

28<sup>th</sup> ANNUAL REPORT  
2014-2015



# 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	Whole-time Director
Mr. Mahesh Sheregar	Director
Mr. S. P. Khosla (Up to 27 <sup>th</sup> July, 2015)	Independent Director
Mr. Neeraj Agarwala (Up to 12 <sup>th</sup> February, 2015)	Independent Director
Mr. Bimal Desai	Independent Director
Mr. T. R. Bajalia*	Independent Director
Mr. Gaurav C. Chhabria* (*w.e.f 13 <sup>th</sup> February 2015 subject to approval of the Shareholders)	Independent Director
Mrs. Kavita R. Joshi (*w. e. f 30 <sup>th</sup> May, 2015 subject to approval of the Shareholders)	Independent Director

**COMPANY SECRETARY**

Mr. Dilip Maharana

**STATUTORY AUDITORS**

Thanawala &amp; Company, Chartered Accountants

**REGISTERED OFFICE**

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

**WORKS****REGISTRARS & SHARE TRANSFER AGENTS**

Link Intime India Private Limited

**BANKER**

Kotak Mahindra Bank Ltd.  
Dombivli Nagari Sahakari Bank Ltd.

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## CHAIRMAN'S MESSAGE

Dear Shareholders,

The India Steel Group's strength and the source of its success is our long-term relationship with our customers, suppliers, employees and associates. We strive to not only meet customers' expectations as they have grown accustomed to a standard of excellence from us, but exceed them in every way. We aim to continuously improve our plants, production capacity and service to keep up with and ahead of the industry. As a result, we are always expanding our product range and increasing volumes.

We bank on stainless steel as the resource of the future. It is an environmentally friendly, recyclable material, and hence light on natural resources as negligible fresh mining is required. The low maintenance, strength and long life of stainless steel make it the preferred material of choice in quality-conscious industries like construction, chemicals, food-processing, electronics and automotive parts.

India is mature in the world stainless steel industry, with ever-increasing product-range & capacities. There is a growing pool of skilled labour and technical staff who are capable of managing metallurgical & process parameters of stainless steel. India Steel Works is poised at the forefront of the Indian stainless steel industry, and its strategic location is perfect for capitalizing on this. The plants, located just outside the thriving hub of Mumbai city, are close to the ports, perfect for international shipment, and at the hub of the Indian highway system for domestic transport.

We believe that in staying true to our motto of "Inner Vision. Global Action" we will maintain our relationships with all our stakeholders, grow continuously, and match the world's best in stainless steel.

**Yours Sincerely,**

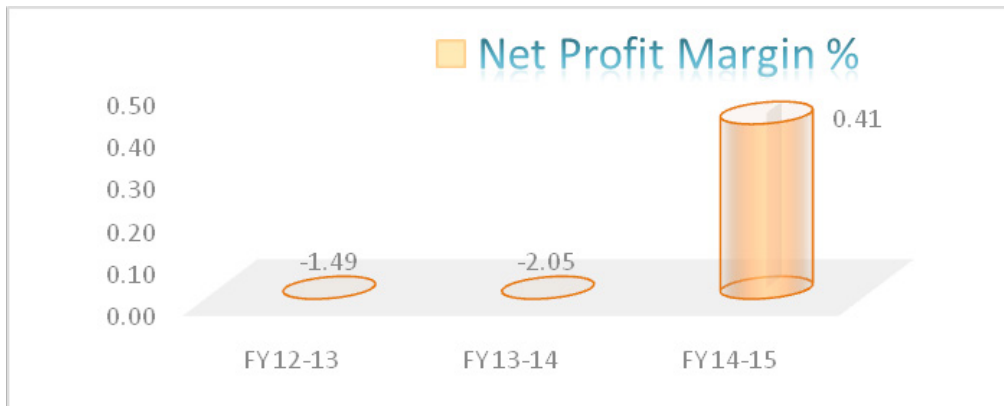
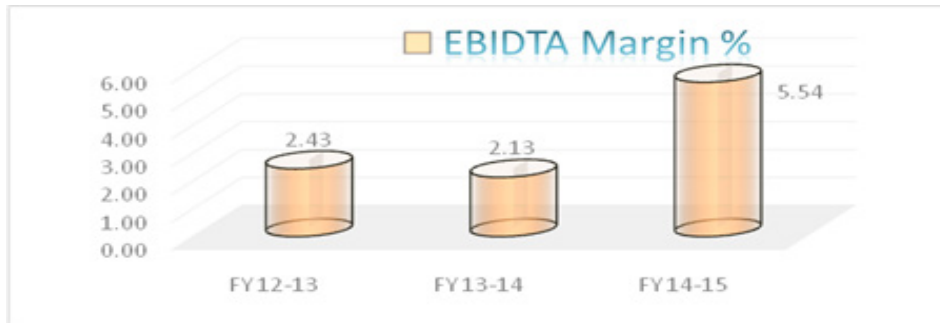
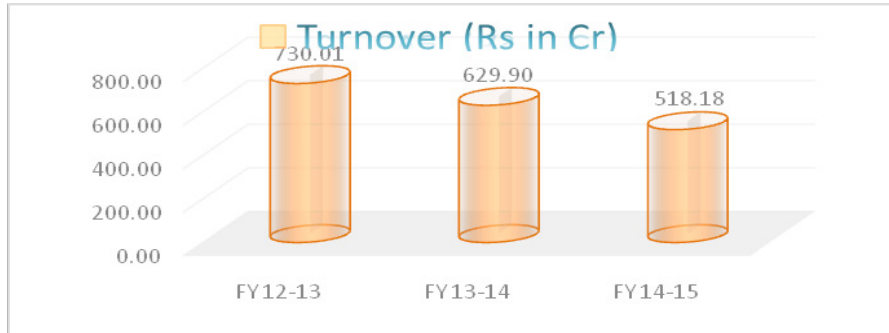
**Ashwinkumar H. Gupta**

**Executive Chairman**

**Mumbai, 30<sup>th</sup> May, 2015**

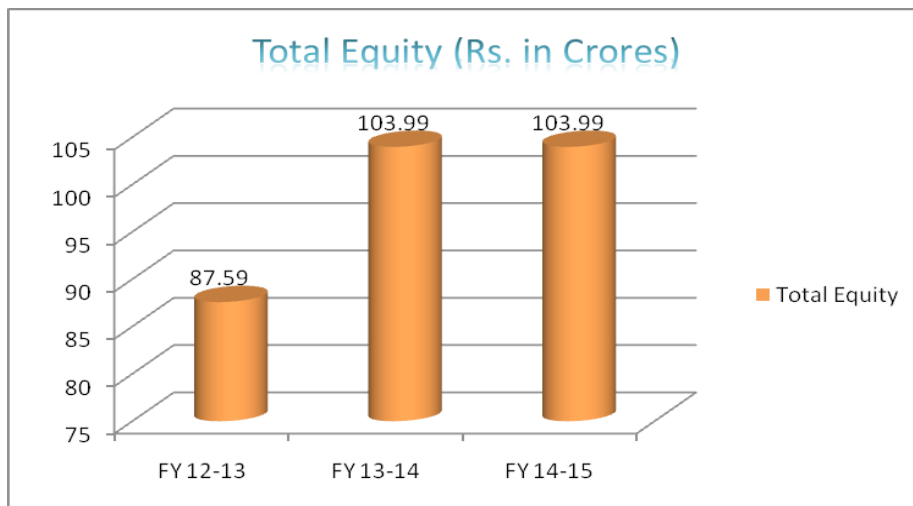
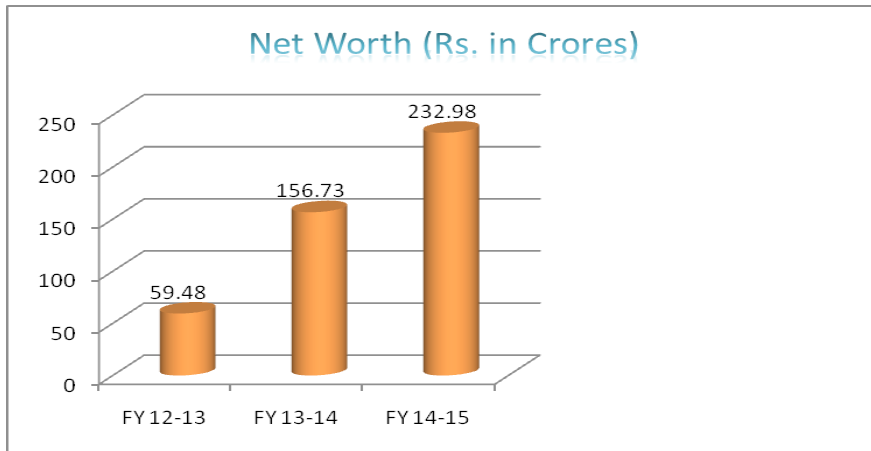


### PERFORMANCE HIGHLIGHTS





### PERFORMANCE HIGHLIGHTS





MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO: GLOBAL

The World Economy grew at a modest rate at 3.4% in CY 2014. Amidst diversion growth trend in advanced and emerging economies. US economic growth outlook improved on the back of a higher domestic consumption supported by lower oil prices, steady job creation and income growth. Europe showed initial signs of growth peak in 4Q FY 15 on back of increase in consumption supported by fall in steep fall in oil prices, higher exports added by weaker currencies and due to aggressive ECB monetary stimulus. China's economy continued to moderate as the pace of investments slowed down impacting the growth in the economy.

ECONOMIC SCENARIO: INDIA

Indian economy showed a moderate improvement in growth momentum during FY 14-15 supported by lower oil prices, improved FDI inflow and economic reforms initiated by new government. The Indian economic grew by 7.3% in FY 14-15 as compared to 6.9% in FY 13-14. Manufacturing sector grew at 7.1% during FY 14-15. Several policy measures taken by the Government and RBI, supported by lower Global crude oil prices resulted in

- Decline in inflation during the year; Consumer Price Index is expected to be between 5-5.5% range during FY 15-16.
• Current Account Deficit (CAD) narrowed to 1.3% of GDP during FY 14-15 compared to 1.7% in FY 13-14.
• Gross Fiscal Deficit declined to 4.1% in FY 14-15 and is budgeted to decline further to 3.9% in FY 15-16 due to strong focus on fiscal consolidation by the government.

THE STAINLESS STEEL INDUSTRY

Stainless steel is a key enabler of sustainable, modern society. It is an advanced materials that is efficient, long lasting, self-sanitizing and recyclable – helping to build a world that lasts forever

Megatrends driving demand:

- Economic and population growth
• Mobility and Urbanization
• Climate Change and Limited Resources

Key Customer Industries:

- Consumer Goods and Catering Industry
• Automotive and Transport Industry
• Chemical and Energy Industry
• Medical Equipment
• Architecture and Building Industry
• Heavy Industries

World Stainless Steel Long Products Market:

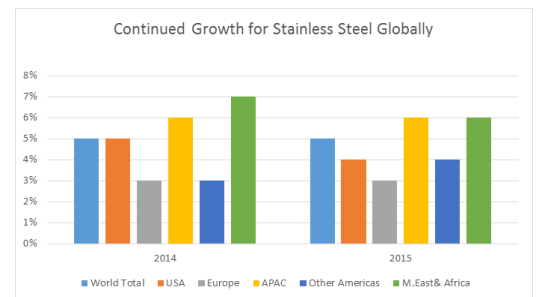
As per internationally reputed Stainless Steel Research organization SMR GMBH, the total Global Market of Stainless Steel Long Products is estimated as follows:

Year 2013: 6,540,000 MT

(SMR growth projection 2014: 5% and 2015: 5%)

The product wise segregation is as follows:

Table with 2 columns: Product Type and Quantity (MT). Rows include Semis (1,890,000 MT), Hot Rolled Bars (2,615,000 MT), and Wire Rods (2,035,000 MT).



