

## 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable with the remuneration drawn by the peers.

## 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Nil

**B. Mr. Ashwinkumar H. Gupta**

## 1. Back ground details:

Mr. Ashwinkumar H. Gupta, aged about 64 years, is B.E Mech from the Bombay University and has been associated with the Company since incorporation as the Managing Director and is actively involved in the business policy decisions of the Company. Presently he is the executive Chairman of the Company. He is member of share holder committee of the company.

## 2. Past Remuneration: Salary Rs.0.60 Lacs per month

## 3. Recognition or awards: Nil

## 4. Job profile and suitability:

The Executive Chairman will perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to superintendence, guidance and control of the Board. He is a dynamic industrialist.

## 5. Remuneration proposed:

Salary Rs.2.50 Lacs per month plus commission & perquisites as more specifically / fully described in the Resolution.

## 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable with the remuneration drawn by the peers.

## 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Ashwinkumar H. Gupta, is a Promoter Director holding 5515825 shares consisting of 1.39% of the paid-up capital of the Company. Apart from receiving remuneration as stated above he does not receive any other emoluments from the Company. Mr. Sudhir H. Gupta ( Managing Director) is the brother & Mr. Varun S. Gupta (Executive Director) is the son of Mr. Sudhir H. Gupta. No other managerial personnel have any relationship with Mr. Ashwinkumar H. Gupta.

**C. Mr. Sudhir H. Gupta**

## 1. Back ground details:

Mr. Sudhir H. Gupta aged about 53 years has Degree in Science and Law from University of Mumbai. He has



more than 30 years of experience in the steel Industry. He has been the Jt. Managing Director since the year 1991 and re-designated as Managing Director of the Company from 30<sup>th</sup> day of June, 2009 and has been managing day to day affairs of the company subject to the superintendence, control and directions of the Board of Directors of the Company.

2. Past Remuneration: Salary Rs.1.40 Lacs per month
3. Recognition or awards: Nil
4. Job profile and suitability: Subject to the supervision and control of the Board of Directors Mr. Sudhir H. Gupta is in overall in-charge of running the day to day affairs of the Company including Budgeting, Funding, Liaisoning with the Investors and Corporate affairs. He is also looking after the general administration, banking, finance, sales and purchase. He is a dynamic industrialist. As a Managing Director he has played a key role in making the Company to grow even in tough times in the past.
5. Remuneration proposed:  
Salary Rs.2.25 Lacs per month plus commission & perquisites as more fully described in the Resolution.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin): The proposed remuneration is comparable with the remuneration drawn by the peers.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Sudhir H. Gupta is a Promoter Director holding 5382725 shares consisting of 1.35% of the paid-up capital of the Company. Apart from receiving remuneration as stated above he does not receive any other emoluments from the Company. Mr. Ashwinkumar H. Gupta (Executive Chairman) is the brother & Mr. Varun S. Gupta (Executive Director) is the son of Mr. Sudhir H. Gupta. No other managerial personnel have any relationship with Mr. Sudhir H. Gupta.

#### D. Mr. Varun S. Gupta

1. Back ground details:  
Mr. Varun S. Gupta, aged about 29 years, is a graduate in Business administration from the Bond University, Gold Coast, Australia. He started his career as a sales representative in Australia and later joined the Company in 2007 as a Management Trainee. He was then appointed as Management Executive. He was appointed as an Additional Director in the year 2009 and then appointed as Executive Director in the year 2010 for a period of 3 years. His current tenure is up to 30<sup>th</sup> June, 2015.
2. Past Remuneration: Salary Rs.0.50 Lacs per month
3. Recognition or awards: Nil
4. Job profile and suitability: The Executive Director perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to superintendence, guidance and control of the Board under overall authority of Managing Director of the Company.
5. Remuneration proposed:  
Salary Rs.2.00 Lacs per month plus commission & perquisites as more fully described in the Resolution for the remaining term of the office..
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin): The proposed remuneration is comparable with the remuneration drawn by the peers.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:  
Varun S. Gupta is a Promoter Director holding 204800 shares consisting of 0.05% of the paid-up capital of the Company. Apart from receiving remuneration as stated above he does not receive any emoluments from the Company. He has no Directorship in other public limited Companies in India.  
He is the Son of Mr. Sudhir H. Gupta (MD). Mr. Ashwinkumar H. Gupta (Executive Chairman) is the brother Mr. Sudhir H. Gupta. No other managerial personnel have any relationship with Mr. Varun S. Gupta.

#### III. Other information

1. Reasons of Loss or inadequate profits: Cyclical slow down of the Steel Industry worldwide, High borrowing cost, Increase in input costs, volatile forex, e, suboptimal level of operations due to non availability of adequate working capital from banks etc.



2. Steps taken or proposed to be taken for improvement: securing cheaper power from generator under open access policy, change of product mix, to offer value added products, improvements and upgradation in steel making process, better yield & less power consumption, rationalization of man power, broadbasing if Marketing network, procuring fresh working capital facilities.
3. Expected Increase in productivity & Profits in measurable terms: All the above measures result in increase in the production of the Company and the Company is expected to turn around in future.

**IV. Disclosures**

The details of remuneration and other information is given in the Corporate Governance Report of the Directors' Report.

Mr. Rahul Madhukar Yenurkar and Mr. Ashwinkumar H. Gupta, Mr. Sudhir H. Gupta, Mr. Varun S. Gupta are interested in the resolutions set out respectively at Item Nos. 4 to 7 of the Notice, which pertain to their respective appointment, reappointment and variations in terms of remuneration to each of them.

The relatives of Mr. Rahul Yenurkar, Mr. Ashwinkumar H. Gupta, Mr. Sudhir H. Gupta, Mr. Varun S. Gupta may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

In view of the losses / inadequacy of profits the Board recommends the Special Resolutions set out at Item Nos. 4 to 7 of the Notice for approval by the shareholders.

**ITEM NO.8****APPOINTMENT OF BIMAL DESAI AS INDEPENDENT DIRECTOR**

Mr. Bimal Desai has been Independent Director of the Company and has held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Bimal Desai as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 consecutive years for a term up to the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2019 .

Mr. Bimal Desai is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Bimal Desai for the office of Director of the Company.

The Company has also received declarations from Mr. Bimal Desai that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Bimal Desai fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Bimal Desai is independent of the management.

**Mr. Bimal Desai**, aged about 49 is a commerce and law graduate with double post graduate in Management- Finance & marketing. He started his career in Essar Group with project marketing and has been in business with major interests in investments, trading etc. He has vast and rich experience in the commodity markets especially in steel. He has no Directorship in other public limited Companies in India. He is the Audit committee member of India Steel Works Limited. He does not hold any shares in the Company.

Copy of the draft letter for appointment of Mr. Bimal Desai as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Mr. Bimal Desai is interested in the resolutions set out respectively at Item Nos. 8 of the Notice with regard to his appointment. The relatives of Mr. Bimal Desai may be deemed to be interested in the resolution set out at Item Nos. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item Nos. 8 of the Notice for approval by the shareholders.



**ITEM NO.9****APPROVAL OF ARRANGEMENTS / TRANSACTIONS WITH RELATED PARTY**

The Company's working capital is inadequate for operating its manufacturing facilities for stainless and alloy steel long products at optimal levels. Hence, in ordinary course of its business, the Company does conversion/jobwork for other manufacturers and traders on its manufacturing facilities. Isinox Steels Ltd. is a public limited company, a certified 'Export House' having complementary facilities and has been doing business with the Company for more than a decade.

Isinox Steels Ltd. is a 'related party' within the meaning of Section 2(76) of the Companies Act, 2013, and thus the transactions requires the approval of the members by a special resolution under Section 188 of the Companies Act, 2013. The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. Name of the related party: Isinox Steels Ltd.
2. Name of the director or key managerial personnel who is related, if any: Mr. Ashwin H Gupta, Mr. Sudhir H Gupta, Mr. Varun S Gupta and Mr. Rahul Yenukar
3. Nature of relationship: Isinox Steels Ltd., is owned by the aforesaid Promoter Directors and their relatives. Mr. Rahul Yenukar is a Technical Director on Board of both the Companies though he does not have any shareholding in either of the Companies.
4. Nature, of the Contract or arrangement : Isinox Steels Ltd. purchases, sells, avails services and also renders services, gives advances against its orders, provides and accepts short term Inter Corporate Deposits to/from the Company in normal course of business at commercial terms, from time to time, on an on-going concern basis. Isinox Steels Ltd. has also entered into a long-term 'Conversion Agreement' with the Company for 3 years with effect from 1st April 2014.
5. Material Terms of the Contract or arrangement including the value: The Contracts and Agreements are renewable mutually for further periods of 3 years at a time. The business value of the transactions could be upto Rs.300crs. p.a. (based on last year's operational value) with an increment of not more than 100% per annum on account of growth of business of the Companies.
6. Any other information relevant or important for the members to take a decision on the proposed resolution: All transactions are mutually beneficial to the business of both the Companies wherein pricing and other commercial terms are determined on the basis of prevalent market terms. Both the Companies are also subject to the transfer pricing norms prevalent in the Country.

Except Mr. Ashwin H Gupta, Mr. Sudhir H Gupta, Mr. Varun S Gupta and Mr. Rahul Yenukar, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

The Board recommends the resolution set forth in Item no.9 for the approval of the members as a special resolution.

**ITEM NO.10****APPROVAL OF REMUNERATION PAYABLE TO COST AUDITOR**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31st, 2015 as per the following details:

Name of the Cost Auditor	Audit fees
Vishesh N. Patani	₹ 1 Lac

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31st, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.10 of the Notice for approval by the shareholders.

By order of the Board

Place: Mumbai

Regd. Office: India Steel Works Complex,  
Zenith Compound, Khopoli, Raigad-410203

Date: 28th May, 2014

Dilip Maharana  
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

Your Directors present their 27th Annual Report and the Company's Audited Accounts for the financial year ended 31st March, 2014.

**FINANCIAL HIGHLIGHTS**

(₹ in Lacs)

Particulars	Year ended 31.3.2014	Year ended 31.3.2013
Sales including excise duty/Income including Job work operations	67102.01	79300.17
<b>EBIDTA</b>	<b>1304.65</b>	1765.21
Finance Costs	(1518.70)	(1446.69)
Provision for Depreciation	(1456.16)	(1397.72)
<b>Profit / (Loss) before tax &amp; exceptional items</b>	<b>(1670.21)</b>	(1079.19)
Current tax	(2.48)	(1.50)
Brought forward profit/ (loss) from last year	(18479.36)	(17398.30)
Exceptional Items	415.30	(0.37)
<b>Balance carried forward to Balance Sheet</b>	<b>(19736.75)</b>	(18479.37)

**OPERATIONS**

During the year under review the Company has achieved a sales turnover of Rs. 67102.01Lacs as against a turnover of Rs. 79300.17Lacs in the previous year. The Operating Profit before Finance costs and Depreciation amounted to Rs.1304.65 Lacs (previous year Rs.1765.21 Lacs). The loss for the year stood Rs.1257.38 Lacs as against Rs.1081.06 Lacs in the previous year.