(Source: SMR Feb 2014 Forecast)



The following is the Global Apparent Consumption Quantity / Market Size (forecast) of Stainless Steel Flat Products (CRU Data) and derived SS Long Products Market Size (taken at 23.5% of SS Flat Products)

Country	SS Flat Products 2014 Quantity '000 MT	SS Flat Products 2015 Quantity '000 MT	SS Long Products 2014 Quantity '000 MT	SS Long Products 2015 Quantity '000 MT	% Growth
<b>World</b>	<b>26 473</b>	<b>27 740</b>	<b>6 221</b>	<b>6 519</b>	<b>5</b>
Poland	194	198	46	47	2
Czech Rep.	117	122	27	29	4
Other East European	332	344	78	81	4
Germany	1 513	1 549	356	364	2
Italy	1 215	1 272	286	299	5
France	340	343	80	81	1
Denmark	89	93	21	22	4
Holland	93	96	22	23	3
Belgium	182	186	43	44	2
Spain	332	331	78	78	(0)
Portugal	33	34	8	8	3
Czech Rep.	117	122	27	29	4
UK	206	202	48	47	(2)
CIS	204	211	48	50	3
Russia	179	185	42	43	3
USA	1 599	1 650	376	388	3
Canada	183	190	43	45	4

#### OUTLOOK: GLOBAL

The IMF forecasts world economy to expand at 3.5% this year and 3.8% in 2016, showing Global growth prospects as moderate and uneven in its latest April, 2015 World Economic Outlook. The growth in advanced economies, added by fall in oil prices is projected to strengthen for the 3<sup>rd</sup> year in a row to 2.5% in CY 15 compared to 1.8% in CY 14. The growth in emerging markets and developing economies on the other hand is expected to weaken to 4.3% in CY 15 compared to 4.6% in previous year. The economic growth in the USA is expected to exceed 3.1% during 2015. The growth is added by strong domestic demand on back of the sharp fall in oil prices, declining unemployment rate, moderate fiscal adjustment and good monetary policy. The global steel demand in CY 15 is expected to increase by 0.5% to 1544 MnT (Million Metric Tons) while in CY 16 is expected to grow by 1.4% to 1566 MnT.

#### OUTLOOK: INDIA

The Indian economy stands to benefit from the correction in global crude oil prices and will have positive impact on the macro economy in the form of lower inflation, lower current account deficit, lower fiscal deficit, increased consumption and a stable INR. The Indian economy is on a path of gradual recovery. The Government has undertaken several steps to fix the bottlenecks and to revive the business confidence. The IMF has raised its Indian GDP growth estimates for FY 15-16 to 7.5%. In 2015-16 steel demand is expected to grow by 6 to 7 %.

#### FINANCIAL PERFORMANCE

The company achieved a revenue of ₹ 518.18 Crores during FY 2014-15. Even after substantial fall in trading business, the company has achieved a net profit of ₹ 2.12 Crores in FY 2014-15. Company's net worth has increased from ₹ 156.73 Crores in FY 2013-14 to ₹ 232.98 Crores in FY 2014-15. EBITDA margin has improved significantly on account of effective capacity utilization. It was prominent decision from top management to recruit qualified professionals from various expertise to take the organization in to next level. The organization has applied to various financial institutions and Banks for enhancing working capital facilities to support operations & in order to maximum capacity utilization.

#### RISK & OPPORTUNITIES

India Steel Works is exposed to risk and opportunities in equal measures. The company has a robust Enterprise Risk Management (ERM) framework, that allows the organization to take certain risk in order to be competitive and to mitigate other risk to drive sustainable results. By identifying and proactively addressing risk and opportunities, stakeholder value is



protected at all times. We do address the risk related to strategy, operational, financial and legal.

The main competitive strength of the company:

- Promoters have more than 50 years of experience in the same line of business.
- Company has large customers base in PAN India basis.
- Company has large variety of products in various length and sizes in Billets, Angles, Wire Rods, Wire and Bright Bars.
- High quality products accepted by customers over 50 year and growing acceptability in the quality conscious markets.
- Integrated facilities accredited with quality and ISO certifications such as ISO 9001:2008, TUV NORD, Germany in September 2004 and SIRIM International by Govt. of Malaysia.
- Excellent strategic management in procurement of imported stainless steel Scrap, Alloys and allied materials.
- Cost competitive with good operational efficiency.
- Skill work force with industry expertise with long years of experience.
- All downstream and upstream product lines are consolidated.
- Consistent and growing demand from overseas clients.

*Opportunities:*

- To take advantage of the various initiatives taken by new Government.
- Export potential in traditionally overlooked markets.
- Government is taking many steps to increase per capita consumption of stainless steel products.
- Growth in infrastructure and automobile sector.
- Availability of Bank finance providing liquidity for import and capacity utilization.

#### **CREDIT RATING**

- Dun & Bradstreet (D&B) has rated the company and the risk rating assigned is 5A3.  
5A represents that the company has a tangible net worth of more than Rs 6459.50 Lacs. Symbol 3 indicates that the overall status of the company is fair.
- Company is in the process of getting credit rating from Credit Analysis & Research Ltd.

#### **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.

Further Company is in the process of implementing Enterprise Resource Planning (ERP) at all its plants covering all its businesses, planning and accounting processes. This will help Company to increase the operational efficiency and cost effectiveness of overall operational controls.

#### **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.

#### **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.



**DIRECTORS' REPORT**

Dear Members,

Your Directors present their 28th Annual Report and the Company's Audited Accounts for the financial year ended 31st March, 2015.

**FINANCIAL HIGHLIGHTS**

The summarized financial results of the Company for the financial year 2014-15 are given hereunder:

(₹ in Lacs)

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
Sales including excise duty/Income including Job work operations	51296.63	61322.72
Operating Profit(EBIDTA)	2841.59	1304.65
Finance Costs	(1102.95)	(1518.70)
Provision for Depreciation	(1530.88)	(1456.16)
Profit /(Loss) before tax & exceptional items	207.76	(118..21)
Current tax	(4.30)	(2.48)
Profit /(Loss) after Tax	212.06	(1257.38)
Brought forward profit/ (loss) from last year	(19736.75)	(18479.36)
Exceptional Items	-	(1136.69)
Balance carried forward to Balance Sheet	(19524.69)	(19736.75)

**OPERATIONS**

During the year under review, though the gross revenue declined to ₹ 51296.63 lacs as against ₹ 61322.72 lacs in the previous year by 16.35% mainly due to strategic decision to reduce the lower margin and working capital intensive trading activities and focus mainly on production activities, operating profit (EBIDTA) improved to ₹ 2841.59Lacs as against ₹ 1304.65 Lacs in the previous year by 118%. The net profit after tax for the year was ₹ 212.06 lacs as against loss of ₹ 1257.37 lacs in the previous year;

**DIVIDEND**

Keeping in view the need for strengthening financial soundness of the company and considering accumulated losses, the Directors regret their inability to declare any dividend on Preference Shares as well as on Equity Shares of the Company during the year under review.

**FINANCE**

## (i) Share Capital

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2015 was ₹ 3980.80 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

## (ii) Fixed Deposits

The Company has not accepted any deposits from the shareholders or public under applicable provisions of the Companies Act 2013 or rules made there under.

## (iii) Particulars of loans, guarantees or investments

During the year under review, the inter-corporate loans of ₹ 3.83 lacs has been refunded to the Company on 25<sup>th</sup> day of May,2015 and no other loan is outstanding. The company has also not provided any loan or guarantee directly or indirectly to any person or body corporate, during the year under review. The Company also has not invested in the securities of any other Company during the year under review.

## (iv) Revaluation of Assets

During the year company has revalued factory land at Khopoli by ₹ 7413. 22 Lacs.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company believes in development which is beneficial for the society at large. As per the relevant provisions of the Companies Act, 2013, the Company is not required to incur any expenditure in pursuance of CSR Policy.

The Company has voluntarily incurred ₹ 4.75 Lacs making Donation for educational support to underprivileged students from poor town, remote rural and conflict afflicted communities in Khopoli Town Area, Distribution of Books & Note Book etc., Blood Donation Camp, Scholarship to Brilliant Students etc.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has adopted a Whistle-Blower Policy, whereby employees are free to report violations of laws, rules, and regulations, or unethical conduct to the Audit Committee. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company can be accessed at <http://www.indiasteel.in/pdfs/Vigil%20Mechanism%20Policy%20&%20Whistle%20Blower%20Mechanism.pdf>. During the year the Audit Committee has not received any reference under the policy.

**RISK MANAGEMENT POLICY**

The Company has a risk management policy to identify, mitigate elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. The Board of Directors and senior management team assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

**RELATED PARTIES CONTRACTS OR ARRANGEMENTS:**

The Company has made materially significant Related Party Transactions, as approved by the non-interested shareholders at the 27th Annual General Meeting of the Company. Further the said material related Party Transactions made during the year under review were on an arm's length basis and in the ordinary course of business. Required disclosures are made in **Annexure-D**. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company [www.indiasteel.in](http://www.indiasteel.in) under the head 'Investor Relations' and the weblink is provided in the Corporate Governance Report. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the legal and accounting requirements.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**DIRECTORS****(i) Appointment**

Mr. T. R. Bajalia, Mr. Gaurav Chhabria have been appointed as additional Directors independent of Management (in the category of Independent Directors) subject to approval of the Share holders of the Company are proposed for appointment as Independent Directors for a period of 5 years with effect from 13<sup>th</sup> february, 2015. The Board has also appointed Mr. S. P. Khosla, existing Independent Director for a period of 2 years with effect from 13<sup>th</sup> february, 2015 subject to the approval of the Share holders of the Company. The Board has also appointed Mrs. Kavita R. Joshi additional Director independent of Management (in the category of Independent Directors) subject to approval of the Share holders of the Company is proposed for appointment as Independent Directors for a period of 5 years with effect from 30<sup>th</sup> May, 2015. Further the details of the above Directors are given in the Corporate Governance Report as well as in the Notice of the Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 the Directors Liable to retire by Rotation as provided in the notice are eligible for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting seeking your approval to the aforesaid appointments.

**(ii) Resignation**

Mr. Neeraj D. Agarwala, has been resigned from the office of Independent Director of the Company effective 12<sup>th</sup> February, 2015. The Board places on record its appreciation of the services rendered by Mr. Neeraj D. Agarwala during his tenure as a Director.

**(iii) Board Evaluation**

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Nomination & Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**(v) Nomination & Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel. More details of the same are given in the Corporate Governance Report.

**(vi) Board Meetings**

During the year, five (5) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the Section 134(3)(c) of the Companies Act, 2013:

- I. That in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- III. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the annual financial statements have been prepared on a going concern basis;
- V. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- VI. That proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**AUDITORS****(i) Statutory Auditors & Audit Report**

The Company has received a letter from M/s. Thanawala & Co., Chartered Accountants regarding his eligibility for the appointment as statutory Auditors of the Company. The said auditor was appointed effective Annual General Meeting held on 8<sup>th</sup> September, 2014 for a period of 3 years subject to ratification at every Annual general meeting. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of the Statutory Auditors.

There are no qualification, reservation or adverse remark or disclaimer made by the auditor in his report.

**(ii) Cost Auditors**

The Board has appointed M/s. Vishesh N. Patani (Membership No. 30328) cost Accountants, Mumbai for conducting the audit of cost records of the Company for the Financial year ending 31<sup>st</sup> March, 2016. Approval of the members by way of ordinary resolution ratifying the remuneration to be paid to the cost auditors is suitable included in the notice calling the Annual general Meeting of the Company.

**(iii) Secretarial Auditor & Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. V.M. Kundaliya & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "**Annexure - A**". The qualifications /remarks made by the secretarial auditor addressed herein below:

- a. The Company has shortlisted a candidate and shall appoint the CFO by end of September, 2015.
- b. The Board has appointed an independent women Director on 30<sup>th</sup> day of May, 2015 subject to approval of the share holders in the ensuing Annual general Meeting.
- c. The Company had granted loans of ₹ 3.83 Lakhs to entities in which the Directors are interested, which has been refunded on 25<sup>th</sup>, May, 2015.
- d. The prescribed form MGT-15 was under filling.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Kindly refer to the write-up in the section Management Discussion and Analysis.

**EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return in Form No. MGT – 9 annexed as **Annexure-B** forms part of the Board's report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has adopted the generally accepted technology for its products. Particulars regarding conservation of energy foreign exchange earnings and outgo are given in **Annexure – C** as required under The Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 and forms part of this report.

**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 are given as annexure to this report.

**PARTICULARS OF EMPLOYEES**

During the year under review, the Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as **Annexure E** to this Report.