**DIVIDEND**

Considering the current and accumulated losses, the Directors regret their inability to declare any dividend on Preference Shares as well as on Equity Shares of the Company.

**EXPORTS**

During the period in report, the Company participated in various International trade fairs and was able to reach out to new and established customers. The entire product line of the Company continues to be well accepted by the quality conscious markets. Other than indirect exports, channeled through Traders and other finishing line manufacturers, during the year, the Company directly earned equivalent to Rs.1148.70 Lacs on exports made on FOB basis compared to exports of Rs.57.67 Lacs in the previous year.

**FINANCE**

Since 2012, the Company has paid off all the Lenders under the CDR Scheme of the Company and received 'No Dues Certificates'. The Preference shares issued under CDR Scheme are due for redemption from September 2017 onwards only.

However, adequate working capital and liquidity remains cause of concern for the optimal operations of the Company. The Company has now tied up cash credit facilities to the extent of Rs.20 Crs from Dombivli Nagari Sahakari Bank Limited (DNSB). The Company continues to avail the term loan and working capital facilities from Kotak Mahindra Bank.

**EQUITY CAPITAL STRUCTURE**

During the year under review the paid up equity capital of the Company has been increased from Rs.2340.80 Lacs to 3980.80 Lacs by way of preferential allotment of 1640 Lacs equity shares at a premium to Promoters group Companies & others, in accordance with approval granted by the members at the last annual general meeting. After the said allotment, the Promoters hold 49.88 % of the equity share capital of the Company & thus continued remaining committed to the Company.

**UTILISATION OF FUNDS**

The funds raised by the Company has been fully utilized by the Company for the purposes it was raised. The utilization of Issue proceeds are placed before the Audit Committee of the Board on Quarterly and Annual basis.

**INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956**

There were no employees in receipt of Remuneration as requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975, as amended up to date.

Information relating to conservation of energy and technology absorption as required 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 given in Annexure and forms part of this report.

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from the public.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the year ended 31st March 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) that appropriate accounting policies have been selected and have been applied consistently, they have 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 as at 31st March 2014 and of the loss of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the annual accounts have been prepared on a going concern basis.

**DIRECTORS**

During the year under review, Mr. Varun S. Gupta and Mr. Bimal Desai retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. According to the provisions of the Companies Act, 2013 independent directors shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. The independent directors of the Company were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. The said directors will continue to serve their existing term as per the resolution pursuant to which they were appointed. In view of this, Mr. Bimal Desai, independent Director will complete his present term, at the ensuing AGM, and being eligible and seeking re-appointment, be considered by the shareholders for re-appointment for a term up to five consecutive years.

Mr. Ashwinkumar H. Gupta, Whole-time Director designated as Executive Chairman, will be successfully completing his tenure and as such, his re-appointment for a further period of three years effective from 1st November, 2014, subject to necessary sanctions / approvals is recommended.

After withdrawal of Mr. Subrat Dey, nominee of Asset Reconstruction Company Limited (ARCIL) w.e.f 22.05.2013, number of independent Directors are less than fifty percent of the total strength of the Board. Suitable persons will be recommended for approval of the shareholders of the Company to hold the office of independent Directors.

**MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed section on the Management Discussion and Analysis forms part of this Report.

**CORPORATE GOVERNANCE**

The Company has implemented the provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance requirements. A Report on Corporate Governance, the Report of Auditors Certificates thereof and Management Discussion and Analysis are given as annexure to this report.

**AUDITOR & AUDITORS' REPORT**

The Company has received letter from M/s. Thanawala & Co., Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**COST AUDITORS**

M/s. Vishesh N. Patani, Cost Accountants, Mumbai was appointed for conducting the audit of cost records of the Company for the financial year 2013-14.

The said cost accountants have been re-appointed by the Board of Directors of the Company on the recommendations of the Audit Committee, as the Cost Auditors of the Company for the financial year 2014-2015.

**INDUSTRIAL RELATIONS**

The Industrial relations have been cordial and peaceful during the year under review. The Directors wish to place on record their appreciation of the devoted and dedicated services rendered by employees at all levels and look forward to their continued support and co-operation in the days to come.

**ACKNOWLEDGEMENTS**

The Directors express their appreciation for co-operation and encouragement received from all the Shareholders, Business Associates, Dealers, Insurers, vendors, investors and bankers during the year. The Directors also place on record their appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

**By order of the Board of Directors**

**Place: Mumbai**

**Date: 28<sup>th</sup> May, 2014**

**Ashwinkumar H. Gupta**  
**CHAIRMAN**



## ANNEXURE TO DIRECTORS' REPORT

## FORM A

## Form for Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption

## A. Conservation of Energy:

## POWER &amp; FUEL CONSUMPTION

Particulars		2013-2014	2012-2013
<b>a</b>	<b>Electricity:</b>		
	Purchase Units ('000 kwh)	40,219	47,657
	Total Amount ('000 ₹)	292037	3,414.54
	Average Rate/Unit (₹/Kwh)	7.26	7.16
<b>b</b>	<b>Furnace Oil / CBFS / Diesel:</b>		
	Quantity (Kilo liters')	3,778	3,889
	Total Amount (in '000 ₹)	151513	1,428.75
	Average Rate (₹/Liter)	40.10	36.74
<b>c</b>	<b>Others</b>		
	<b>Gases:-</b>		
	Total Amount (in '000 ₹)	50239	525.55
<b>II</b>	<b>Consumption Per Unit Of Production</b>		
<b>a</b>	<b>Electricity:</b>		
	Steel Billets	727	742
	Hot Rolled/Bars/rods	293	295
	Cold Finish Bars	97	142
<b>b</b>	<b>Furnace Oil / CBFS / Diesel:</b>		
	Steel Billets	18	15
	Hot Rolled/Bars/rods	62	62
	Cold Finish Bars	-	55

- B.** Technology Absorption: In-house expertise has been used to successfully develop various grades of special steels meeting international standards of quality.
- C.** Environmental Protection Etc.: The fume-extraction system of the AOD converter has been upgraded to reduce consequent Air Pollution. Continuous plantation of trees is carried out.
- D.** Quality System: To continue in pursuit of quality, Steel and Rolling Mill Division of your Company at Khopoli has been accredited with "TUV CERT" by RWTUV for compliance in accordance with AD-Merkblatt W0/W2/W10 manufacturing process. The Khopoli Plant as well as Purchase and Marketing Departments of your Company remains ISO 9001 certified by IRQS Mumbai.
- E.** Foreign Exchange Earnings & Outgo: During the year under report, the Company earned foreign exchange equivalent to Rs.1148.70 Lakhs on exports made on FOB basis and the foreign exchange outgo was equivalent to Rs.2540.74 Lakhs.

**REPORT ON CORPORATE GOVERNANCE****Company's Philosophy on Code of Governance**

Corporate Governance at INDIA STEEL WORKS LIMITED is demonstrated by fair business and corporate practices with all its stakeholders integrity and transparent dealings is the basic norm of Corporate Governance practiced here.

**Board of Directors**

During financial year 2013-14, the Board consists of eight Directors comprising of four executive Directors, one non-executive Director, and three Independent Directors. During the financial year six Meetings were held on 30<sup>th</sup> May, 2013, 13<sup>th</sup> July, 2013, 10<sup>th</sup> August, 2013, 24<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013, 14<sup>th</sup> February, 2014. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of Directorship in other companies and committees of which the Director is a Member/ Chairman are given below:

Name of the Director	Category/ Interse relationship	Financial Year 2013-14 attendance in		No of other Directorship in other Indian Public Ltd Companies <sup>3</sup>	No of Chairmanship/ Membership in other Indian Public Limited Companies <sup>4</sup>
		Board Meetings	Last AGM		
Mr. Ashwinkumar H. Gupta	Executive Chairman, Promoter Brother of Managing Director	5	Y	NIL	NIL
Mr. Sudhir H. Gupta	Managing Director, Promoter Brother of Executive Chairman	5	Y	NIL	NIL
Mr. Varun S. Gupta	Executive Director, Promoter Son of Managing Director	6	Y	NIL	NIL
Mr. S. P. Khosla	Independent Director	6	Y	NIL	NIL
Mr. Bimal Desai	Independent Director	6	Y	NIL	NIL
Mr. Neeraj Agarwala	Independent Director	3	No	NIL	NIL
Mr. Mahesh Sheregar	Non-Executive Director	NIL	No	NIL	NIL
Mr. Subrat Dey <sup>1</sup>	ARCIL Nominee	NIL	No	NIL	NIL
Mr. Rahul M. Yeurkar <sup>2</sup>	Whole-time Director	NIL	No	1	NIL

1. ARCIL withdrew its nominee Mr. Subrat Dey, effective 22nd May, 2013 upon repayments of its dues.
2. Mr. Rahul M. Yeurkar has been appointed by the Board of Directors of the Company as Additional Director on 14th February 2014 & on the same Board Meeting appointed him as Whole-time Director designated as Director-Technical.
3. The Directorships, held by Directors as mentioned above, do not consider Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.
4. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding India Steel Works Limited) have been considered.

**Audit Committee****• Composition:**

During the financial year, the Audit Committee of Directors comprised of three Non-Executive Independent Directors and one Executive Director viz., Mr. S. P. Khosla - Chairman, Mr. Bimal Desai, Mr. Neeraj Agarwala all independent and Mr. Sudhir H. Gupta, Executive Director members.

**• Brief description of terms of reference:**

The terms of reference of this committee are wide and cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

**• Meetings and attendance during the year:**

During the year, four Audit Committee Meetings were held on 30<sup>th</sup> May, 2013, 10<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013, 14<sup>th</sup> February, 2014. The Composition of Audit Committee and the attendance at the meetings as given hereunder:

Name of the Director	Status	No. of meetings attended
Mr. S.P.Khosla	Chairman, Independent Director	4
Mr. Bimal Desai	Member, Independent Director	4
Mr. Neeraj Agarwala	Member, Independent Director	1
Mr. Sudhir H. Gupta	Managing Director, Promoter	4

**Remuneration of Directors****• Composition:**

'Nomination and Remuneration Committee' (previously Remuneration committee) of the Company consists of all the Non-Executive Independent Directors viz., Mr. S. P. Khosla as Chairman, Mr. Bimal Desai and Mr. Neeraj Agarwala as Members. The meetings of the Committee was held during the year on 13<sup>th</sup> July, 2013 and 14<sup>th</sup> February, 2014. All the members were present.



- Remuneration policy:**

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The details of remuneration paid to Executive Chairman, Managing Director and Executive Director and Sitting Fees paid to Non-Executive Directors during the year under review are given hereunder:

Name of the Director	Salary & Perquisites ₹ In Lacs	Contribution to PF	Commission	Sitting Fees ₹ In Lacs
Mr. Ashwinkumar H. Gupta	7.50	Nil	Nil	Nil
Mr. Sudhir H. Gupta	14.95	Nil	Nil	Nil
Mr. Varun S. Gupta	5.81	Nil	Nil	Nil
Mr. Mahesh Sheregar	Nil	Nil	Nil	Nil
Mr. S. P. Khosla	Nil	Nil	Nil	0.32
Mr. Bimal Desai	Nil	Nil	Nil	0.26
Mr. Neeraj Agarwala	Nil	Nil	Nil	0.06
Mr. Rahul M. Yenurkar	13.18	Nil	Nil	Nil

**Stakeholders Relationship Committee**

'Stakeholders Relationship Committee' (previously shareholders committee) comprised of three Directors viz., Mr. S.P. Khosla, Chairman, Mr. Bimal Desai, Member, Mr. Ashwinkumar H. Gupta, Member. During the year, four meetings of the 'Stakeholders Relationship Committee' were held. The Committee interalia covers reviewing status of approval of transfer/ transmission of shares, issue of duplicate share certificates, review / redressal of investor grievances.

During the year under review, there were five complaints received from investors which were replied / resolved to the satisfaction of the investors.

**Code of Conduct:**

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of the Company in accordance with the requirement under Listing Agreement. The Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2014. The declaration to this effect signed by the Managing Director & CEO of the Company forms part of the report.

**Certification:**

A certificate from the Managing Director on the financial statements of the Company in terms of clause 49 of the listing agreement was placed before the board at its meeting held on 28<sup>th</sup> May, 2014, which was taken note of by the Board.

**General Body Meetings**

- Location and time, where last three AGMs held:

Financial Year	Date	Location	Time
2012-13	10.08.2013	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11.30 am
2011-12	03.08.2012	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	12.30p.m
2010-11	30.09.2011	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	12.30p.m

- Special resolutions:

- At the 26<sup>th</sup> Annual General meeting held on August 10, 2013, four Special resolutions were passed for the following:
  - a. Re-appointment of Mr. Sudhir H. Gupta as Managing Director of the Company for the period of 3 years with effect from 1<sup>st</sup> September, 2013 on the terms and conditions and remuneration as decided by the Board.
  - b. To increase in authorised share capital of the Company from 93 Crores to 107 Crores and Alteration of Memorandum of Association of the Company.
  - c. Alteration in the Articles of Association of the Company.
  - d. To approve and authorise the Board to issue and allot equity shares on Preferential Basis to Promoters, Strategic Investors, Individual NRI and Resident Individual and Kotak Mahindra Bank.
- At the 25<sup>th</sup> Annual General Meeting held on August 3, 2012 no special resolutions were passed
- At the 24<sup>th</sup> Annual General Meeting held on September 30, 2011 no special resolutions were passed.

**Disclosures**

- Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:
  - All related party transactions have been disclosed in the Notes to Accounts of the Annual Report.
- Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years: Nil.

**Means of Communication:**

The Company has published its quarterly results in "Business Standard" (English) and "Mumbai Lakshdeep" (Regional). The results of the Company are displayed on www.bseindia.com.

**General Shareholders Information:****A. Annual General Meeting :**

Date : Monday, 8th September, 2014.

Time : 11: 30 a.m.

Venue: India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.

**B. Date of Book Closure and Dividend Payment:**

- Date of Book closure Monday, 1st September, 2014 to Monday, 8th September, 2014 (Both days inclusive).

- Dividend Payment Date: No dividend has been recommended by the Board of Directors

**C. Company Identification Number (CIN): L29100MH1987PLC043186****D. Stock Exchange Listing:** The Stock Exchange, Mumbai**E. Stock Code:**

1. ISIN : INE072A01029

2. The Stock Exchange, Mumbai : 513361

**F. Stock Price Data :**

Months	High	Low
13-Apr	2.62	2.15
13-May	2.83	2.30
13-Jun	4.50	2.97
13-Jul	5.08	3.24
13-Aug	4.43	4.21
13-Sep	4.00	3.62
13-Oct	3.44	2.63
13-Nov	3.47	2.86
13-Dec	3.80	2.86
14-Jan	3.53	2.90
14-Feb	3.50	2.72
14-Mar	3.57	2.62

**G. Registrar & Share Transfer Agents**

Members are requested to correspond with the Company's Registrar &amp; Transfer Agent:

**LINK INTIME INDIA PVT LIMITED**

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (West),

Mumbai-400 078

**Phone: 022 25946970,****Fax : 022 25946969**Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)Website: [www.linkintime.co.in](http://www.linkintime.co.in)**H. Compliance Officer****Dilip Maharana, Company Secretary**

Indiabulls Finance Centre, 1101, 11th floor, Tower- 2, Senapati Bapat Marg, Elphinstone (W), Lower Parel, Mumbai - 400 013.

Tel No. +912249102007, Fax No. +912249102099, Email: [cosec@indiasteel.in](mailto:cosec@indiasteel.in)**I. Share Transfer System**

Share Transfers in physical form can be lodged with Link Intime India Private Ltd. (Intime). Transfers up to 2500 shares were processed and approved on weekly basis. A summary of transfer/transmission of securities of the Company so approved is placed at every Board meeting / Stakeholders Relationship Committee (earlier Shareholders' Committee). The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

**J. Distribution of shareholding as on 31st March, 2014.**

Distribution of Shareholding	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1-500	1959078	0.4921	9372	81.1007
501-1000	877775	0.2205	986	8.5324
1001-2000	758947	0.1907	471	4.0758
2001-3000	510250	0.1282	193	1.6701
3001-4000	268504	0.0674	73	0.6317
4001-5000	583319	0.1465	120	1.0384
5001-10000	1151848	0.2894	156	1.3499
10001 & above	391971204	98.4652	185	1.6009
<b>Total</b>	<b>398080925</b>	<b>100</b>	<b>11556</b>	<b>100.</b>



**K. Shareholding Pattern:**

Category Code	Category of shareholder	Number of shareholder	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	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/Hindu Undivided Family	10	11225610	11225610	2.82	2.82	5100000	45.43
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	12	187322650	186622650	47.06	47.06	46187600	24.66
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total (A)(1)</b>	<b>22</b>	<b>198548260</b>	<b>197848260</b>	<b>49.88</b>	<b>49.88</b>	<b>51287600</b>	<b>25.83</b>
<b>2</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>22</b>	<b>198548260</b>	<b>197848260</b>	<b>49.88</b>	<b>49.88</b>	<b>51287600</b>	<b>25.83</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/UTI	3	3600	0	0.00	0.00	-	-
(b)	Financial Institutions / Banks	6	7812475	7812075	1.96	1.96	-	-
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	-	-
(d)	Foreign Mutual Fund	1	14334300	14334300	3.60	3.60	-	-
(e)	Foreign Financial Institutions	4	14900	0	0.00	0.00	-	-
(f)	Foreign Institutional Investors	2	14334300	14334300	3.60	3.60	-	-
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	-	-
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-
(i)	Any Other (specify)	0	0	0	0.00	0.00	-	-
	<b>Sub Total (B) (1)</b>	<b>16</b>	<b>36499575</b>	<b>36480675</b>	<b>9.17</b>	<b>9.17</b>		
<b>2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	182	14316149	14294199	3.60	3.60	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	11169	8848226	7738521	2.22	2.22	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	12	15441298	15441298	3.88	3.88	-	-
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-
(d)	<b>Any Other</b>							
i	Non Resident Indians (Repat)	39	4573382	4550232	1.15	1.15	-	-
ii	Non Resident Indians (Non Repat)	10	304340	304340	0.08	0.08	-	-
iii	Foreign Companies	3	119260000	119260000	29.96	29.96	-	-
iv	Clearing Member	13	24004	24004	0.01	0.01	-	-
v	Hindu Undivided Family	85	256462	256462	0.06	0.06	-	-
vi	Market Makers	5	9229	9229	0.00	0.00	-	-
	<b>Sub Total (B)(2)</b>	<b>11518</b>	<b>163033090</b>	<b>161878285</b>	<b>40.95</b>	<b>40.95</b>		
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	<b>11534</b>	<b>199532665</b>	<b>198358960</b>	<b>50.12</b>	<b>50.12</b>	NA	NA
	<b>Total (A)+(B)</b>	<b>11556</b>	<b>398080925</b>	<b>396207220</b>	<b>100.00</b>	<b>100.00</b>		
<b>(C)</b>	<b>Shares held by custodians and against which Depository Receipts have been issued</b>							
i	Promoter and Promoter group	0	0	0	0.00	0.00	0	0.00
ii	Public	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>11556</b>	<b>398080925</b>	<b>396207220</b>	<b>100.00</b>	<b>100.00</b>	<b>51287600</b>	<b>12.88</b>



**L. Dematerialization of shares and liquidity**

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services(India) Ltd. (CDSL) for a demat facility. 99.53% of the Company's Listed Equity Share Capital was dematerialized as on 31.03.2014. The Company's shares are traded on the Stock Exchange, Mumbai.

**M. Unclaimed shares:**

In accordance with Listing Agreement, the Company had identified 237 folios comprising of 43600 shares of face value of Rs. 1/- each, which are unclaimed as on 31st March, 2014. The Company had send reminders to the concerned shareholders in accordance with the Listing Agreement. The Company has not received any request from any shareholders for the unclaimed shares.

**N. Plant Locations:****Special Steel and Rolling Mill Division**

Zenith Compound, Khopoli,  
Dist. Raigad, Maharashtra-410203 Tel. No. +91 21 92265812  
Fax No. +91 21 92264061

**O. Address for correspondence:**

India Steel Works Limited  
Indiabulls Finance Centre, 1101,  
11th floor, Tower- 2, Senapati Bapat Marg,  
Elphinstone (W), Lower Parel, Mumbai-400013  
Tel No. +912249102000, Fax No.+912249102099  
Email:cosec@indiasteel.in Website: www.indiasteel.in

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**CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT**

As provided under clause 49 of the Listing Agreement relating to corporate Governance with Stock Exchanges, all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year 2013-14.