**INDUSTRIAL RELATIONS**

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

**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.

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED

Ashwinkumar H. Gupta  
Chairman

Place: Mumbai

Date: 30<sup>th</sup> May, 2015

**Annexure-A**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

India Steels Works Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Steel Works Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. India Steel Works Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under except the following:
  - (a) *The Company has not appointed Chief Financial Officer (CFO) - one of the Key Managerial Personnel (KMP) as per Section 203 of the Companies Act, 2013 read with the relevant rules.*
  - (b) *The Company has not appointed Women Director pursuant to Section 149(1) of the Companies Act, 2013 and Clause 49(II) (A) of the Listing Agreement.*
  - (c) *The Company has granted Loans to Entities in which Directors are interested pursuant to Section 185 of the Companies Act, 2013.*
  - (d) *The Company has not filed Form MGT-15, a Report on the Annual General Meeting as prescribed under Section 121 of the Companies Act, 2013.*
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;(not applicable for the FY 2014-15)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable for the FY 2014-15)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and(not applicable for the FY 2014-15)



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable for the FY 2014-15)
- (vi) For the other applicable laws, our Audit was limited to
  - (a) Factories Act, 1948
  - (b) Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - (f) The Payment of Bonus Act, 1965
  - (g) The Payment of Gratuity Act, 1972
  - (h) The Contract Labour (Regulation & Abolition) Act, 1952
  - (i) The Industrial Employment (Standing Orders) Act, 1946
  - (j) The Employees compensation Act, 1923
  - (k) The Apprentices Act, 1961
  - (l) The Air (Prevention and control of Pollution) Act, 1981

I report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of Certificates by respective Department Heads/Company Secretary/CEO, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with the above applicable other laws.

I further report that, the compliance by the Company of applicable Financial Laws, like Direct and Indirect Tax Law, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other Designated Professionals.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. –  
Secretarial Standards is not mandated during the Audit period and hence not applicable to the Company during the Audit period.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the above observations.

*I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, except that with regard to the requirements of having atleast one half of the Board of Directors comprising of Independent Directors in terms of Paragraph II A of Clause 49 of the Listing Agreement and Section 149(4) of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.*

I further report that, as per the information provided, the Company has generally given adequate notice to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that, as per the information provided and as per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that, the Management is responsible for compliances of all business laws and other applicable laws. This responsibility includes maintenance of Statutory Registers/files as required by the concerned authorities and internal control of the concerned department.



I further report that during the audit period the company has no specific Public Issue / Right Issue / Preferential issue of Shares / Debentures / Sweat Equity / Redemption / buy-back of securities / Merger / Amalgamation / Reconstruction / Foreign Technical Collaborations

For V. M. KUNDALIYA & ASSOCIATES  
Company Secretaries

Date:- 30<sup>th</sup> May, 2015

Place:- Mumbai

This report is to be read with our letter of even date which is annexed as 'Annexure -I' and forms an integral part of this report.

Vicky M. Kundaliya  
Proprietor  
(FCS-7716 & COP-10989)

### **Annexure -I**

To,

The Members,

INDIA STEEL WORKS LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V. M. KUNDALIYA & ASSOCIATES  
Company Secretaries

Date:- 30<sup>th</sup> May, 2015

Place:- Mumbai

Vicky M. Kundaliya  
Proprietor  
(FCS-7716 & COP-10989)



**Annexure-B**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March,2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-CIN: L29100MH1987PLC043186
- ii) Registration Date : 15th April,1987.
- iii) Name of the Company: India Steel Works Limited
- iv) Category / Sub-Category of the Company : Listed Public Limited Company
- v) Address of the Registered office and contact details: Zenith Compound Khopoli,Raigad-410203, T:+91 2192 265 812 F:+91 2192 264 061Email: cosec@iswl.in,
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
LINK INTIME INDIA PVT LIMITED Phone: 022 25946970,  
C-13, Pannalal Silk Mills Compound, Fax : 022 25946969  
L. B. S. Marg, Bhandup (West), Email ID: rnt.helpdesk@linkintime.co.in  
Mumbai-400 078 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	billets/bars/wire rods/Bright Bars	27141,27142,27143,27151,27152,27153,27161,27162,27163,27181,27182,27183	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -NIL

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) **Category-wise Share Holding**

Category of Shareholders	Shareholding at the beginning of the year:1.04.2014				Share holding at the end of the year:31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	11225610	0	11225610	2.82	11271377	0	11271377	2.83	0.01
b) Central Govt.or State Govt.	0	0	0	0.00				0.00	0.00
c) Bodies Corporates	186622650	700000	187322650	47.06	186622650	700000	187322650	47.06	0.00
d) Bank/FI	0	0	0	0.00				0.00	0.00
e) Any other	0	0	0	0.00				0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>197848260</b>	<b>700000</b>	<b>198548260</b>	<b>49.88</b>	<b>197894027</b>	<b>700000</b>	<b>198594027</b>	<b>49.89</b>	<b>0.01</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>197848260</b>	<b>700000</b>	<b>198548260</b>	<b>49.88</b>	<b>197894027</b>	<b>700000</b>	<b>198594027</b>	<b>49.89</b>	<b>0.01</b>





Category of Shareholders	Shareholding at the beginning of the year:1.04.2014				Share holding at the end of the year:31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	3600	3600	0.00	0	3600	3600	0.00	0.00
b) Banks/FI	7812075	400	7812475	1.96	7812075	400	7812475	1.96	0.00
c) Foreign Mutual Fund	14334300	0	14334300	3.60	14334300	0	14334300	3.60	0.00
d) Foreign Financial Institutions	0	14900	14900	0.00	0	14900	14900	0.00	0.00
e) Foreign Institutional Investors	14334300	0	14334300	3.60	14334300	0	14334300	3.60	0.00
f) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
g) Unit Trust of India	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	36480675	18900	36499575	9.17	36480675	18900	36499575	9.17	0.00
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	14294199	21950	14316149	3.60	13858402	21950	13880352	3.49	-0.11
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	7738521	1109705	8848226	2.22	7860076	1068955	8929031	2.24	0.02
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	15441298	0	15441298	3.88	15791264	0	15791264	3.97	0.09
c) Others (specify)									
Non Resident Indians (Repat)	4550232	23150	4573382	1.15	4554913	15700	4570613	1.15	0.00
Non Resident Indians (Non Repat)	304340	0	304340	0.08	304420	0	304420	0.08	0.00
Foreign Company	119260000	0	119260000	29.96	119260000	0	119260000	29.96	0.00
Clearing Member	24004	0	24004	0.01	10236	0	10236	0.00	0.00
Market Makers	9229	0	9229	0.00	7529	0	7529	0.00	0.00
Hindu Undivided Family	256462	0	256462	0.06	233878	0	233878	0.06	-0.01
<b>SUB TOTAL (B)(2):</b>	161878285	1154805	163033090	40.95	161880718	1106605	162987323	40.94	-0.01
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	198358960	1173705	199532665	50.12	198361393	1125505	199486898	50.11	-0.01
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	396207220	1873705	398080925	100.00	396255420	1825505	398080925	100.	0.00



(ii) Shareholding of Promoters

SI No.	Promoter's Name	Shareholding at the beginning of the year :1.04.2014			Share holding at the end of the year :31.03.2015			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	MALIKA SIDDHARTH GUPTA	0	0.00	0.00	5000	0.00	0.00	0.00
2	PRIYANKA VARUN GUPTA	0	0.00	0.00	5000	0.00	0.00	0.00
3	VIPIN AGARWAL	0	0.00	0.00	3267	0.00	0.00	0.00
4	ISINOX STEELS LTD	250	0.00	0.00	250	0.00	0.00	0.00
5	SIDDHARTH GUPTA	4700	0.00	0.00	9700	0.00	0.00	0.00
6	RUCHI V AGARWAL	12000	0.00	0.00	12000	0.00	0.00	0.00
7	ANITA GUPTA	47000	0.01	0.00	47000	0.01	0.00	0.00
8	PRIYA GUPTA	70560	0.02	0.00	86060	0.02	0.00	0.00
9	ISISTAR EXPORTS PVT LTD	87500	0.02	0.00	87500	0.02	0.00	0.00
10	VARUN GUPTA	204800	0.05	0.00	204800	0.05	0.00	0.00
11	ISICOM TRADERS P LTD	350000	0.09	0.09	350000	0.09	0.09	0.00
12	ISISTAR EXPORTS P LTD	350000	0.09	0.09	350000	0.09	0.09	0.00
13	ISICOM TRADERS PVT LTD	962750	0.24	0.00	962750	0.24	0.00	0.00
14	MR SUDHIR GUPTA	5382725	1.35	0.00	5382725	1.35	0.00	0.00
15	ASHWIN GUPTA	5515825	1.39	0.00	5515825	1.39	0.00	0.00
16	KHAMGAON LAND DEVELOPMENT & TRADING CO (P) LTD	17400000	4.37	0.00	17400000	4.37	0.00	0.00
17	YEOTMAL LAND DEVELOPMENT & TRADING CO (P) LTD	17400000	4.37	0.00	17400000	4.37	0.00	0.00
18	ISIMETALS (INDIA) PVT LTD	17400250	4.37	0.00	17400250	4.37	0.00	0.00
19	ISISALES (INDIA) PVT LTD	17400250	4.37	0.00	17400250	4.37	0.00	0.00
20	ISIWORLD STEELS PVT LTD	17837500	4.48	0.00	17837500	4.48	0.00	0.00
21	INDIA STEEL INTERNATIONAL (P) LTD	98134150	24.65	11.43	98134150	24.65	11.43	0.00
		198560260	49.88	11.60	198594027	49.89	11.60	0.01

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	198560260	49.88		
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	Notes below*		18267	
3	At the End of the year	198594027	49.89	198594027	49.89



\*Notes to (iii):

Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No.of Shares at the beginning (01-04-14)/end of the year(31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	MALIKA SIDDHARTH GUPTA	0	0.000	1.04.2014				
		0	0.000	23/3/2015	5000	Purchase	5000	0.000
2	SIDDHARTH GUPTA	4700	0.001	1.04.2014				
		9700	0.002	25.04.2014	3000	Purchase	7700	
				16.05.2014	2000	Purchase	9700	
				31.03.2015			9700	0.002
3	PRIYANKA VARUN GUPTA	0	0.000	1.04.2014				
		0	0.000	23/3/2015	5000	Purchase	5000	0.000
4	RUCHI V AGARWAL	12000	0.003	1.04.2014	0	No movement		
		12000	0.003	31.03.2015			12000	0.003
5	VIPIN AGARWAL	0	0.000	1.04.2014	0	No Purchase		
		3267	0.001	30.01.2015	3267		3267	0.001
				31.03.2015				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No.of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	UD INDUSTRIAL HOLDING PTE. LTD.	92000000	23.11	1.04.2014	0	No movement		
		92000000	23.11	31.03.2015			92000000	23.11
2	TB INVESTMENTS LTD	27000000	6.78	1.04.2014	0	No movement		
		27000000	6.78	31.03.2015			27000000	6.78
3	APMS INVESTMENT FUND LTD	14334300	3.60	1.04.2014	0	No movement		
		14334300	3.60	31.03.2015			14334300	3.60
4	CRESTA FUND LTD	8400000	2.11	1.04.2014	0	No movement		
		8400000	2.11	31.03.2015			8400000	2.11
5	PARVEEN KUMAR GUPTA	7531400	1.89	1.04.2014				0.02
		7612221	1.91	31.03.2015	80821	Purchase*	7612221	1.91
		5934300	1.49	1.04.2014	0	No movement		
		5934300	1.49	31.03.2015			5934300	1.49



Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No.of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	K R BHARAT	5494948	1.38			No movement		
		5494948	1.38	31.03.2015			5494948	1.38
8	SHAKTIMAN STEEL CASTINGS PVT LTD	5300054	1.33	1.04.2014	0	No movement		
		5300054	1.33	31.03.2015			5300054	1.33
9	KOTAK MAHINDRA BANK LTD	5000000	1.26	1.04.2014	0	No movement		
		5000000	1.26	31.03.2015			5000000	1.26
10	USHDEV INTERNATIONAL LTD	4931539	1.24	1.04.2014	0	No movement		
		4931539	1.24	31.03.2015			4931539	1.24

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.Ashwinkumar H. Gupta				
	At the beginning of the year	5515825	1.39	5515825	1.39
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	5515825	1.39	5515825	1.39
2	Mr.Sudhir H. Gupta	5382725	1.35	5382725	1.36
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	5382725	1.35	5382725	1.36
3	Mr.Varun S. Gupta	204800	0.05	204800	0.05
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	204800	0.05	204800	0.05
4	Mr.S.P.Khosla	1500	0.00	1500	0.00
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	1500	0.00	1500	0.00
5	Mr.Rahul M. Yenurkar				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	-	-	-	-



Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mr.Mahesh Sheregar				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	-	-	-	-
7	Mr.T.R.Bajalia				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	-	-	-	-
8	Mr. GauravChhabria				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	-	-	-	-
9	Mr.Gaurav Chhabria				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	-	-	-	-
10	Mr.DilipMaharana				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweatequityetc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
<b>i) Principal Amount</b>	905.51	3154.77	0	4060.28
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
TOTAL (i+ii+iii)	905.51	3154.77	0	4060.28
Change in Indebtedness during the financial year				
Addition	0	64.75	0	64.75
Reduction	365.31	0	0	-365.31
Net Change	365.31	64.75	0	-300.56
Indebtedness at the end of the financial year (31.03.2015)				
<b>i) Principal Amount</b>	540.2	3219.52	0	3759.72
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
TOTAL (i+ii+iii)	540.2	3219.52	0	3759.72



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager ( ₹ in Lacs )</b>						
S. No.	Particulars of Remuneration	Name of MD/WTD/Manger				Total amount
		Mr. Ashwinkumar H. Gupta	Mr. Sudhir H. Gupta	Mr. Varun S. Gupta	Mr. Rahul Yenukar	
1	Gross Salary					
	a) Salary	16.00	27.00	24.00	21.60	88.60
	b) Perquisites	10.97	20.52	18.24	32.32	82.05
	c) Profits in lieu of Salary	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweet Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
5	others	0.08	0.08	0.08	0.02	0.26
	Total	27.05	47.60	42.32	53.94	170.91
<b>B. Remuneration to other/ independent Directors ₹ in Lacs)</b>						
S. No.	Particulars of Remuneration	Name of MD/WTD/Manger				Total amount
		Mr. S. P. Khosla	Mr. Bimal Desai	Mr. T. R. Bajalia	Mr. Gaurav Chhabria	Neeraj Agarwal
1	a) fees for attending board Meeting	0.3	0.3	0	0	0
	b) Commission	0	0	0	0	0
	c) other	0	0	0	0	0
	Total	0.3	0.3	0	0	0
		0.3	0.3	0	0	0
<b>C. Remuneration to other KMP ( ₹ in Lacs )</b>						
S. No.	Particulars of Remuneration	Name of KMP				Total amount
		Dilip Maharana, Company Secretary /Compliance officer				
1	Gross Salary					
	a) Salary	2.33				
	b) Perquisites	3.42				
	c) Profits in lieu of Salary	0				
2	Stock option	0				
3	Sweet Equity	0				
4	Commission	0				
5	others	0.08				
	Total	5.83				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. OTHER OFFICERS</b>					
Penalty			None		
Punishment					
Compounding					



## Annexure-C

**Conservation of energy, Technology, absorption, Foreign exchange earnings and Outgo****(A) Conservation of energy**

Energy conservation is an important area for the Company. The adoption of energy conservation measures has helped the Company in reducing electricity consumption per unit of production, as given here in below.

	2014-15	2013-14
<b>Electricity (000 KWH) Consumption Per Unit Of Production</b>		
Steel Billets	711	727
Hot Rolled/Bars/rods	257	293
Cold Finish Bars	61	97

**(B) Technology absorption:**

## 1) Efforts made towards Technology absorption:

In- House efforts have been made to gainfully use the Co-products of steel making and processing. A slag processing unit and a Briquetting unit have been set up for recycling the waste. Polymer Quenching has been standardized for Martensitic stainless Steel grades. This is a cleaner system that Oil Quenching and does not carry the hazards of using Oil and disposal.

## 2) Benefits derived like Product Improvement , cost reduction, Product development or import substitution:

## i) Product improvement

In- House efforts towards product improvement are as follows:

- a) Better Dimensional tolerances for Wire rods
- b) Better impact properties for Quenched and Tempered material

## ii) Cost reduction:

- a) Recycling of Iron dust.

## iii) Product Development:

In- House efforts have been made for development of new products like 17-4PH and EN-52 (valve steel), 1.4122, and a host of electrode grades .While the Electrode grades have been successfully used by the customer, trial lots have been given in case of 17-4PH, EN-52, and 1.4122. Another grade which is on the anvil for development is Duplex Stainless Steel.

## 3) Imported Technology:

We have not imported any technology in the last three years.

## 4) Expenditure incurred on R&amp;D activities

No Capital costs have been incurred in the last year. However the recurring costs for R&D are amounting to Rs 70 lacs.

**(C) Foreign exchange earnings and Outgo-**

The Foreign Exchange earned during the year is ₹133.80 Lacs and the Foreign Exchange outgo during the year is ₹ 2302.63 Lacs.

**Annexure-D**

Form No. AOC-2

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

## 1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name of related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements / transactions	Nil
(c)	Duration of the contracts/ arrangements / transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

## 2. Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name of related party and nature of relationship	Isinox Steels Limited
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ jobwork etc
(c)	Duration of the contracts/ arrangements / transactions	1 year for conversion/ jobwork, sales/ purchases as per order placed
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arms length basis
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	---

**Annexure-E****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(i)

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:					
Sr.No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ in Lac)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ KMP to median remuneration of employees	Comparison of Remuneration of KMP against the performance of the Company
1	Ashwinkumar H. Gupta, Executive Chairman	27.05	214	15.69	Operating profit (EBIDTA) improved to ₹ 2841.59Lacs as against ₹ 1304.65 Lacs in the previous year by 118%. The net profit after tax for the year was ₹ 212.06 lacs as against loss of ₹ 1257.37 lacs in the previous year
2	Sudhir H. Gupta, CEO & Managing Director	47.6	147	27.61	
3	Varun S.Gupta Executive Director	42.32	576	24.55	
4	Rahul M. Yenurkar (Director – Technical)	53.94	2	31.28	
5	Dilip Maharana Company Secretary & Compliance Officer	5.38	-	3.39	





- (ii) The median remuneration of employees of the Company during the financial year was ₹ 1.72 Lacs.
- (iii) In the financial year, there was an increase of 0.09% in the median remuneration of employees.
- (iv) There were 417 permanent employees on the rolls of Company as on March 31, 2015;
- (v) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2015 increased by 117% where as increase in median remuneration was 0.09%.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: Total remuneration of KMP increased by 233% from ₹ 53 Lacs in 2013-14 to 177 Lacs in 2014-15. where as the profit before tax increased by ₹ 1462.67 Lacs to ₹ 207.76 in 2014-15 (Loss ₹ 1254.91 Lacs in 2013-14).
- (vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Closing date of Financial Year	Issued Capital Shares	Closing Market Price per share	EPS	PE Ratio	Market Capitalisation ₹ Lacs
31.03.2014	398080925	3.24	-0.32	(10)	1289782197
31.03.2015	398080925	3.05	0.05	61	1214146821
Increase/(Decrease)	0	-0.19	0.37	71	-75635376
% of Increase/ (Decrease)	0	-5.86	-115.63	-702.47	-5.86

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

The equity shares of the Company were initially listed on BSE Ltd. in the year 1992. The last public offer of the equity shares was made in the year 1992 @ ₹ 10/- per share at par. The nominal value of share has been reduced to Re. 1/-. As on 31st March, 2015, the market quotation of the Company's share price (closing price) was ₹ 3.05/- i.e. decrease of 69.5%.

- (viii) Average percentile decrease already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 2.89% where as increase in the managerial remuneration for the same financial year was 233%.
- (ix) The key parameters for any variable component of remuneration availed by the directors:  
There is no variable component in the remuneration of the Directors.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Nil
- (xi) If remuneration is as per the remuneration policy of the company: Yes

**REPORT ON CORPORATE GOVERNANCE****1. 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.

**2. Board of Directors**

During financial year 2014-15, the Board consists of Ten Directors comprising of four executive Directors, one non-executive Director and five Independent Directors, out of which one independent director resigned during the year 2014-15.

**(a) Composition of the Board:**

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 2014-15 attendance in		No of other Directorship in Other Indian Public Ltd Companies <sup>6</sup>	No of Chairmanship / Membership in other Indian Public Limited Companies <sup>7</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	4	Y	NIL	NIL
Mr. Varun S. Gupta	Executive Director, Promoter , Son of Managing Director	5	No	NIL	NIL
Mr. Rahul M. Yenukar	Whole-time Director	5	Y	1	1
Mr. S. P. Khosla <sup>1</sup>	Independent Director	4	Y	NIL	NIL
Mr. Bimal Desai	Independent Director	4	Y	NIL	NIL
Mr.NeerajAgarwala <sup>2</sup>	Independent Director	NIL	No	NIL	NIL
Mr.Mahesh Sheregar <sup>3</sup>	Non-Executive Director	1	No	NIL	NIL
Mr.T.R.Bajalia <sup>4</sup>	Independent Director	NIL	No	1	1
Mr.GauravChhabria <sup>4</sup>	Independent Director	NIL	No	NIL	NIL
Mrs. Kavita R. Joshi <sup>5</sup>	Independent Director	NIL	No	NIL	NIL

1. Reappointed as independent Director for a period of two years subject to approval of the shareholders w.e.f 13.02.2015.
2. Resigned effective 12<sup>th</sup> Feb, 2015
3. Mr.Mahesh Sheregar is the nominee of strategic investor TB Investments Limited.
4. W.e.f 13.02.2015 subject to approval of members at the ensuing A.G.M.
5. Appointed w.e.f 30<sup>th</sup> May,2015
6. Directorship excludes Alternate Directorship, Foreign Company Directorship &Pvt Limited Companies
7. Committee positions of only of Audit Committee and the Stakeholders Relationship Committee have



been considered (Excluding India Steel Works Limited) as per sub-clause II(D)(2) of Clause 49 of the Listing Agreement with stock exchange.

**(b) Number of Board Meetings:**

During the Financial year five Meetings were held on 28th May, 2014, 11th August, 2014, 4<sup>th</sup> September, 2014, 14<sup>th</sup> November, 2014, 13th February, 2015. The maximum interval between any two meetings was not more than 4 months.

**(c) Information supplied to the Board:**

The Board of Directors has access to any information within the Company. At the Board Meetings, directors are provided with all relevant information on important matters, working of the Company as well as all related details that require deliberations by the members of the Board, inter-alia include:

- Annual business plans,
- Production, sales & financial performance data;
- Business review;
- Quarterly and annual financial results ;
- Minutes of the meetings of the Audit and other Committees as well as circular resolutions if any to be passed;
- Significant initiatives and developments relating to labour/human resource relation
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause / demand / prosecution / penalty notices and legal proceedings by or against the Company;
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement;
- Any other information which is relevant for decision-making by the Board.

**(d) Directors Profile seeking appointment / re-appointment**

As required, a brief profile and other particulars of the Directors seeking appointment / re-appointment is given in the Notice of the 28th Annual General Meeting and forms a part of this Report.

**(e) Induction & Familiarization Programs for Independent Directors:**

The Directors on appointment, are issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc. The details of such familiarization programme have been displayed on the website of the and the weblink of the same is <http://indiasteel.in/pdfs/Details%20of%20the%20Familiarization%20Programs%20for%20Independent%20Director.pdf>

**(f) Performance Evaluation:**

In compliance with the provisions of the Companies Act, 2013 ('the Act') read with the Listing Agreement, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board.

A questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on various parameters. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**(g) Independent Directors' Meeting:**

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Clause 49 (II)(B)(6) of the listing agreement with the stock exchange, the Independent Directors met on 13<sup>th</sup> February, 2015, inter alia, to discuss:



- (a) Evaluation of the performance of non- Independent Directors and the Board as a whole;
- (b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Evaluation of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors on the Board as on the date of the meeting were present at the meeting.

**(h) Code of Conduct:**

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics and is applicable to all the Directors and senior management personnel. In terms of the requirements of Clause 49 of the Listing Agreement, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.indiasteel.in](http://www.indiasteel.in), under the heading 'Investors Relations'. The web link of the same is: [http://indiasteel.in/pdfs/Code\\_of\\_Conduct\\_for\\_Company\\_\\_Board\\_of\\_Directors\\_\\_\\_Senior\\_Management.pdf](http://indiasteel.in/pdfs/Code_of_Conduct_for_Company__Board_of_Directors___Senior_Management.pdf) All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2015 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. This Code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. This Code is available on the Company's website [www.indiasteel.in](http://www.indiasteel.in),

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31<sup>st</sup> March, 2015. A declaration to that effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

**3. Committees of the Board**

The Board has constituted various mandatory and other Committees from time to time. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The minutes of the Committee meetings are circulated / tabled at the Board meetings.