For **India Steel Works Limited**

**Place: Mumbai**

**Dated: 28th May, 2014**

**Sudhir H. Gupta**  
**Managing Director**

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**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Shareholders of India Steel Works Ltd.

We have reviewed the records concerning the Company's Compliance with Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year beginning April 1, 2013 and ending on March 31st, 2014.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company.

Based on such review, in our opinion, the Company has complied with Clause 49 of the Listing Agreement of the Stock Exchanges of India except composition of Board of Directors of the Company, as Independent Directors are less than fifty percent of the total strength of the Board of Directors of the Company.

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

For **Thanawala & Company**  
**Chartered Accountants**  
**Firm Reg.No.110948W**

**Place: Mumbai**

**Dated: 28th May, 2014**

**V K Thanawala**  
**Proprietor**  
**Membership no. 15632**

**MANAGEMENT DISCUSSION AND ANALYSIS****THE STEEL INDUSTRY**

The Indian Steel Industry is inextricably linked with economic growth and prosperity. There are numerous ways in which steel contributes to economies and society. Steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. The infrastructure sector is India's largest steel consumer, thereby attracting investments from several global players. Owing to this connection with core infrastructure segments of the economy, the steel industry is of high priority. Also, steel demand is derived from other sectors like automobiles, consumer durables and infrastructure; therefore, its fortune is dependent on the growth of these user industries.

India has seen a rapid rise in production over the past few years, which has resulted in India becoming fourth largest producer of crude steel and the largest producer of sponge iron in the world. India became net steel exporter in 2013-14 and is likely to maintain the momentum in 2014-15.

**OUTLOOK**

The increasing demand in the past and the sudden demand slowdown in the end-user industries globally have resulted in the oversupply of steel, ultimately leading to the depressed steel prices. Steel prices are likely to remain under pressure due to a steady stream of imports. However, the per-capita steel consumption in India is very low as against global average. Further more developmental works are expected in the coming years which will boost the steel consumption to reach the level of average global apparent steel use, causing strong headroom for growth for Indian steel industry. The Company's endeavor shall be to take advantage of growth opportunities in order to increase the stake holders' values.

**OPPORTUNITIES & THREATS**

The main competitive strength is high quality products, product innovation and technological development, efficiency, and skilled manpower. The challenges are linked to the cost and availability of inputs i.e raw materials, energy etc., competition from other producers. The business mood is cautious yet quite buoyant. But there is a lot of hard work required since the going is tough.

*Opportunities:*

- Re-instated integrated facility accredited with quality and ISO certifications.
- All downstream and upstream product lines are consolidated.
- Acceptance of the Company products in quality-conscious markets
- Export potential in traditionally overlooked markets.
- Impending Exit from Corporate Debt Restructuring.

*Threats:*

- Cautious economic scenario.
- Sharp increase in electricity and other fuel costs.
- High cost of existing working capital finance.
- Weak price trends, coupled with slower demand growth.
- Volatile rupee.

**RISKS AND CONCERNS**

The Company is exposed to normal Industry risk factors like demand, supply constraints, Governmental policies etc. To optimize capacity utilisation cost-effectively, the Company has been trying to address working capital concerns. Also, with increasing Government concerns on environment protection and general awareness thereon, environment protection has to be a core focus area.

**INTERNAL CONTROLS**

The Company has proper and adequate systems of internal control that provides assurance on the efficiency of operations and security of assets. An independent Internal Auditor is in place to check, audit and monitor the process as per the Internal Audit Plan approved by the Audit Committee of the Company.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

In the year under review, the overall industrial relations have been cordial and conducive to work. The Company recognizes the value and contribution of its employees, and earnestly endeavors to create a responsive organization with emphasis on performance with responsibility and accountability. Continuous appraisal of the competencies of the personnel in line with job requirements is carried out to facilitate higher levels of output and productivity.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

After the consolidation and complete re-instatement of the Khopoli Plant in the previous years, the impetus is to develop and offer a wider range of high value products to end-users. This operational fillip should provide a visible improvement in the performance of the Company in the current financial year.

**DISCLAIMER**

This discussion and analysis have been provided with a view to enable shareholders with a better understanding of the performance of the Company. In certain areas the discussion may cover strategic decision and management expectations from the same. Such forecasts should not be construed as a guarantee of performance and actual results may differ significantly depending upon the operating conditions and external environment.

**INDEPENDENT AUDITOR'S REPORT**

To,  
INDIA STEEL WORKS LIMITED

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of INDIA STEEL WORKS LIMITED, which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in term of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the **LOSS** of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by Section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circulars 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs)
  - e) on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For and on behalf of –  
Thanawala & Company  
Chartered Accountants  
Firm Reg. No. 110948W

Place : Mumbai  
Dated : 28<sup>th</sup> May, 2014

[ V.K. Thanawala ]  
Proprietor  
Membership No. 15632



## ANNEXURE TO INDEPENDENT AUDITORS REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In regard to Fixed Assets -
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) In our opinion the company has not disposed off major part of its Fixed Assets during the year.
2. In regard to inventories -
  - (a) The inventories (Excluding stock with 3rd party and materials transits) have been physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No major material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3.
  - (a) The Company has not granted any loans, secured, unsecured loans to the companies, firm or other parties covered in the register maintained under section 301 of the Act. Therefore the provision of clause 4(iii)(b),(c) and (d) of the said order are not applicable to the company.
  - (b) The Company has taken interest free loans from 1 party covered in the register maintained under Section 301 of the Companies Act, 1956. The total amount of such loans received and outstanding as of 31st March 2014 is Rs. 9,55,287/-.
  - (c) The Company has taken interest free loans as such the terms and conditions on which these loans are taken are not prejudicial to the interest of the Company.
  - (d) There is no predetermined schedule of repayment of principal;
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5.
  - (a) The transactions made in pursuance of contracts of arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been recorded in the register;
  - (b) In our opinion and according to the information and explanations given to us, these transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of Rupees five lacs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the public and consequently the provision of Section 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules, 1975 are not applicable.
7. In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Record) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9.
  - (a) The Company has been generally regular in depositing undisputed dues of Provident Fund, Employees State Insurance, Income Tax, Profession Tax, except Property Tax of Rs.30,78,171/- & Cess of Rs.11,32,598/- outstanding for more than six months, as at 31st March 2014.



(b) Details of dues of Sales Tax, Excise Duty & Service Tax which have not been deposited as on 31st March 2014 on account of disputes are given below

<b>Nature of Dues</b>	<b>Amount in ₹ In Lacs</b>	<b>Period for which dispute relates</b>	<b>Forum where dispute is pending</b>
Sales Tax	11.24	FY 2002-03	Sales Tax Officer
Sales Tax	163.28	FY 2008-09	Deputy Comm. Of Vat
Excise Duty	9.64	FY 2012-13	Addl. Comm of Central Excise
Excise Duty	4.30	FY 2004-05	Comm of Central Excise
Excise Duty	40.98	FY 2003-04	CEGAT
Excise Duty	38.00	FY 2005-06	Comm of Central Excise

10. The Company has accumulated losses on 31/03/2014 and has incurred cash loss during the financial year under review but not incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirements of Para 4(xiv) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has made preferential allotment of shares during the year to the parties and companies covered in the Register maintained under Section 301 of the Companies Act 1956..
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of –  
Thanawala & Company  
Chartered Accountants  
Firm Reg. No. 110948W

Place : Mumbai

Dated : 28th May, 2014

[ V.K. Thanawala ]  
Proprietor  
Membership No. 15632



Balance Sheet as at 31st March, 2014

PARTICULARS		Note No.	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	1	10399.40	8759.40
	(b) Reserves and surplus	2	5273.93	(2811.18)
	(c) Money received against share warrants		-	-
			15673.33	5948.22
2	<b>Share application money pending allotment</b>			
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	4060.27	11435.34
	(b) Deferred tax liabilities (net)	3C	-	-
	(c) Other long-term liabilities	4	1425.45	981.97
	(d) Long-term provisions	5	359.19	267.65
			5844.91	12684.96
4	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	2488.41	2387.55
	(b) Trade payables	7	10087.61	12485.44
	(c) Other current liabilities	8	2138.87	2679.89
	(d) Short-term provisions	9	1149.74	1030.40
			15864.63	18583.29
	<b>TOTAL</b>		<b>37382.87</b>	<b>37216.47</b>
<b>B</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10A	15616.00	16110.16
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress	10B	904.03	153.98
	(iv) Intangible assets under development		18.44	-
	(v) Fixed assets held for sale		-	-
			16538.47	16264.14
	(b) Non-current investments	11	214.24	214.24
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	12	684.68	257.97
	(e) Other non-current assets	13	16.63	23.75
			17454.01	16760.09
2	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	14	7612.96	10602.76
	(c) Trade receivables	15	3926.55	2663.27
	(d) Cash and cash equivalents	16	185.84	1014.65
	(e) Short-term loans and advances	17	3739.75	3432.65
	(f) Other current assets	18	4463.77	2743.05
			19928.86	20456.38
	<b>TOTAL</b>		<b>37382.87</b>	<b>37216.47</b>
	<b>Significant Accounting Policies, Notes on Financial Statements</b>	1-31		

As per Our Report Of Even Date Attached  
For Thanawala & Company  
Chartered Accountants  
Firm Registration No. 110948W

For and on behalf of the Board

Vijay K.Thanawala  
Proprietor  
M.N.015632

Ashwinkumar H Gupta  
Chairman

Sudhir H Gupta  
Managing Director

Varun S. Gupta  
Executive Director

Place : Mumbai  
Date : 28th May 2014

Dilip Maharana  
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2014

Particulars		Note No.	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
<b>INCOME</b>				
1	Revenue from operations (gross)	19	66987.09	78784.81
	Less: Excise duty		5664.37	6298.43
	Revenue from operations (net)		61322.72	72486.38
2	Other income	20	114.91	515.36
3	<b>Total revenue (1+2)</b>		<b>61437.63</b>	<b>73001.74</b>
<b>EXPENDITURE</b>				
4	(a) Cost of materials consumed	21A	34653.37	45877.75
	(b) Purchases of stock-in-trade	21B	15900.99	19706.48
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21C	1041.95	(3358.14)
	(d) Employee benefits expense	22	1417.17	1279.40
	(e) Finance costs	23	1518.70	1446.69
	(f) Depreciation and amortisation expense		1456.16	1397.72
	(g) Other expenses	24	7119.50	7731.05
	<b>Total expenses</b>		<b>63107.84</b>	<b>74080.94</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(1670.21)	(1079.20)
6	Exceptional items	25a	415.30	(0.37)
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		(1254.91)	(1079.56)
8	Extraordinary items	25b	-	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		(1254.91)	(1079.56)
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		-	(1.50)
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		(2.48)	-
	(d) Net current tax expense		(2.48)	(1.50)
	(e) Deferred tax		-	-
			<b>(2.48)</b>	<b>(1.50)</b>
11	<b>Profit / (Loss) after tax (9 ± 10)</b>		(1257.39)	(1081.06)
	<b>Earnings per equity shares of face value of Re 1/-each</b>			
	Basic and Diluted (in Rs.)	26	(0.32)	(0.46)
	Significant Accounting Policies, Notes on Financial Statements	1-31		