**(a) 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 (up to 12.02.2015) all independent and Mr. Sudhir H. Gupta, Executive Director as member.
- **Brief description of terms of reference:**  
The terms of reference of this committee covers the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as under provisions of the Companies Act, 2013.
- **Meetings and attendance during the year:**  
During the year, four Audit Committee Meetings were held on 28<sup>th</sup> May, 2014, 11<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014, 13<sup>th</sup> February, 2015. 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, Non-Executive Independent Director	4
Mr. Bimal Desai	Member, Non-Executive Independent Director	4
Mr. Neeraj Agarwala	Member, Non-Executive Independent Director	Nil
Mr. Sudhir H. Gupta	Managing Director, Promoter	4

- **Whistle Blower Policy**

The Company has been formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company. This Policy covers misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers.



The vigil mechanism provides a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/or colleagues in general. It is affirmed that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website, [www.indiasteel.in](http://www.indiasteel.in)

- **CEO Certification**

The Managing Director & CEO has issued a Certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying the Financial Statements, the Cash Flow Statements and the Internal Control Systems for financial Year ended March 31, 2015 Venue and the same was placed before the Board of Directors at their meeting held on 30th May, 2015.

**(b) Stakeholders Relationship Committee :**

In compliance with the provisions of Section 178 of the Act and the Listing Agreement, the Board has renamed the existing Shareholders/Investors Grievance Committee as "Stakeholders Relationship Committee". This Committee ensures speedy disposal of all grievances/complaints relating to shareholders/investors. The terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company;
- To oversee the performance of the Registrar and Transfer Agent of the Company;
- To recommend measures for overall improvement in the quality of services to the investors;

The Committee comprised of:

Name of the Director	Status
Mr. S. P. Khosla	Chairman, Non-Executive Independent Director
Mr. Bimal Desai	Member, Independent Director
Mr. Ashwinkumar H. Gupta	Member, Executive Chairman

Four meetings were held during the year. The meeting was attended by all the members of the Committee. During the year 2014-15, the Company has not received any shareholders' complaints and there were no requests for dematerialization were pending as on 31st March, 2015.

Share Transfers in physical form are lodged with Link Intime India Private Ltd.. Transfers up to 2500 shares were processed and approved on weekly basis. A summary of transfer / transmission of securities of the Company, if any are also placed at every Stakeholders Relationship 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 Exchange.

**(c) Nomination and Remuneration Committee:**

In accordance with Section 178 of the Act read along with the applicable Rules thereto and Clause 49 under the Listing Agreement, the Board has "Nomination and Remuneration Committee", the composition of which is as follows:

Name of the Director	Status
Mr. S.P.Khosla	Chairman, Non-Executive Independent Director
Mr. Bimal Desai	Member, Non-Executive Independent Director
Mr. NeerajAgarwala (up to 12 <sup>th</sup> February 2015)	Member, Non-Executive Independent Director
Mr. Mahesh Sheregar ( w.e.f 4 <sup>th</sup> September, 2014)	Member, Non-Executive Director

The objective of this Policy is to lay down a framework and set standards in relation to nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and such other seniormanagement personnel in the organization. The terms of reference of the Committee inter alia, include the following:



- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management personnel;
- b) To evaluate the performance of the members of the Board as well as Key Managerial Personnel and senior management personnel and to provide rewards linked directly to their efforts, performance, dedication and achievement relating to Company's operations;
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- d) Assessing the independence of Independent Directors;

During the financial year 2014-15, the Nomination & Remuneration Committee met on 28<sup>th</sup> day of May, 2014 & 13<sup>th</sup> February, 2015, Mr. Neeraj Agarwal & Mahesh Sheregar were absented from the Meetings respectively.

#### **Appointment & Remuneration Policy:**

#### **A. Policy for appointment and removal of directors, KMP and senior management personnel**

##### **(i) Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management personnel and recommend to the Board his/her appointment.
- b) A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment.
- c) The Company shall not appoint or continue the employment of any person as Managing/ Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### **(ii) Term/Tenure**

###### **a) Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term subject to the provisions of the Companies act 2013 & rules made there under, not exceeding three years at a time for the time-being. No re-appointment shall be made earlier than one year before the expiry of term.

###### **b) Independent Director**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto a maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that the Independent Director shall not, during the said period of three years be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

##### **(iii) Evaluation**

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and senior management personnel at regular intervals.

**(iv) Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules & Regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or senior management personnel subject to the provisions and compliance of the said Act, Rules & Regulations.

**(v) Retirement**

The Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**B. Policy for remuneration to directors, KMP and senior management personnel****(i) Remuneration to Managing/Whole-time Directors, KMP and senior management personnel**

The remuneration/ compensation/ commission etc. to be paid to Managing/Whole-time Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time-being in force.

**(ii) Remuneration to Non-Executive/ Independent Director**

The non-executive Independent /Non-Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Act. The amount of sitting fees shall be subject to ceiling/limits as provided under the Act and Rules made thereunder or any other enactment for the time being in force.

The Nomination & Remuneration Policy of the Company has been uploaded and can be viewed on the Company's website ,[www.indiasteel.in](http://www.indiasteel.in).

**(c) Details of remunerations paid to the Directors during the financial year 2014-15:**

Name of the Director	Salary & Perquisites ₹ in Lacs	Contribution to PF	Commission	Sitting Fees ₹ in Lacs
Mr. Ashwinkumar H. Gupta	27.05	Nil	Nil	Nil
Mr. Sudhir H. Gupta	47.60	Nil	Nil	Nil
Mr. Varun S. Gupta	42.32	Nil	Nil	Nil
Mr. Mahesh Sheregar	Nil	Nil	Nil	Nil
Mr. S. P. Khosla	Nil	Nil	Nil	0.30
Mr. Bimal Desai	Nil	Nil	Nil	0.30
Mr. NeerajAgarwala	Nil	Nil	Nil	Nil
Mr. Rahul M. Yenukar	53.94	Nil	Nil	Nil

**4. Annual General Meetings**

The last three Annual General Meetings of the Company were as under:

Financial Year	Date	Location	Time
2013-14	8.09.2014	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.	11.30 a.m
2012-13	10.08.2013	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.	11.30 a.m
2011-12	3.08.2012	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.	11.30 a.m

Special resolutions:

- At the 27<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> September 2014, the following Special resolutions were passed:
  - a. Approval to the appointment of Mr. Rahul Yenukar as a Director & Whole-time Director designated as "Director-Technical".
  - b. Re-appointment of Mr. Ashwinkumar H. Gupta as a Whole-time Director designated as "Executive Chairman".
  - c. Increase in Remuneration of Mr. Sudhir H. Gupta, Managing Director



- d. Increase in Remuneration of Mr. Varun S. Gupta, Executive Director
- e. Approval of arrangements / transactions with Related party
- At the 26th 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 1st 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 25th Annual General Meeting held on August 3, 2012 no special resolutions were passed.

## 5. Disclosures

- (i) There were transactions of material nature with related party. The transactions were made during ordinary course of business on arms length basis. The details of related party transactions have been reported in the Notes to Accounts. Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website and the weblink of the same is <http://indiasteel.in/pdfs/Policy%20on%20dealing%20with%20the%20Related%20Party%20Transactions.pdf>
- (ii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iii) The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided elsewhere in this report.
- (iv) The Company has Risk Management Policies for the businesses, duly approved by the Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.
- (v) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- (vi) Disclosure under Clause 5 All of the Listing Agreement in respect of unclaimed shares of India Steel Works Limited

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	No. of Shareholders and Shares outstanding as at 31.03.2014	237	43600
2	Requests received from the shareholders and subsequently transfer of shares from the suspense account	Nil	Nil
3	No. of Shareholders and Shares outstanding as at 31.03.2015	237	43600

The voting rights on the shares outstanding in the suspense account as on March 31, 2015 are frozen till the rightful owner of such shares claims the shares. Whenever the shareholders shall claim the shares, after proper verification, the share certificates will be dispatched to them or as the case may be, the shares will be credited to the beneficiary account.

- (vii) There was no instance of non-compliance of any matter relating to the capital markets by the Company. No penalties or strictures have been imposed on the Company by the stock exchange, SEBI or any other statutory authorities on any matter relating to the capital market during the last three years.
- (viii) The details of the equity shares of the Company held by the Directors as on 31st March, 2015 are as under:
  - Mr. Ashwinkumar H. Gupta -5515825
  - Mr. Sudhirkumar H. Gupta -5382725
  - Mr. Varun S. Gupta -204800
  - Mr. S.P.Khosla -1500



**6. Means of Communication**

The quarterly un-audited and yearly audited financial results are published in English and regional language newspapers. The financial results, shareholding pattern and other corporate communication to stock exchanges, filed in compliance of the Listing Agreement, are available at the website of BSE and corporate website of the Company [www.indiasteel.in](http://www.indiasteel.in). Information about the Company and its businesses, including products, financial results, shareholding pattern, code of conduct, etc. is available at the corporate website: [www.indiasteel.in](http://www.indiasteel.in).

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

Date : 28<sup>th</sup> day of September, 2015.

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, 21<sup>st</sup> September, 2015 to Monday, 28<sup>th</sup> September, 2015** (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
14-Apr	5.99	3.24
14-May	6.45	5.03
14-Jun	5.45	3.81
14-Jul	4.19	3.18
14-Aug	4.00	2.55
14-Sep	4.28	2.55
14-Oct	3.85	2.66
14-Nov	4.71	3.50
14-Dec	3.79	2.79
15-Jan	4.00	2.80
15-Feb	3.41	2.45
15-Mar	3.84	2.36
15-Apr	3.75	2.40

**G. Registrar & Share Transfer Agents**

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

LINK INTIME INDIA PVT LIMITED Phone: 022 25946970,

C-13, Pannalal Silk Mills Compound, Fax : 022 25946969

L. B. S. Marg, Bhandup (West), Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Mumbai-400 078 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, SenapatiBapatMarg, 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). The transfers are normally processed within a period of 15 days from the date of receipt if the documents are complete in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 15 days. 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, 2015.**

SHAREHOLDING OF SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARES	PERCENTAGE OF TOTAL
1 -- 500	9151	80.8249	1896336	0.4764
501 -- 1000	968	8.5497	859248	0.2158
1001 -- 2000	469	4.1424	760773	0.1911
2001 -- 3000	191	1.687	505712	0.127
3001 -- 4000	81	0.7154	297693	0.0748
4001 -- 5000	121	1.0687	588916	0.1479
5001 -- 10000	159	1.4043	1178668	0.2961
10001 & above	182	1.6075	391993579	98.4708
Total:	11322	100	398080925	100

**K. Shareholding Pattern**

Category Code	Category of shareholder	Number of shareholders	Total number of shares	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) =
(I)	(II)	(III)	(IV)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>1</b>	<b>Indian</b>						
(a)	Individuals/Hindu Undivided Family	14	11271377	2.83	2.83	5100000	0.00
(b)	Central Government/State Government(s)	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	12	187322650	47.06	47.06	46187600	24.66
(d)	Financial Institutions / Banks	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0.00	0.00	0	0.00
	<b>Sub Total (A)(1)</b>	<b>26</b>	<b>198594027</b>	<b>49.89</b>	<b>49.89</b>	<b>51287600</b>	<b>25.83</b>
<b>2</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0.00	0.00	0	0.00
	<b>Sub Total (A)(2)</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>26</b>	<b>198594027</b>	<b>49.89</b>	<b>49.89</b>	<b>51287600</b>	<b>25.83</b>



Category Code	Category of shareholder	Number of shareholders	Total number of shares	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) =
(I)	(II)	(III)	(IV)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100
<b>(B)</b>	<b>Public shareholding</b>						
<b>1</b>	<b>Institutions</b>						
(a)	Mutual Funds/UTI	3	3600	0.00	0.00	-	-
(b)	Financial Institutions / Banks	6	7812475	1.96	1.96	-	-
(c)	Central Government/State Government(s)	0	0	0.00	0.00	-	-
(d)	Foreign Mutual Fund	1	14334300	3.60	3.60	-	-
(e)	Foreign Financial Institutions	4	14900	0.00	0.00	-	-
(f)	Foreign Institutional Investors	2	14334300	3.60	3.60	-	-
(g)	Foreign Venture Capital Investors	0	0	0.00	0.00	-	-
(h)	Qualified Foreign Investors	0	0	0.00	0.00	-	-
(l)	Any Other (specify)	0	0	0.00	0.00	-	-
	<b>Sub Total (B) (1)</b>	<b>16</b>	<b>36499575</b>	<b>9.17</b>	<b>9.17</b>		
<b>2</b>	<b>Non-institutions</b>						
(a)	Bodies Corporate	167	13880352	3.49	3.49	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	10956	8929031	2.24	2.24	-	-
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	14	15791264	3.97	3.97	-	-
(c)	Qualified Foreign Investors	0	0	0.00	0.00	-	-
(d)	<b>Any Other</b>						
i	Non Resident Indians (Repat)	38	4570613	1.15	1.15	-	-
ii	Non Resident Indians (Non Repat)	11	304420	0.08	0.08	-	-
iii	Foreign Companies	3	119260000	29.96	29.96	-	-
iv	Clearing Member	11	10236	0.00	0.00	-	-
v	Hindu Undivided Family	75	233878	0.06	0.06	-	-
vi	Market Makers	5	7529	0.00	0.00	-	-
	<b>Sub Total (B)(2)</b>	<b>11280</b>	<b>162987323</b>	<b>40.94</b>	<b>40.94</b>	-	-
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	<b>11296</b>	<b>199486898</b>	<b>50.11</b>	<b>50.11</b>	NA	NA
	<b>Total (A)+(B)</b>	<b>11322</b>	<b>398080925</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	0.00	0.00	0	0.00
ii	Public	0	0	0.00	0.00	0	0.00
	<b>Sub Total ( C )</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>11322</b>	<b>398080925</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. 99.54% of the Company's Listed Equity Share Capital was dematerialized as on 31.03.2015. The Company's shares are traded on the Stock Exchange, Mumbai.