As per Our Report Of Even Date Attached  
For Thanawala & Company  
Chartered Accountants  
Firm Registration No. 110948W

For and on behalf of the Board

Vijay K.Thanawala  
Proprietor  
M.N.015632

Ashwinkumar H Gupta  
Chairman

Sudhir H Gupta  
Managing Director

Varun S. Gupta  
Executive Director

Place : Mumbai  
Date : 28th May 2014

Dilip Maharana  
Company Secretary

**Cash Flow Statement For The Year**

	2013-14 ₹ In Lacs	2012-13 ₹ In Lacs
<b>Cash Flow from Operations</b>		
Net Profit / (Loss) before Tax	(1,257.39)	(1,081.06)
Other Income from Non Operating activity	(35.60)	(94.11)
Depreciation and Amortisation	1,456.16	1,397.72
Finance Cost	1,518.70	1,446.69
Prior Period Expenses/ Write Backs	(79.31)	(421.26)
Provision for Taxes	2.48	1.50
Loss on Sale of Assets	(1,551.99)	5.98
Provision for (increase)/ Diminution in value of Investments	-	0.37
Operating Profit / (Loss)	53.05	1,255.83
Decrease / (Increase) in Sundry Debtors	(1,263.27)	318.88
Decrease / (Increase) in Inventories	2,989.80	(3,908.22)
Decrease / (Increase) in Loans & Advances	(2,447.41)	(559.65)
Increase / (Decrease) in Sundry Creditors	(2,284.51)	4,825.47
Net Cash generated from / (used in) operations	(2952.33)	1,932.31
Taxes Paid	(2.48)	(1.50)
Cash Flow before extraordinary / exceptional items	(2,954.81)	1,930.81
Extraordinary Ordinary / Exceptional Items	79.31	421.26
Cash Flow after extraordinary / exceptional items	(2,875.50)	2,352.07
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,810.50)	(1,821.61)
Sale of Fixed Assets	1,632.00	7.05
(Purchase)/Sale of Investment	-	-
Dividend Received	-	0.32
Cash Flow from financial activities	(178.50)	(1,814.24)
Increase (Decrease) in Cash received from Issuance of share capital	10,982.50	232.20
Increase / (Decrease) in Short Term Borrowings	100.86	2,387.55
Increase / (Decrease) in Long Term Borrowings	(7,375.07)	(1,409.38)
Interest Paid (Net)	(1,483.10)	(1,352.90)
Net Cash (used in) / from Financing Activities	2,225.19	(142.53)
Net increase in cash and cash equivalents	(828.81)	395.30
Cash and cash equivalent as at the beginning of the year	1,014.65	619.35
Cash and cash equivalent as at the end of the year	185.84	1,014.65

**As per Our Report Of Even Date Attached**  
**For Thanawala & Company**  
**Chartered Accountants**  
**Firm Registration No. 110948W**

**For and on behalf of the Board**

**Vijay K.Thanawala**  
**Proprietor**  
**M.N.015632**

**Ashwinkumar H Gupta**  
**Chairman**

**Sudhir H Gupta**  
**Managing Director**

**Varun S. Gupta**  
**Executive Director**

**Place : Mumbai**  
**Date : 28th May 2014**

**Dilip Maharana**  
**Company Secretary**





Notes forming part of the financial statements

Note 1 Equity Share capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ In Lacs	Number of shares	₹ In Lacs
(a) Authorised Equity shares of Re 1/- each with voting rights	420,000,000	4,200.00	280,000,000	2,800.00
(b) Issued Equity shares of Re 1/- each with voting rights	398,080,925	3,980.81	234,080,925	2,340.81
<b>Total</b>	<b>398,080,925</b>	<b>3,980.81</b>	<b>234,080,925</b>	<b>2,340.81</b>
(c) Subscribed and fully paid up Equity shares of Re 1/- each with voting rights	398,080,925	3,980.81	234,080,925	2,340.81
<b>Total</b>	<b>398,080,925</b>	<b>3,980.81</b>	<b>234,080,925</b>	<b>2,340.81</b>

Refer Notes (i) to (vi) below

1A

Of the above, 8,70,00,000 fully paid-up equity shares of Re 1/- each represent the shares which were allotted on a preferential basis to the promoters of the Company in the last 5 years. Of the above, 10,40,00,000 fully paid-up equity shares of Re 1/- each represent the shares which were allotted on a preferential basis to the Strategic Investors of the Company in the last 5 years. Of the above, 28,10,925 fully paid-up equity shares of Re 1/- each represent the shares which were allotted pursuant to cash payment of Rs 1 Lac & balance against settlement of dues in the last 5 years.

Note 1A1 Equity Share capital :-

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

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31st March, 2014			
- Number of shares	234,080,925	164,000,000	398,080,925
- Amount	2,340.81	1,640.00	3,980.81
Year ended 31st March, 2013			
- Number of shares	234,080,925	-	234,080,925
- Amount	2,340.81	-	2,340.81

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

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Indiasteel International P.Ltd.	98,134,150	24.65%	98,134,150	41.92%
TB Investments Ltd	27,000,000	6.78%	27,000,000	11.53%
Asset Reconstruction Co.India Ltd.	-	-	20,000,000	8.54%
Mavi Investment Ltd.	14,334,300	3.60%	14,334,300	6.12%
UD Industrial Holding Pte Ltd.	92,000,000	23.11%	-	-
<b>TOTAL</b>	<b>231,468,450</b>	<b>58.14%</b>	<b>159,468,450</b>	<b>68.11%</b>



Notes forming part of the financial statements

Note 1B Preference Share capital

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ In Lacs	Number of shares	₹ In Lacs
(a) Authorised Preference shares of Re 10/- each without voting rights	64,500,000	6,450.00	64,500,000	6,450.00
(b) Issued, Subscribed and fully paid up				
14% Cumulative Redeemable Preference shares of Re 100/- each without voting rights	2,000,000	200.00	2,000,000	200.00
0.01% Cumulative Redeemable Preference shares of Re 10/- each without voting rights	53,671,310	5,367.13	53,671,310	5,367.13
0.01% Cumulative Redeemable Preference shares (Option Series) of Re 10/- each without voting rights	8,514,574	851.46	8,514,574	851.46
<b>Total</b>	<b>64,185,884</b>	<b>6,418.59</b>	<b>64,185,884</b>	<b>6,418.59</b>

**Note : 1)** 14% Cumulative Redeemable Shares are redeemable in the year 2018.

**2)** 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019

**3)** 0.01% Cumulative Redeemable Shares (Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019

**4)** Dividend on above Preference Shares for current year not provided Rs 28,62,186/- & till date amounted to Rs 4,96,48,525/-

**Note 1B-1 Preference Share capital :-**

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

Particulars	Opening Balance	Conversion	Closing Balance
Preference shares without voting rights			
Year ended 31st March, 2014			
- Number of shares	64,185,884	-	64,185,884
- Amount	6,418.59	-	6,418.59
Year ended 31st March, 2013			
- Number of shares	64,185,884	-	64,185,884
- Amount	6,418.59	-	6,418.59

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

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without voting rights				
IDBI Ltd.	37,547,800	58.50%	37,547,800	58.50%
Punjab & Sind Bank	12,138,000	18.91%	12,138,000	18.91%
Oriental Bank of Commerce	5,698,413	8.88%	5,698,413	8.88%
<b>TOTAL</b>	<b>55,384,213</b>	<b>86.29%</b>	<b>55,384,213</b>	<b>86.29%</b>



**Notes forming part of the financial statements**

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31st March, 2014	As at 31st March, 2013
Preference shares without voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	64,185,884	64,185,884
<b>Total</b>	<b>64,185,884</b>	<b>64,185,884</b>

**Note 1C Unclassified Share capital**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ In Lacs	Number of shares	₹ In Lacs
(a) Authorised Unclassified shares	-	50.00	-	50.00
(b) Issued, Subscribed and fully paid up	-	-	-	-
<b>Total</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>50.00</b>

**Note 2 Reserves and surplus**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	₹ In Lacs	₹ In Lacs
(a) Capital reserve		
Opening balance	4,451.30	4,451.30
Closing balance	4,451.30	4,451.30
(b) Securities premium account		
Opening balance	8,676.88	8,676.88
Add : Received during the year	9,342.50	-
Closing balance	18,019.38	8,676.88
(c) Preference Share Redemption Reserve		
Opening balance	500.00	500.00
Closing balance	500.00	500.00
(d) General Reserve		
Opening balance	2,040.00	2,040.00
Closing balance	2,040.00	2,040.00
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(18,479.37)	(17,398.30)
Add: Profit / (Loss) for the year	(1,257.39)	(1,081.06)
Closing balance	<b>(19,736.75)</b>	<b>(18,479.37)</b>
<b>Total (a+b+c+d+e)</b>	<b>5,273.93</b>	<b>(2,811.18)</b>



Notes forming part of the financial statements

Note 3 Long-term borrowings

Particulars	As at	As at
	31st March, 2014 ₹ In Lacs	31st March, 2013 ₹ In Lacs
(a) Term loans		
(1) From banks		
i) Secured * - Kotak Mahindra Bank Ltd.	864.93	1,157.62
ii) Unsecured	-	-
	864.93	1,157.62
(2) From others		
i) Secured	40.58	40.37
ii) Unsecured	-	-
a) Others **	3,145.21	3,244.27
b) From related parties **	9.55	6,993.08
	3,195.35	10,277.72
(b) Deferred payment liabilities		
Secured	-	-
Unsecured	-	-
(c) Deposits		
Secured	-	-
Unsecured	-	-
	-	-
<b>Total(a+b+c)</b>	<b>4,060.27</b>	<b>11,435.34</b>

\* Above debts are secured/to be secured by first mortgage & charges on all immoveable and moveable properties, both present and future, & personal guarantees of some of the promoter directors of the company & are repayable in 48 equal monthly instalments.

\*\* The instalment falling due within 12 months after report date is Nil as terms of repayment are not pre determined.

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	₹ In Lacs		₹ In Lacs	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks/NBFC's:</u>				
Kotak Mahindra Bank Ltd.	864.93	-	1,157.62	-
Sundaram Finance Ltd	20.01	-	40.37	-
Toyota Financial Services Ltd.	20.57	-	-	-
Total	905.51	-	1,197.99	-
Total - Deferred payment liabilities	-	-	-	-
Total	-	-	-	-

**Notes forming part of the financial statements****Note : Terms of Repayment & Security for Secured Loan.**

1) Loans from Kotak Mahindra Bank Ltd. are secured/to be secured by first mortgage & charges on all immovable & moveable properties both present & future & personal guarantees of some of the promoter directors of the company & are repayable in 48 equal monthly instalments.

2) Loans from Sundaram Finance Ltd & Toyota Financial Services Ltd are secured against hypothecation of respective motor vehicles.

These loans are repayable in 36 & 48 months respectively.

**Note 3C Deferred Tax Liability**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
Related to Fixed Assets	-	-
Disallowance under Income Tax Act	-	-
	-	-

Note: In absence of certainty of sufficient future taxable income, net deferred tax liabilities /asset has not been recognised in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

**Note 4 Other long-term liabilities**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Others:		
(i) Capital expenditure pending against insurance claims	1,425.45	981.97
(ii) Contractually reimbursable expenses	-	-
(iii) Trade / security deposits received	-	-
<b>Total</b>	<b>1,425.45</b>	<b>981.97</b>

**Note 5 Long-term provisions**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	55.64	43.39
(ii) Provision for gratuity	138.55	109.26
(iii) Provision for post-employment medical benefits	-	-
	194.19	152.65
(b) Provision - Others:		
(i) Provision for premium payable on redemption of bonds	-	-
(ii) Provision for estimated losses on onerous contract	-	-
(iii) Provision for other contingencies	-	-
(iv) Provision - Bad Debts	165.00	115.00
	165.00	115.00
<b>Total</b>	<b>359.19</b>	<b>267.65</b>

**Notes forming part of the financial statements****Note 6 Short-term borrowings**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Loans repayable on demand		
From banks		
Secured - Kotak Bank Ltd.	2,488.41	2,387.55
Unsecured		
	2,488.41	2,387.55
From other parties	-	-
(b) Deposits		
Secured	-	-
Unsecured		
(c) Deferred Payment Liability		
Secured	-	-
Unsecured		
	-	-
<b>Total</b>	<b>2,488.41</b>	<b>2,387.55</b>

**Notes:** Kotak Mahindra Bank Ltd has approved and released working capital facilities against the security by way of first pari passu charge on the fixed and current assets of the company & personal guarantees of some of the promoter directors of the Company.

**Note 7 Trade payables**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Trade payables:		
Micro Small & medium Enterprises		
Others	10,087.61	12,485.44
<b>Total</b>	<b>10,087.61</b>	<b>12,485.44</b>

In the absence of complete information in respect of the status of each creditor, the Company is not in a position to identify the amounts payable to small scale and ancillary undertakings under the provisions of "Interest on the delayed payment to Small Scale and Ancillary undertaking Act, 1993". Accordingly, it is not possible to quantify the extent of overdue interest payable under the said Act.

Details relating to dues to micro, small and medium enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006 are yet not identified by the management.



## Notes forming part of the financial statements

## Note 8 Other current liabilities

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Unpaid dividends	-	-
(b) Interest accrued & due on borrowings	19.94	95.14
(c) Other payables		
(i) Statutory remittances:-		
Vat/CST Payable	-	312.16
Service Tax Payable	2.43	1.16
TDS Payable	44.14	36.00
PF & ESIC Payable	4.09	3.64
PT Payable	0.89	4.49
MLWF Payable	1.03	2.02
Property Tax/Cess Payable	52.41	86.23
(ii) Payables on purchase of fixed assets	330.89	164.72
(iii) Employee's Loan Repayment	2.04	1.97
(iv) Unpaid Bonus	6.14	7.82
(v) Share Application Money received & due for refund	14.07	14.07
(vi) Advance from Customers	1,660.80	1,950.47
<b>Total</b>	<b>2,138.87</b>	<b>2,679.89</b>

## Note 9 Short-term provisions

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Provision for employee benefits		
(i) Provision for bonus	35.21	27.38
(ii) Provision for Salary	105.61	82.93
(iii) Provision for Leave Encashment	-	-
	140.82	110.32
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	-	-
(ii) Provision for Electricity Expenses	570.53	451.15
(iii) Provision for Purchase Bills Not Booked	244.86	279.55
(iv) Provision for Expenses	189.23	185.08
(v) Provision for Professional Fees	-	-
(vi) Provision for Telephone, Internet & Postage	-	-
(vii) Provision for Rent	-	-
(viii) Provision for Wealth Tax	4.30	4.30
	1,008.92	920.09
<b>Total</b>	<b>1,149.74</b>	<b>1,030.40</b>



Notes forming part of the financial statements

NOTE NO. 10.A : FIXED ASSETS :

( ₹ In Lacs )

Sr No	TANGIBLE ASSET	GROSS BLOCK			DEPRECIATION			IMPAIRMENT		NET BLOCK	
		AS ON 01.04.2013	ADDITIONS	TRANSFERS/ DEDUCTIONS	AS ON 31.03.2014	AS ON 01.04.2013	FOR THE YEAR	AS ON 31.03.2014	AS ON 31.03.2013	AS ON 31.03.2014	AS ON 31.03.2013
1	LAND	140.75	-	24.75	116.00	-	-	-	-	116.00	140.75
2	FACTORY BUILDINGS	4,128.72	177.76	110.22	4,196.26	126.93	83.86	208.38	208.38	2,687.02	2,662.56
3	OFFICE/RESIDENTIAL BUILDINGS	241.87	8.53	60.72	189.68	67.78	31.83	4.00	4.00	149.73	170.10
4	PLANT & MACHINERY	31,321.60	820.36	-	32,141.96	1,282.82	-	2,264.74	2,264.74	12,299.60	12,762.06
5	DATA PROCESSING EQUIPMENT	159.43	0.47	-	159.91	17.83	-	4.01	4.01	1.45	18.81
6	MOTOR VEHICLES	152.17	29.50	-	181.67	13.95	-	1.24	1.24	123.34	107.78
7	OFFICE EQUIPMENT & APPLIANCES	45.29	3.90	-	49.19	4.67	-	-	-	31.01	31.77
8	FURNITURE & FIXTURES	272.01	1.49	-	273.51	9.96	-	1.01	1.01	207.86	216.33
	<b>TOTAL</b>	<b>36,461.85</b>	<b>1,042.02</b>	<b>195.70</b>	<b>37,308.17</b>	<b>1,456.16</b>	<b>115.69</b>	<b>2,483.37</b>	<b>2,483.37</b>	<b>15,616.00</b>	<b>16,110.16</b>

Sr No	INTANGIBLE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2013	ADDITIONS	TRANSFERS	AS ON 31.03.2014	FOR THE YEAR	AS ON 31.03.2014	AS ON 31.03.2013	
	<b>TOTAL</b>	-	-	-	-	-	-	-	-

Sr No	WORK IN PROGRESS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2013	ADDITIONS	TRANSFERS	AS ON 31.03.2014	FOR THE YEAR	AS ON 31.03.2014	AS ON 31.03.2013	
1	BUILDINGS (WIP)	-	-	-	-	-	-	-	-
2	PLANT & MACH. (WIP)	153.98	750.05	-	904.03	-	-	-	153.98
3	FURNITURE & FIXTURE (WIP)	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>153.98</b>	<b>750.05</b>	<b>-</b>	<b>904.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153.98</b>
	<b>GRAND TOTAL</b>	<b>36,615.83</b>	<b>1,792.07</b>	<b>195.70</b>	<b>38,212.20</b>	<b>1,456.16</b>	<b>115.69</b>	<b>2,483.37</b>	<b>16,264.14</b>

Note 10.B Fixed assets

B. Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ In Lacs	₹ In Lacs
Depreciation and amortisation for the year on tangible assets	1,456.16	1,397.72
Depreciation and amortisation for the year on intangible assets	-	-
<b>Depreciation and amortisation relating to continuing operations</b>	<b>1,456.16</b>	<b>1,397.72</b>





Notes forming part of the financial statements

Note 11 Non-current investments

Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Quoted ₹ In Lacs	Unquoted ₹ In Lacs	Total ₹ In Lacs	Quoted ₹ In Lacs	Unquoted ₹ In Lacs	Total ₹ In Lacs
Investments (At cost):						
A. Trade						
(a) Investment in equity instruments						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Associates	-	-	-	-	-	-
(iii) Others	-	212.28	212.28	-	212.28	212.28
<b>Total</b>	-	212.28	212.28	-	212.28	212.28
(b) Investment in preference shares						
(i) Subsidiaries	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Total - Trade (a+b)</b>	-	212.28	212.28	-	212.28	212.28
B. Other investments						
(a) Investment in equity instruments						
(i) Other Entities	1.96	-	1.96	1.96	-	1.96
<b>Total (A+B)</b>	1.96	212.28	214.24	1.96	212.28	214.24

Note 12 Long-term loans and advances

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Advance income tax (TDS) Unsecured, considered good	97.72	72.23
(b) MAT credit entitlement - Unsecured, considered good	-	-
(c) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	191.84	157.71
(iii) Customs/Excise Duty/Service Tax/VAT paid under Protest	28.03	28.03
(d) Deposits	367.09	-
<b>Total</b>	684.68	257.97

Note 13 Other non-current assets

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Unamortised expenses		
(i) Deferred Revenue Expenditure **	-	23.75
(ii) Preliminary Expenses	16.63	-
<b>Total</b>	16.63	23.75

\*\* Compensation paid to employees under the Voluntary Retirement Scheme of the company is treated as deferred revenue expenditure & is amortized over a period of 3 years.