**M. Plant Locations:**

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

**N. 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](http://www.indiasteel.in)

**O. NON-MANDATORY REQUIREMENTS:**

The compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement with Stock Exchange are:

- (a) Maintaining Non-Executive Chairman's Office: The Company has Executive Chairman so maintaining of such office not required.
- (b) Shareholder Rights: The quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders;
- (c) Audit Qualifications: The Company's financial statement for the year 2014-15 does not contain any audit qualification;
- (d) Separate posts of Chairman and CEO: The Company has separate post of chairman and MD/CEO.
- (e) Reporting of Internal Auditor: The Internal Auditor of the Company reports to the Managing Director(s) and has direct access to the Audit Committee.
- (f) The Company has formed a business risk evaluation/management Committee consisting of the following members:
  - 1) Chairman & Managing Director
  - 2) Whole-time Directors
  - 3) Operational/Department Head(s)

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management
2. Reviewing the policy and framework in line with applicable legal requirements / guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.



**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 2014-15.

For **India Steel Works Limited**

**Place: Mumbai**

**Dated: 30th May, 2015**

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

**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, 2014 and ending on March 31st, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 and as explained to us by the management, in our opinion, the Company has complied with Clause 49 of the Listing Agreement of the Stock Exchanges of India except (i) 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(ii) Appointment of Women Director (iii) appointment of CFO.

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: 30<sup>th</sup> May, 2015

V K Thanawala  
Proprietor  
Membership no. 15632



## Independent Auditor's Report

To,

**India Steel Works Limited**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **India Steel Works Limited**, which comprise the Balance Sheet as on March 31, 2015, the Statement of Profit and Loss, the 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**

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authorities pronouncements, issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

8. 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 31, 2015;
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and



explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

10. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us-
  - i. The Company has disclose the impact of pending litigation on its financial position in its financial statements.
  - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, the question of delay of transferring funds does not arise.

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

[ V.K. Thanawala ]  
*Proprietor*

Place : Mumbai  
Dated : 30/5/2015

Membership No. 15632

**Annexure to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of **India Steel Works Limited** on the standalone financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) As explained to us, inventories 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.
- iii. (a) The Company has granted unsecured loans, to two companies covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.  
(b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lac at the year end.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules 2014 as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax except property tax of ₹ 28.19 lacs and of ₹ 11.32 lacs outstanding for more than Six months as on 31st March, 2015.  
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax and service tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Status	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	2.37	F.Y. - 2011/2012	CIT (Appeals)
Sales Tax Act	11.24	F.Y. - 2002/2003	Sales Tax Officer
Sales Tax Act	148.28	F.Y. - 2008/2009	Deputy Comm. Of Vat
Excise Duty	9.64	F.Y. - 2012/2013	Addl. Comm. Of Central Excise
Excise Duty	4.30	F.Y. - 2004/2005	Comm. Of Central Excise





Status	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Excise Duty	40.98	F.Y. - 2003/2004	CEGAT
Excise Duty	38.00	F.Y. - 2005/2006	Comm. Of Central Excise
Excise Duty	296.91	F.Y. - 2012/2013	DGCI
Excise Duty	1.91	F.Y. - 2008/2009	Comm. Of Central Excise

- (c) According to information & explanation given to us there are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- viii. The Company has accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution or bank nor has it issued any debentures as at the balance sheet date. The provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
- xi. The Company has not raised any term loans, Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management,

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

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

Place : Mumbai  
Dated : 30/5/2015



Balance Sheet as at 31st March, 2015

PARTICULARS		Note No.	As at 31st March, 2015 ₹ In Lacs	As at 31st March, 2014 ₹ In Lacs
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	10,399.40	10,399.40
	(b) Reserves and surplus	3	12,899.21	5,273.93
	(c) Money received against share warrants			
			23,298.61	15,673.33
<b>2</b>	<b>Share application money pending allotment</b>			
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	3,759.72	4,060.27
	(b) Deferred tax liabilities (net)	4C	-	-
	(c) Other long-term liabilities	5	-	1,425.45
	(d) Long-term provisions	6	438.21	359.19
			4,197.93	5,844.91
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	3,684.96	2,488.41
	(b) Trade payables	8	12,456.76	10,101.68
	(c) Other current liabilities	9	3,689.48	2,124.80
	(d) Short-term provisions	10	1,341.35	1,149.74
			21,172.54	15,864.63
	<b>TOTAL</b>		48,669.08	37,382.87
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11A	24,775.06	15,616.00
	(ii) Intangible assets		41.64	18.44
	(iii) Capital work-in-progress	11B	-	904.03
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			24,816.70	16,538.47
	(b) Non-current investments	12	214.77	214.24
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	13	1,849.75	684.68
	(e) Other non-current assets	14	12.47	16.63
			26,893.69	17,454.01
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	15	11,528.06	7,612.96
	(c) Trade receivables	16	4,174.48	3,926.55
	(d) Cash and cash equivalents	17	185.67	185.84
	(e) Short-term loans and advances	18	3,038.48	3,739.75
	(f) Other current assets	19	2,848.70	4,463.77
			21,775.39	19,928.86
	<b>TOTAL</b>		48,669.08	37,382.87
	<b>Significant Accounting Policies, Notes on Financial Statements</b>	1-32		

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

Sudhirkumar H Gupta  
Managing Director

Varun S. Gupta  
Executive Director

Place : Mumbai  
Date : 30th May 2015

Dilip Maharana  
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	For the year ended 31st March, 2015 ₹ In Lacs	For the year ended 31st March, 2014 ₹ In Lacs
<b>INCOME</b>			
1 Revenue from operations (gross)	20	57,348.07	66,987.09
Less: Excise duty		6,051.44	5,664.37
Revenue from operations (net)		51,296.63	61,322.72
2 Other income	21	521.47	1,666.90
<b>3 Total revenue (1+2)</b>		<b>51,818.10</b>	<b>62,989.62</b>
<b>4 EXPENDITURE</b>			
(a) Cost of materials consumed	22	38,052.91	34,653.37
(b) Purchases of stock-in-trade	22B	3,235.66	15,900.99
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22C	-3,335.78	1,041.95
(c) Employee benefits expense	23	1,787.32	1,417.17
(d) Finance costs	24	1,102.95	1,518.70
(e) Depreciation and amortisation expense		1,530.88	1,456.16
(f) Other expenses	25	9,236.39	7,119.50
<b>Total expenses</b>		<b>51,610.33</b>	<b>63,107.84</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		207.76	-118.22
6 Exceptional items	26	-	-1,136.69
<b>7 Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		207.76	-1,254.91
8 Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 ± 8)</b>		207.76	-1,254.91
<b>10 Tax expense:</b>			
(a) Current tax expense for current year		-	-
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		4.30	-2.48
(d) Net current tax expense		4.30	-2.48
(e) Deferred tax		-	-
		<b>4.30</b>	<b>-2.48</b>
<b>11 Profit / (Loss) after tax (9 ± 10)</b>		212.06	-1,257.39
<b>Earnings per equity shares of face value of Re 1/-each</b>			
Basic and Diluted (in ₹)	27	0.05	-0.32
Significant Accounting Policies, Notes on Financial Statements	1-32		

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

Sudhirkumar H Gupta  
Managing Director

Varun S. Gupta  
Executive Director

Place : Mumbai  
Date : 30th May 2015

Dilip Maharana  
Company Secretary

**Cash Flow Statement For The Year Ended 31st March, 2015**

	2014-15 ₹ In Lacs	2013-14 ₹ In Lacs
<b>Cash Flow from Operations</b>		
Net Profit / (Loss) before Tax	212.06	(1,257.39)
Other Income from Non Operating activity	(60.52)	(35.60)
Depreciation and Amortisation	1,530.88	1,456.16
Finance Cost	1,102.95	1,518.70
Prior Period Expenses/ Write Backs	182.32	(79.31)
Provision for Taxes	(4.30)	2.48
Loss on Sale of Assets	(241.36)	(1,551.99)
Provision for (increase)/ Diminution in value of Investments		-
Operating Profit / (Loss)	2,722.03	53.05
Decrease / (Increase) in Sundry Debtors	(247.93)	(1,263.27)
Decrease / (Increase) in Inventories	(3,915.11)	2,989.80
Decrease / (Increase) in Loans & Advances	1,155.42	(2,447.41)
Increase / (Decrease) in Sundry Creditors	2,764.95	(2,284.51)
Net Cash generated from / (used in) operations	2,479.36	(2,952.34)
Taxes Paid	4.30	(2.48)
Cash Flow before extraordinary / exceptional items	2,483.66	(2,954.82)
Extraordinary Ordinary / Exceptional Items	(182.32)	79.31
Cash Flow after extraordinary / exceptional items	2,301.34	(2,875.51)
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,412.04)	(1,810.50)
Sale of Fixed Assets	257.50	1,632.00
(Purchase)/Sale of Investment	(0.53)	
Dividend Received		
Cash Flow from financial activities	(2,155.07)	(178.50)
Increase (Decrease) in Cash received from Issuance of share capital		10,982.50
Increase / (Decrease) in Short Term Borrowings	1,196.54	100.86
Increase / (Decrease) in Long Term Borrowings	(300.56)	(7,375.07)
Interest Paid	(1,042.43)	(1,483.10)
Net Cash (used in) / from Financing Activities	(146.45)	2,225.19
Net increase in cash and cash equivalents	(0.17)	(828.82)
Cash and cash equivalent as at the beginning of the year	185.83	1,014.65
Cash and cash equivalent as at the end of the year	185.66	185.83

**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 Kumar H Gupta  
Managing Director**

**Varun S. Gupta  
Executive Director**

**Place : Mumbai  
Date : 30th May 2015**

**Dilip Maharana  
Company Secretary**



## Notes forming part of the financial statements

### 1 Significant Accounting Policies-

#### 1.1 Basis for preparation of financial statements

The financial statements have been prepared on historical cost convention on accrual basis 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 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounts Rules, 2014, the relevant provisions of the Companies Act 2013 ("The 2013 Act")/ Companies Act 1956 ) 'The 1956 Act'), as applicable.

The accounting policies adopted in the preparation of this financial statements are consistent with those of the previous year. .

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.

#### 1.2 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.

#### 1.3 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.

#### 1.4 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.

#### 1.5 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.

#### 1.6 Depreciation :

Depreciation on all tangible assets has been calculated on Straight Line Method (SLM) as per the rates and manner prescribed under Schedule II of the Companies Act, 2013.

#### 1.7 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.

#### 1.8 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.



## Notes forming part of the financial statements

### 1.9 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.

### 1.10 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.

### 1.11 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 net value (Excluding indirect taxes).

### 1.12 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.

### 1.13 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.

### 1.14 Miscellaneous Expenditure :

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

### 1.15 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.

### 1.16 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.

### 1.17 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.



Notes forming part of the financial statements

Note 2 Equity Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amt in ₹ Lacs	Number of shares	Amt in ₹ Lacs
(a) Authorised Equity shares of Re 1/- each with voting rights	420,000,000	4,200.00	420,000,000	4,200.00
(b) Issued Equity shares of Re 1/- each with voting rights	398,080,925	3,980.81	398,080,925	3,980.81
<b>Total</b>	<b>398,080,925</b>	<b>3,980.81</b>	<b>398,080,925</b>	<b>3,980.81</b>
(c) Subscribed and fully paid up Equity shares of Re 1/- each with voting rights	398,080,925	3,980.81	398,080,925	3,980.81
<b>Total</b>	<b>398,080,925</b>	<b>3,980.81</b>	<b>398,080,925</b>	<b>3,980.81</b>

Refer Notes (i) to (vi) below

2A

Of the above, 8,70,00,000 fully paid-up equity shares of ₹ 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 ₹ 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 ₹ 1/- each represent the shares which were allotted pursuant to cash payment of ₹ 1 Lac & balance against settlement of dues in the last 5 years.

Note 2A1 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 31 March, 2015			
- Number of shares	398,080,925		398,080,925
- Amount	3,980.81	-	3,980.81
Year ended 31 March, 2014			
- Number of shares	398,080,925		398,080,925
- Amount	3,980.81	-	3,980.81

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

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	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	24.66	98,134,150	24.66
TB Investments Ltd	27,000,000	6.78	27,000,000	6.78
UD Industrial Holding Pte Ltd.	92,000,000	23.11	92,000,000	23.11
<b>TOTAL</b>	<b>217,134,150</b>	<b>54.55</b>	<b>217,134,150</b>	<b>54.55</b>



Notes forming part of the financial statements

Note 2B Preference Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amt in ₹ Lacs	Number of shares	Amt 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 ₹ 28,62,186/- & till date amounted to ₹ 5,25,10,711/-

Note 2B 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 31 March, 2015			
- Number of shares	64,185,884	-	64,185,884
- Amount	6,418.59	-	6,418.59
Year ended 31 March, 2014			
- 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 31 March, 2015		As at 31 March, 2014	
	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 31 March, 2015	As at 31 March, 2014
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 2C Unclassified Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amt in ₹ Lacs	Number of shares	Amt in ₹ Lacs
(a) Authorised				
Unclassified shares	-	50.00	-	50.00
(b) Issued, Subscribed and fully paid up	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 3 Reserves and surplus

Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amt in ₹ Lacs	Amt in ₹ Lacs
(a) Capital reserve		
Opening balance	4,451.30	4,451.30
Add : Revaluation during the year	7,413.22	
Closing balance	11,864.52	4,451.30
(b) Securities premium account		
Opening balance	18,019.38	8,676.88
Add : Received during the year		9,342.50
Closing balance	18,019.38	18,019.38
(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	-19,736.75	-18,479.37
Add: Profit / (Loss) for the year	212.06	-1,257.39
Closing balance	<b>-19,524.69</b>	<b>-19,736.75</b>
<b>Total (a)+(b)+(c)+(d)+(e)</b>	<b>12,899.21</b>	<b>5,273.93</b>



Notes forming part of the financial statements

Note 4 Long-term borrowings

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Term loans		
(1) From banks		
i) Secured * - Kotak Mahindra Bank Ltd.	523.92	864.93
ii) Unsecured		-
	523.92	864.93
(2) From others		
i) Secured	16.28	40.58
ii) Unsecured		
a) Others **	3,214.96	3,145.21
b) From related parties **	4.55	9.55
	3,235.80	3,195.35
(b) Deferred payment liabilities		
Secured	-	-
Unsecured	-	-
(c) Deposits		
Secured	-	-
Unsecured	-	-
	-	-
<b>Total</b>	<b>3,759.72</b>	<b>4,060.27</b>

\* Above debts are secured/to be secured by first mortgage & charges on all immovable 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

Note 4 Long-term borrowings (contd.)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Amt in ₹ Lacs		Amt in ₹ Lacs	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks/NBFC's:				
Kotak Mahindra Bank Ltd.	523.92	-	864.93	-
Sundaram Finance Ltd	0.54	-	20.01	-
Toyota Financial Services Ltd.	15.74	-	20.57	-
	540.20	-	905.51	-
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 4C Deferred Tax Liability**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt 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 5 Other long-term liabilities**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Others:		
(i) Capital expenditure pending against insurance claims	-	1,425.45
(ii) Contractually reimbursable expenses		
(iii) Trade / security deposits received		
(iv) Capital expenditure with long term payment	-	
(v) Creditors with long term payment	-	
<b>Total</b>	<b>-</b>	<b>1,425.45</b>

**Note 6 Long-term provisions**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	70.06	55.64
(ii) Provision for gratuity	203.15	138.55
(iii) Provision for post-employment medical benefits		
	273.21	194.19
(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	165.00
	165.00	165.00
<b>Total</b>	<b>438.21</b>	<b>359.19</b>

**Notes forming part of the financial statements****Note 7 Short-term borrowings**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Loans repayable on demand		
From banks		
Secured - Kotak Bank Ltd.	1,572.54	2,488.41
- DNSB	2,112.41	-
Unsecured		
	3,684.96	2,488.41
From other parties	-	-
(b) Deposits		
Secured	-	-
Unsecured	-	-
(c) Deferred Payment Liability		
Secured	-	-
Unsecured	-	-
	-	-
<b>Total</b>	<b>3,684.96</b>	<b>2,488.41</b>

**Notes: Kotak Mahindra Bank Ltd & DNS Bank Ltd. has sanctioned Cash Credit/WCDL 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 8 Trade payables**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Trade payables:		
Micro Small & medium Enterprises		
Others	12,456.76	10,101.68
<b>Total</b>	<b>12,456.76</b>	<b>10,101.68</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 9 Other current liabilities**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Unpaid dividends		
(b) Interest accrued & due on borrowings	17.06	19.94
(c) Other payables		
(i) Statutory remittances:-		
Vat/CST Payable	-	-
Service Tax Payable	4.85	2.43
TDS Payable	45.55	44.14
PF & ESIC Payable	6.82	4.09
PT Payable	0.93	0.89
MLWF Payable	1.40	1.03
Mediclinam Claim Payable	-	-
Property Tax/Cess Payable	39.52	52.41
(ii) Payables on purchase of fixed assets	2,181.25	330.89
(iii) Employee's Loan Repayment	2.10	2.04
(iv) Unpaid Bonus	5.97	6.14
(v) Share Application Money received & due for refund	-	-
(vi) Advance from Customers	1,384.03	1,660.80
<b>Total</b>	<b>3,689.48</b>	<b>2,124.80</b>

**Note 10 Short-term provisions**

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Provision for employee benefits		
(i) Provision for bonus	39.11	35.21
(ii) Provision for Salary	130.95	105.61
(iii) Provision for Leave Encashment	170.06	140.82
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)		
(ii) Provision for Electricity Expenses	660.82	570.53
(iii) Provision for Purchase Bills Not Booked	290.54	244.86
(iv) Provision for Expenses	219.94	189.23
(v) Provision for Professional Fees		
(vi) Provision for Telephone, Internet & Postage		
(vii) Provision for Rent		
(viii) Provision for Wealth Tax	-	4.30
	1,171.29	1,008.92
<b>Total</b>	<b>1,341.35</b>	<b>1,149.74</b>



**NOTE NO. 11.A : FIXED ASSETS :**

(Amt ₹ in Lacs)

Sr No	TANGIBLE ASSET	GROSS BLOCK			DEPRECIATION			IMPAIRMENT		NET BLOCK	
		AS ON 01.04.2014	ADDITIONS	TRANSFERS/ DEDUCTIONS	AS ON 31.03.2015	AS ON 01.04.2014	FOR THE YEAR	AS ON 31.03.2015	AS ON 31.03.2014	AS ON 31.03.2015	AS ON 31.03.2014
1	LAND	116.00	7,413.22	-	7,529.22	-	-	-	-	7,529.22	116.00
2	FACTORY BUILDINGS	4,196.26	65.06	1,300.86	4,261.32	133.08	1,433.94	208.38	208.38	2,619.00	2,487.02
3	OFFICE/RESIDENTIAL BUILDINGS	189.68	11.49	35.96	201.17	-	35.96	4.00	4.00	161.21	149.73
4	PLANT & MACHINERY	32,141.96	3,198.55	17,577.62	35,293.25	1,368.22	18,902.22	2,264.74	2,264.74	14,126.29	12,299.60
5	DATA PROCESSING EQUIPMENT	159.91	3.60	154.45	163.51	0.69	155.14	4.01	4.01	4.35	1.45
6	MOTOR VEHICLES	181.67	-	57.09	159.94	16.16	64.02	1.24	1.24	94.68	123.34
7	OFFICE EQUIPMENT & APPLIANCES	49.19	6.48	18.19	55.67	2.63	20.81	-	-	34.86	31.01
8	FURNITURE & FIXTURES	273.51	7.69	64.63	281.20	10.11	74.74	1.01	1.01	205.44	207.86
	<b>TOTAL</b>	<b>37,308.17</b>	<b>10,706.08</b>	<b>68.98</b>	<b>47,945.27</b>	<b>1,530.88</b>	<b>20,686.83</b>	<b>2,483.37</b>	<b>2,483.37</b>	<b>24,775.06</b>	<b>15,616.00</b>

Sr No	INTANGIBLE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2014	ADDITIONS	TRANSFERS	AS ON 31.03.2015	AS ON 01.04.2014	FOR THE YEAR	AS ON 31.03.2015	AS ON 31.03.2014
	Overseas Projects	18.44	23.20	-	41.64	-	-	-	18.44
	<b>TOTAL</b>	<b>18.44</b>	<b>23.20</b>	<b>-</b>	<b>41.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.44</b>

Sr No	WORK IN PROGRESS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2014	ADDITIONS	TRANSFERS	AS ON 31.03.2015	AS ON 01.04.2014	FOR THE YEAR	AS ON 31.03.2015	AS ON 31.03.2014
1	BUILDINGS (WIP)	-	-	-	-	-	-	-	-
2	PLANT & MACH. (WIP)	904.03	-	904.03	-	-	-	-	904.03
3	FURNITURE & FIXTURE (WIP)	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>904.03</b>	<b>-</b>	<b>904.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>904.03</b>
	<b>GRAND TOTAL</b>	<b>38,212.20</b>	<b>10,706.08</b>	<b>973.01</b>	<b>47,945.27</b>	<b>1,530.88</b>	<b>20,686.83</b>	<b>2,483.37</b>	<b>16,538.47</b>
	Previous Year	36,615.83	1,792.07	195.70	38,212.20	1,456.16	19,208.80	2,483.37	16,264.14

\*\* Addition to Land is on account of revaluation

**Note 11. B Fixed assets**

**B. Depreciation and amortisation relating to continuing operations:**

Particulars		As at 31 March, 2014 Amt in ₹ Lacs	As at 31 March, 2015 Amt in ₹ Lacs
Depreciation and amortisation for the year on tangible assets		1,530.88	1,456.16
<b>Depreciation and amortisation relating to continuing operations</b>		<b>1,530.88</b>	<b>1,456.16</b>



Notes forming part of the financial statements

Note 12 Non-current investments

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Investments (At cost):						
A. Trade						
(a) Investment in equity instruments						
(i) Subsidiaries						
(ii) Associates						
(iii) Others	-	212.81	212.81	-	212.28	-
<b>Total</b>	-	212.81	212.81	-	212.28	-
(b) Investment in preference shares						
(i) Subsidiaries						
<b>Total</b>	-	-	-	-	-	-
<b>Total - Trade (A+B)</b>	-	212.81	212.81	-	212.28	-
B. Other investments						
(a) Investment in equity instruments						
(i) Other Entities	1.96		1.96	1.96		1.96
<b>Total - Other (B)</b>	1.96	212.81	214.77	1.96	212.28	214.24

Note 13 Long-term loans and advances

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Advance income tax (TDS) Unsecured, considered good	108.02	97.72
(b) MAT credit entitlement - Unsecured, considered good		
(c) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable	221.97	191.84
(iii) Customs/Excise Duty/Service Tax/VAT paid under Protest	32.39	28.03
(d) Deposits	367.09	367.09
(e) Insurance Claim Receivable	1,120.27	-
<b>Total</b>	1,849.75	684.68

Note 14 Other non-current assets

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Unamortised expenses		
(i) Deferred Revenue Expenditure		-
(ii) Preliminary Expenses	12.47	16.63
<b>Total</b>	12.47	16.63



Notes forming part of the financial statements

Note 15 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	₹ in Lacs Current	₹ in Lacs Non current	₹ in Lacs Current	₹ in Lacs Non current
(a) (i) Raw materials (including Consumables/Stores/Tools )	3,639.32	48.74	2,606.71	483.59
(ii) Raw materials in Transit	51.81		70.25	
	3,691.13	48.74	2,676.96	483.59
(b) Work-in-progress	5,217.09	461.64	2,671.80	544.38
(c) Finished goods (other than for trading)	1,967.67	62.78	1,060.73	96.48
(d) Stock-in-trade (for trading)	-	79.01	-	79.01
<b>Total</b>	<b>10,875.88</b>	<b>652.18</b>	<b>6,409.50</b>	<b>1,203.46</b>