Notes forming part of the financial statements

Note 14 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	₹ In Lacs Current	₹ In Lacs Non current	₹ In Lacs Current	₹ In Lacs Non current
(a) (i) Raw materials (including Consumables/Stores/Tools)	2,606.71	483.59	2,445.73	483.59
(ii) Raw materials in Transit	70.25	-	2,179.08	-
(b) Work-in-progress	2,676.96	483.59	4,624.81	483.59
(c) Finished goods (other than for trading)	2,671.80	544.38	2,174.34	-
(d) Stock-in-trade (for trading)	1,060.73	96.48	3,241.01	-
	-	79.01	79.01	-
<b>Total</b>	<b>6,409.50</b>	<b>1,203.46</b>	<b>10,119.17</b>	<b>483.59</b>

Note 15 Trade receivables

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Secured, considered good		
Unsecured, considered good	348.06	410.70
Doubtful		
	348.06	410.70
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
Secured, considered good		
Unsecured, considered good	3,578.48	2,252.57
Doubtful		
	3,578.48	2,252.57
<b>Total</b>	<b>3,926.55</b>	<b>2,663.27</b>

Note 16 Cash and cash equivalents

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Cash on hand	137.32	130.73
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	41.40	876.81
(ii) In EEFC accounts	-	-
(iii) In deposit accounts (Maturing within 12 months)	7.11	7.11
(iv) In earmarked accounts	-	-
- Unpaid dividend accounts	-	-
<b>Total</b>	<b>185.84</b>	<b>1,014.65</b>

The above balances meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements


**Notes forming part of the financial statements**
**Note 17 Short-term loans and advances**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Security deposits		
(i) Secured, considered good	182.89	182.89
(ii) Unsecured, considered good (Others)	69.14	428.37
(iii) Unsecured, considered good (Related Parties)	52.00	52.00
	304.02	663.26
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good (Maximum Balance due from officers of the company Rs 22.48 Lacs)	57.51	54.28
	57.51	54.28
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	77.80	50.63
	77.80	50.63
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	2,082.04	1,846.02
(ii) Service Tax credit receivable	203.03	67.52
(iii) Deposit for Sales Tax Appeal	7.50	7.50
(iv) Excise Rebate Claim	558.94	266.55
	2,851.51	2,187.59
(e) Inter-corporate Loans & Advances		
Secured, considered good	-	-
Unsecured, considered good Others	445.09	476.89
Unsecured, considered good Related Parties	3.83	-
Doubtful	-	-
	448.91	476.89
<b>Total</b>	<b>3,739.75</b>	<b>3,432.65</b>

**Note 18 Other current assets**

Particulars	As at 31st March, 2014 ₹ In Lacs	As at 31st March, 2013 ₹ In Lacs
(a) Unamortised expenses		
(i) Share issue expenses (where applicable)	-	-
(ii) Deferred Revenue Expenditure	-	-
(iii) Preliminary Expenses	-	-
(b) Accruals		
(i) Interest accrued on deposits	17.30	15.26
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(c) Others		
(i) Insurance Claim Receivable	3,692.44	2,202.42
(ii) Advance to Suppliers	496.25	329.80
(iii) Advance to Capex Suppliers	124.64	141.93
(iv) DEPB Receivable	23.52	23.52
(v) Duty Drawback Receivable	0.92	-
(vi) Job Work Charges Accrued on FG	20.35	30.12
(vii) Claims Receivable	88.34	-
<b>Total</b>	<b>4,463.77</b>	<b>2,743.05</b>



Notes forming part of the financial statements

Note 19 Revenue from operations

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ In Lacs	₹ In Lacs
(a) Sale of products	66,200.54	77,728.70
(b) Sale of Scrap	56.68	68.82
(c) Labour Charges Received	726.58	985.60
(d) Export Incentives	3.30	1.68
	66,987.09	78,784.81
Less : Excise Duty	5,664.37	6,298.43
<b>Total</b>	<b>61,322.72</b>	<b>72,486.38</b>

excluding Excise Duty & VAT

Note 20 Other income

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ In Lacs	₹ In Lacs
<b>Operating</b>		
(a) Miscellaneous Income	-	1.45
(b) Interest income		
Interest on Bank Deposits (TDS Rs.0.62 Lac)	6.25	31.59
Other Interest Income (TDS Rs.1.74 Lac)	29.35	60.74
(c) Dividend income:		
from current investments	-	-
others	-	0.32
(d) Sundry Balances W/off	16.20	325.75
(e) Excess Provision W/Back	63.11	95.51
(f) Insurance Claim	-	-
<b>Total</b>	<b>114.91</b>	<b>515.36</b>

Note 21.A Cost of materials consumed

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ In Lacs	₹ In Lacs
Opening stock	5,108.39	4,558.32
Add: Purchases	32,584.47	46,156.13
Less: Sales	(37.60)	(138.81)
Add: Transport Inwards	341.26	410.51
	37,996.52	50,986.15
Less: Insurance Claim	182.60	-
Less: Closing stock	3,160.54	5,108.39
<b>Cost of material consumed</b>	<b>34,653.37</b>	<b>45,877.75</b>
Material consumed comprises:		
Scrap & Ferro Alloys	30,799.13	36,326.09
Steel Billets	1,892.06	7,336.26
Wire Rods/Coils	16.14	217.46
Other items	1,946.04	1,997.94
<b>Total</b>	<b>34,653.37</b>	<b>45,877.75</b>

Note 21.B Purchase of traded goods

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹ In Lacs	₹ In Lacs
Other items	15,900.99	19,706.48
<b>Total</b>	<b>15,900.99</b>	<b>19,706.48</b>

**Notes forming part of the financial statements****Note 21.C Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
<u>Inventories at the end of the year:</u>		
Finished goods	1,157.22	3,241.01
Work-in-progress	3,216.18	2,174.34
Stock-in-trade	79.01	79.01
	4,452.41	5,494.37
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,241.01	1,417.24
Work-in-progress	2,174.34	718.99
Stock-in-trade	79.01	-
	5,494.37	2,136.22
<b>Net (increase) / decrease</b>	<b>1,041.95</b>	<b>(3,358.14)</b>

**Note 22 Employee benefits expense**

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
Salaries and wages	1,230.68	1,156.68
Directors Remuneration	47.31	22.06
Contributions to provident and other funds	25.28	22.36
Contributions to Gratuity	32.32	18.28
Employee Insurance	6.08	8.02
Staff welfare expenses	61.00	52.00
Leave Encashment	14.49	-
<b>Total</b>	<b>1,417.17</b>	<b>1,279.40</b>

**Note 23 Finance costs**

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
(a) Interest expense on:		
(i) Borrowings/supplier credit	710.66	615.97
(ii) LC Charges	-	-
(iii) Others		
- Interest on delayed / deferred payment of taxes	40.87	55.17
- Unsecured Loans	139.94	150.00
- Vehicle Loans	4.87	7.82
(b) Other borrowing costs	-	-
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	618.26	542.17
(d) Bank Charges & Commission	4.11	75.56
<b>Total</b>	<b>1,518.70</b>	<b>1,446.69</b>



Notes forming part of the financial statements

Note 24 Other expenses

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
<b>A) Manufacturing Expenses</b>		
Labour Charges	953.29	800.75
Power and fuel	4,937.89	5,368.84
Lease Hire Charges	24.62	37.19
Water	4.42	5.92
Repairs and maintenance - Buildings	-	1.29
Repairs and maintenance - Machinery	216.97	147.82
Repairs and maintenance - Others	20.80	19.69
A)	6,157.99	6,381.51
<b>B) Selling Expenses</b>		
Packing Materials	54.96	42.21
Bad Debts	-	1.86
Provision for Bad Debts	50.00	-
Transport Outward	309.06	343.43
Commission & Brokerage	45.95	76.58
Travelling Expenses	111.65	41.53
Exhibition Expenses	53.51	-
Sales Promotion	12.50	25.97
Other Selling Expenses	10.23	3.09
B)	647.85	534.67
<b>C) General Administration Expenses</b>		
Communication Expenses	28.81	24.79
Printing & Stationery	9.48	8.49
Legal & Professional Fees	344.53	366.62
Service Charges	3.01	3.08
Insurance Charges	45.75	47.46
Auditors Remuneration	12.25	9.10
Directors Sitting Fees	0.64	0.54
Rent Rates & Taxes	138.95	152.01
Motor Vehicle Expenses	42.50	37.21
Service Tax	27.19	17.37
Miscellaneous Expenses	195.00	98.86
Loss on Sale of Assets	-	5.98
Preliminary Expenses Written Off	4.16	6.40
Prior Period Expenses Written Off	41.39	36.95
Loss on Contract Cancellation of Ferro Alloys	-	-
C)	893.66	814.87
Less : Insurance Claim	(580.00)	-
<b>Total (A+B+C)</b>	<b>7,119.50</b>	<b>7,731.05</b>



Notes forming part of the financial statements

Notes:

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	5.00	5.00
For Other Services	2.79	1.65
Reimbursement of expenses	-	-
As auditors - Internal audit	3.00	2.00
As auditors - Others	1.47	0.45
<b>Total</b>	<b>12.25</b>	<b>9.10</b>
(ii) Details of Prior period items (net)		
Prior period expenses (Customs Duty)	-	-
Prior period expenses (Excise & Service Tax)	-	-
Prior period expenses (VAT)	-	-
Prior Period Quality Claim	-	-
Prior period purchase (change of accounting policy)	-	-
Prior period expenses (Others)	41.39	36.95
<b>Total</b>	<b>41.39</b>	<b>36.95</b>

Note 25.a Exceptional items

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
Provision no longer required written back	-	-
Investment Written Off	-	(0.37)
Settlement with Lenders	(791.69)	-
Advisory services for Settlement with Lenders	(345.00)	-
Profit on Sale of Fixed Assets	1,551.99	-
<b>Total</b>	<b>415.30</b>	<b>(0.37)</b>

Note 25.b Extraordinary items

Particulars	For the year ended 31st March, 2014 ₹ In Lacs	For the year ended 31st March, 2013 ₹ In Lacs
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

26. Earnings Per Share (EPS)

	Period Ended 31st March, 2014	Period Ended 31st March, 2013
Profit/Loss after taxation	(1,257.39)	(1,081.06)
Number of Equity Shares	398,080,925	234,080,925
Earnings per Share - Basic & Diluted	(0.32)	(0.46)
Face Value per Share	1	1



Notes forming part of the financial statements

27. Additional Information

	31st March, 2014		31st March, 2013	
	₹ In Lacs		₹ In Lacs	
a) Total Value of consumption imported & indigenous		%ge		%ge
Imported	2,452.10	7.08%	8,422.68	18.36%
Indigenous	32,201.27	92.92%	37,455.07	81.64%
<b>Total</b>	<b>34,653.37</b>	<b>100.00%</b>	<b>45,877.75</b>	<b>100.00%</b>
b) Value of Imports calculated on CIF basis				
i) Raw Materials & Consumables	2,452.10		8,776.09	
ii) Capital Goods	4.91		61.78	
c) Expenditure in foreign currency				
i) Travelling	42.26		3.40	
ii) Professional Fees	3.77		-	
iii) Exhibition Expenses	37.71		-	
iv) Others	-		0.18	
d) Amount remitted in foreign currencies on account of Dividends	-		-	
e) Earnings in Foreign Exchange				
i) Exports of Goods on FOB basis	1,148.70		57.67	
ii) Royalty, know-how, professional fees	-		-	
iii) Interest & Dividends	-		-	

**Note 28 :** The company is exclusively in the steel business segment and as such there are no reportable segments as defined by AS-17 on segment reporting, as issued by the Institute of Chartered Accountants of India (ICAI)

**Note 29 RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, for the year ended 31st March 2014  
(as identified & certified by the management)

Name of the Related Party	Relationship
Isinox Steels Limited Indiasteel International P.Ltd. Inoxware P.Ltd. Isiworld Steel (I) P.Ltd. Isicom Traders P.Ltd. Isistar Exports P.Ltd. Isimetal (I) P.Ltd. Yeotmal Land Development & Trading Co.P.Ltd. Emgee Homes P.Ltd. Gupta Housing P.Ltd. Titan Steel P.Ltd.	Associates





Notes forming part of the financial statements

Name of the Related Party	Relationship
Mr.Ashwin H. Gupta Mr.Sudhir H Gupta Mr.Varun S.Gupta Mr. Rahul Madhukar Yenukar	Key Managerial Personnel
India Steel Industries Indiasteel International	Enterprises over which Key Managerial Personnel are able to exercise significant influence

Nature of Transactions during the year ended with related parties	Associates	Key Managerial Personnel	Others
	₹ in Lacs		
	31st March, 2014		
Labour Charges Paid	175.55		
Purchases	960.91		
Sales	9,263.94		
Sale of capital Goods	15.17		
Labour Charges Received	134.93		
Directors Remuneration	-	47.31	
Unsecured Loans	9.55	-	
Sundry Creditors	3.68		
Loans & Advances	0.10		3.73
Deposits Paid			52.00
Advance from Customers	1,249.31		

Note 30 : Contingent Liabilities & Commitments

₹ in Lacs

	31st March, 2014	31st March, 2013
A) Contingent Liabilities		
1) Claims against the company/disputed liabilities not acknowledged as debts	206.14	190.06
2) Excise/Customs/Service Tax Matters decided in the companies favour in earlier years, in respect of which show cause notices have been received & contested	92.92	134.31
3) Sales Tax matters in respect of which show cause notices have been received & contested	174.52	30.08
4) Property Tax disputed	112.75	77.33
5) Preference Share Dividend	496.49	467.86
B) Commitments		
Estimated amount of contracts remaining to be executed on Capital accounts and not provided for	525.00	750.00

Note 31 :

- a) Previous year figures have been regrouped/rearranged wherever necessary to correspond to current year figures
- b) Figures are rounded off to the nearest rupees lacs

**Notes forming part of the financial statements****31 Significant Accounting Policies-****31.1 Basis for preparation of financial statements**

The financial statements have been prepared on historical cost convention and as a going concern and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the Section 211(3C) of the Companies Act, 1956. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

Estimates and Assumptions used in the preparation of financial statements are based upon the management's evaluation of relevant fact and the circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

**31.2 Inventories :**

Inventories are valued at cost or net realizable value whichever is lower; cost is ascertained on the following basis :

- a. Raw Material, Packing Material, tools, spares and consumable are valued at cost on plus direct cost incurred to bring the stock to its existing level.
- b. Work in progress are valued at cost of manufacturing based on cost of Raw material and labour and overheads cost up to the relevant stage of completion.
- c. Finished Goods valued at cost or Market price which ever is less.

**31.3 Cash and cash equivalents (for purposes of Cash Flow Statement) :**

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

**31.4 Events occurring after the date of Balance Sheet :**

Material events occurring after the date of Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

**31.5 Prior Period Items and Changes in Accounting Policies :**

No Prior Period items have materially affected this year's financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

**31.6 Depreciation :**

Depreciation on all tangible assets has been calculated on Straight Line Method (SLM) as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.

**31.7 Revenue recognition :**

Sales are accounted on net of tax, less sales Returns / rejection. Revenue from sale of products is recognized upon passage of title to the customer on acceptance of goods which generally coincides with the dispatch of materials.

Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.

Interest Income is recognized on accrual basis.

**Notes forming part of the financial statements****31.8 Fixed Asset :**

Fixed Assets are accounted at cost of acquisition or construction. Fixed assets are capitalized net of CENVAT / VAT for which credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is ready to use.

**31.9 Employee Benefits**

- a. Contributions to defined contribution schemes such as provident fund and family pension fund are charged to the Profit and Loss Account for the year.
- b. Provisions for the leave encashment & gratuity liabilities, which are not funded, have been determined on internal workings.
- c. Terminal benefits are recognized as an expense as and when incurred.

**31.10 Borrowing costs :**

Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**31.11 Related Party Transactions :**

The related parties are identified by the management of the Company and relied upon by the Auditors. The related party transactions are reported at their gross value (Including indirect taxes).

**31.12 Taxes on income :**

Tax Expenses for the year, comprising Current Tax including Wealth Tax, and is included in determining the net profit for the year. A provision is made for the current tax and based on tax liability computed in accordance with relevant tax rates and tax laws.

Current and deferred tax relating to items directly recognized in equity is recognized in equity and not in the Statement of Profit and Loss Account.

**31.13 Deferred Tax- Asset/ Liability :**

The Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered accountants of India, has become applicable to the Company. The Deferred Tax is recognized for all timing differences being the difference between "Taxable Income" and "Accounting Income" that originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

**31.14 Miscellaneous Expenditure :**

Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

**31.15 Foreign Currency Transaction**

All transactions in foreign currency are recorded at the rate of exchange prevailing on dates when the relevant transactions take place. In case of payment/realizations against these transactions in the same accounting year the respective expense/income head is debited/credited. In case of transactions where payments/realizations take place in the subsequent years the exchange gains/losses are accounted under exchange rate difference.

**Notes forming part of the financial statements****31.16 Provisions and contingencies :**

The company recognizes provisions when there is a present legal or constructive obligation as a result of past event that probably require an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

**31.17 Capital work in Progress :**

The Expenditure which is of Capital nature and the assets for which it is incurred which has not come into existence/ put to use during the year is shown under this head.

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**As per Our Report Of Even Date Attached  
For Thanawala & Company  
Chartered Accountants  
Firm Registration No. 110948W**

**Vijay K.Thanawala  
Proprietor  
M.N.015632**

**Place : Mumbai  
Date : 28th May 2014**

**For and on behalf of the Board**

**Ashwinkumar H Gupta  
Chairman**

**Sudhir H Gupta  
Managing Director**

**Varun S. Gupta  
Executive Director**

**Dilip Maharana  
Company Secretary**

**INDIA STEEL WORKS LIMITED**

(CIN: L29100MH1987PLC043186)

**Regd. Office:** India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203**Tel :** +912192265812; **Fax :** +912192264061/+912249102099 **Website:** www.indiasteel.in **E-mail:** cosec@indiasteel.in**ATTENDANCE SLIP**

Reference Folio No./ Client ID \_\_\_\_\_ No. of Shares \_\_\_\_\_

Name of shareholder : \_\_\_\_\_

I/We hereby record my/our presence at the 27th ANNUAL GENERAL MEETING of the Company held on Monday, 8th September, 2014 at 11:30 a. m. at the Registered Office of the Company at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203, Maharashtra.

\_\_\_\_\_  
Signature of the Shareholder/Proxy

Please fill attendance slip and hand it over at the entrance of the meeting hall.

----- TEAR HERE -----

**INDIA STEEL WORKS LIMITED**

(CIN: L29100MH1987PLC043186)

**Regd. Office:** India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203**Tel :** +912192265812; **Fax :** +912192264061/+912249102099 **Website:** www.indiasteel.in **E-mail:** cosec@indiasteel.in**PROXY FORM**

Name of the member(s):	E-mail ID:
Registered address:	Folio No/DP ID-Client ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

And whose signature are appended here in below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on the Monday of 8th September, 2014 at 11:30 a.m at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March,2014.		
2	Re-appointment of Mr. Varun S. Gupta who retires by rotation..		
3	Re-appointment M/s. Thanawala & Co., Chartered Accountants, Auditors of the Company & fixing remuneration.		
<b>SPECIAL BUSINESS</b>			
4	Approval to the appointment of Mr. Rahul Yenurkar as a Director & Whole-time Director designated as "Director-Technical".		
5	Re-appointment of Mr. Ashwinkumar H. Gupta as a Whole-time Director designated as "Executive Chairman".		
6.	Increase in Remuneration of Mr. Sudhir H. Gupta, Managing Director		
7	Increase in Remuneration of Mr. Varun S. Gupta, Executive Director		
8	Appointment of Mr. Bimal Desai as an Independent Director		
9	Approval of arrangements / transactions with Related party		
10	Ratification of Remuneration payable to Cost Auditor		

Signed....this..... day of.....2014. \_\_\_\_\_

Signature of Shareholder

Affix  
Revenue  
Stamp not  
less than  
₹ 0.15\_\_\_\_\_  
Signature of first proxy holder\_\_\_\_\_  
Signature of second proxy holder\_\_\_\_\_  
Signature of third proxy holder

- proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting
- For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 27<sup>th</sup> Annual General Meeting
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.





If undelivered Please Return to :






**Registered Office :** India Steel Works Complex, Zenith Compound, Khopoli,  
Raigad-410203, Maharashtra.  
Telephone : 02192 266005/ 02192 266007 Fax : 02192 264061 E Mail : [info@indiasteel.in](mailto:info@indiasteel.in)  
**Website :** <http://www.indiasteel.in>

CRYSTAL + 91 22 6614 0900  
[cfl\\_mum@crystalforms.com](mailto:cfl_mum@crystalforms.com)



**FORM A****(Pursuant to Clause 31(a) of Listing Agreement)**

No.	Particulars	Details
1	Name of the company	India Steel Works Limited
2	Annual financial statements for the year ended	31st March, 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	NA
5	To be signed by-  • CEO/Managing Director  • CFO  • Audit Committee Chairman  • Auditor of the company	 Mr. Sudhir H. Gupta (Din No: 00010853)  ---   Mr. S.P. Khosla (Din No: 01580588)  For Thanawala & Company Chartered Accountants (Firm Reg. No. 110948W)   V.K. Thanawala (Proprietor) Membership No. 15632