Note 16 Trade receivables

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Secured, considered good		
Unsecured, considered good	1,577.21	348.06
Doubtful		
	1,577.21	348.06
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
Secured, considered good		
Unsecured, considered good	2,597.27	3,578.48
Doubtful		
	2,597.27	3,578.48
<b>Total</b>	<b>4,174.48</b>	<b>3,926.55</b>

Note 17 Cash and cash equivalents

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Cash on hand	133.89	137.32
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	33.16	41.40
(ii) In EEFC accounts		
(iii) In deposit accounts (Maturing within 12 months)	18.61	7.11
(iv) In earmarked accounts		
- Unpaid dividend accounts		
<b>Total</b>	<b>185.67</b>	<b>185.84</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 18 Short-term loans and advances

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt in ₹ Lacs
(a) Security deposits		
(i) Secured, considered good	182.89	182.89
(ii) Unsecured, considered good (Others)	73.82	69.14
(iii) Unsecured, considered good (Related Parties)	52.00	52.00
	308.71	304.02
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	65.03	57.51
(Maximum Balance due from officers of the company Rs 30,42,047/-)		
	65.03	57.51
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	70.24	77.80
	70.24	77.80
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	1,727.57	2,082.04
(ii) Service Tax credit receivable	141.99	203.03
(iii) Deposit for Sales Tax Appeal	7.50	7.50
(iv) Excise Rebate Claim	290.99	558.94
	2,168.05	2,851.51
(e) Inter-corporate Loans & Advances		
Secured, considered good	-	-
Unsecured, considered good Others	422.63	445.09
Unsecured, considered good Related Parties	3.83	3.83
Doubtful	-	-
	426.45	448.91
<b>Total</b>	<b>3,038.48</b>	<b>3,739.75</b>

Note 19 Other current assets

Particulars	As at 31 March, 2015 Amt in ₹ Lacs	As at 31 March, 2014 Amt 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	14.76	17.30
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(c) Others		
(i) Insurance Claim Receivable	1,229.29	3,692.44
(ii) Advance to Suppliers	1,457.96	496.25
(iii) Advance to Capex Suppliers	114.22	124.64
(iv) DEPB Receivable	23.52	23.52
(v) Duty Drawback Receivable	1.10	0.92
(vi) Job Work Charges Accrued on FG	7.85	20.35
(vii) Claims Receivable	-	88.34
<b>Total</b>	<b>2,848.70</b>	<b>4,463.77</b>



Notes forming part of the financial statements

Note 20 Revenue from operations

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
(a) Sale of products	55,681.16	66,200.54
(b) Sale of Scrap	70.72	56.68
(c) Labour Charges Received	1,592.74	726.58
(d) Export Incentives	3.45	3.30
	57,348.07	78,784.81
Less : Excise Duty	6,051.44	5,664.37
<b>Total</b>	<b>51,296.63</b>	<b>72,486.38</b>

excluding Excise Duty & VAT

Note 21 Other income

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
<b>Operating</b>		
(a) Miscellaneous Income	0.24	-
(b) Interest income		
Interest on Bank Deposits (TDS Rs 7,164/- )	1.57	6.25
Other Interest Income (TDS Rs 1,60,936/ -)	58.71	29.35
(c) Dividend income: from current investments others		-
(d) Sundry Balances W/off	7.31	16.20
(e) Excess Provision W/Back	175.01	63.11
(f) Profit on Sale of Assets	241.36	1,551.99
(g) Insurance Claim	37.26	-
<b>Total</b>	<b>521.47</b>	<b>1,666.90</b>

Note 22.a Cost of materials consumed

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
Opening stock	3,160.54	5,108.39
Add: Purchases	39,591.52	32,401.86
Add: Transport Inwards	358.54	341.26
Less: Sales	-1,317.83	-37.60
	41,792.78	37,813.91
Less: Closing stock	3,739.87	3,160.54
<b>Cost of material consumed</b>	<b>38,052.91</b>	<b>34,653.37</b>
Material consumed comprises:		
Scrap & Ferro Alloys	35,126.56	31,039.84
Steel Billets	304.10	1,892.06
Wire Rods/Coils	110.40	16.14
Other items	2,511.85	1,705.33
<b>Total</b>	<b>38,052.91</b>	<b>34,653.37</b>

Note 22.b Purchase of traded goods @

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
Other items	3,235.66	15,900.99
<b>Total</b>	<b>3,235.66</b>	<b>15,900.99</b>



## Notes forming part of the financial statements

## Note 22.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
<u>Inventories at the end of the year:</u>		
Finished goods	2,030.45	1,157.22
Work-in-progress	5,678.73	3,216.18
Stock-in-trade	79.01	79.01
	7,788.19	4,452.41
<u>Inventories at the beginning 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
<b>Net (increase) / decrease</b>	<b>-3,335.78</b>	<b>1,041.95</b>

## Note 23 Employee benefits expense

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
Salaries and wages	1,436.68	1,230.68
Directors Remuneration	170.92	47.31
Contributions to provident and other funds	35.62	25.28
Contributions to Gratuity	68.58	32.32
Employee Insurance	5.16	6.08
Staff welfare expenses	53.96	61.00
Leave Encashment	16.39	14.49
<b>Total</b>	<b>1,787.32</b>	<b>1,417.17</b>

## Note 24 Finance costs

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
(a) Interest expense on:		
(i) Borrowings/supplier credit	834.41	710.66
(ii) LC Charges		
(iii) Others		
- Interest on delayed / deferred payment of taxes	33.09	40.87
- Unsecured Loans	127.50	139.94
- Vehicle Loans	3.42	4.87
(b) Other borrowing costs		
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	75.52	618.26
(d) Bank Charges & Commission	29.01	4.11
<b>Total</b>	<b>1,102.95</b>	<b>1,518.70</b>



Notes forming part of the financial statements

Note 25 Other expenses

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
<b>A) Manufacturing Expenses</b>		
Labour Charges	1,454.17	953.29
Power and fuel	5,673.12	4,937.89
Lease Hire Charges	34.79	24.62
Water	3.56	4.42
Repairs and maintenance - Buildings	17.92	-
Repairs and maintenance - Machinery	255.66	216.97
Repairs and maintenance - Others	18.24	20.80
A)	7,457.47	6,157.99
<b>B) Selling Expenses</b>		
Packing Materials	115.80	54.96
Bad Debts		
Provision for Bad Debts	-	50.00
Transport Outward	374.07	309.06
Commission & Brokerage	58.34	45.95
Travelling Expenses	134.16	111.65
Exhibition Expenses	37.67	53.51
Sales Promotion	10.06	12.50
Other Selling Expenses	6.84	10.23
B)	736.95	647.85
<b>C) General Administration Expenses</b>		
Communication Expenses	28.70	28.81
Printing & Stationery	16.24	9.48
Legal & Professional Fees	299.08	344.53
Service Charges	3.48	3.01
Insurance Charges	60.57	45.75
Auditors Remuneration	10.88	12.25
Directors Sitting Fees	0.60	0.64
Rent Rates & Taxes	138.61	138.95
Motor Vehicle Expenses	55.70	42.50
Service Tax	10.58	27.19
Miscellaneous Expenses	344.97	195.00
Loss on Sale of Assets	-	-
Preliminary Expenses Written Off	4.16	4.16
Prior Period Expenses Written Off	68.42	41.39
Loss on Contract Cancellation of Ferro Alloys	-	-
C)	1,041.98	893.66
Less : Insurance Claim		-580.00
<b>Total A+B+C</b>	<b>9,236.39</b>	<b>7,119.50</b>



Notes forming part of the financial statements

Notes:

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ 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	2.28	2.79
Reimbursement of expenses		
As auditors - Internal audit	3.00	3.00
As auditors - Others	0.60	1.47
Total	10.88	12.25
(ii) Details of Prior period items (net)		
Prior period expenses (Customs Duty)	12.42	
Prior period expenses (Excise & Service Tax)	4.40	
Prior period expenses (VAT)		
Prior Period Interest	19.16	
Prior period purchase (change of accounting policy)		
Prior period expenses (Others)	32.44	41.39
	-	-
Total	68.42	41.39

Note 26.a Exceptional items

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
Provision no longer required written back	-	-
Investment Written Off	-	-
Settlement with Lenders	-	-791.69
Advisory services for Settlement with Lenders	-	-345.00
Profit on Sale of Fixed Assets	-	-
Total	-	-1,136.69

Note 26.b Extraordinary items

Particulars	For the year ended 31 March, 2015 Amt ₹ Lacs	For the year ended 31 March, 2014 Amt ₹ Lacs
	-	-
Total	-	-

27. Earnings Per Share (EPS)

	Period Ended 31-Mar-15	Year Ended 31-Mar-14
Profit/Loss after taxation (₹ in Lacs)	212.06	(1257.39)
Number of Equity Shares	398,080,925	398,080,925
Earnings per Share - Basic & Diluted	0.05	(0.32)
Face Value per Share	1	1



Notes forming part of the financial statements

28. Additional Information

	31st March 2015		31st March 2014	
		%ge		%ge
a) Total Value of consumption imported & indigenous				
Imported	2,359.67	6.20%	2,452.10	7.08%
Indigenous	35,693.24	93.80%	32,201.27	92.92%
Total	38,052.91	100.00%	34,653.37	100.00%
b) Value of Imports calculated on CIF basis				
i) Raw Materials & Consumables	2,148.98		2,452.10	
ii) Capital Goods	12.59		4.91	
c) Expenditure in foreign currency				
i) Travelling	116.35		42.25	
ii) Professional Fees	-		3.77	
iii) Exhibition Expenses	-		37.71	
iv) Others	24.72		-	
d) Amount remitted in foreign currencies on account of Dividends	-		-	
e) Earnings in Foreign Exchange				
i) Exports of Goods on FOB basis	133.81		1,148.70	
ii) Royalty, know-how, professional fees	-		-	
iii) Interest & Dividends	-		-	

**Note 29 :** 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)

30. RELATED PARTY DISCLOSURES

As per Accounting Standard 18, for the year ended 31st March 2015 (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
Mr.Ashwin H. Gupta Mr.Sudhir H Gupta Mr.Varun S.Gupta Mr.Rahul Yenukar Mr. Dilip Maharana	Key Managerial Personnel
India Steel Industries Indiasteel International	Enterprises over which Key Managerial Personnel are able to exercise significant influence



## Notes forming part of the financial statements

Nature of Transactions during the year ended with related parties	Associates	Key Managerial Personnel	Others
	Amount ₹		
	31st March 2015		
Lease Rentals			-
Labour Charges Paid	464.46		
Purchases	2632.18		
Purchases DEPB License	51.88		
Sales	15444.79		
Sale of Plant & Machinery (Net)	263.90		
Labour Charges Received	1104.68		
Commission	-	-	
Directors Remuneration	-	170.92	
Unsecured Loans	4.55	-	
Sundry Creditors	137.39	-	
Advance from Customers	1337.03		

## Note 31 : Contingent Liabilities &amp; Commitments

	31st March 2015	31st March 2014
A) Contingent Liabilities		
1) Claims against the company/disputed liabilities not acknowledged as debts	165.51	206.14
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	387.45	92.92
3) Sales Tax matters in respect of which show cause notices have been received & contested	159.52	174.52
4) Property Tax disputed	22.95	112.75
5) Preference Share Dividend	525.12	496.49
B) Commitments		
Estimated amount of contracts remaining to be executed on capital account & not provided for.	173.58	525.00

## Note 32 :

- 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

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

Sudhirkumar H Gupta  
Managing Director

Varun S. Gupta  
Executive Director

Dilip Maharana  
Company Secretary

Place : Mumbai

Date : 30th May 2015

**NOTICE**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of **INDIA STEEL WORKS LIMITED (CIN:L29100MH1987PLC043186 )** will be held on Monday the 28<sup>th</sup> day of September, 2015 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 businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, 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. Ashwinkumar H. Gupta (DIN-00010850) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahesh Sheregar (DIN- 02493456) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of 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** pursuant to the Ordinary Resolution passed by the Members at the 27th Annual General Meeting of the Company and the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the re-appointment of M/s. Thanawala & Co., Chartered Accountants (Firm Registration No.110948W), as the Statutory Auditors of the Company for the financial year ending on 31st March, 2016, at such remuneration as may be determined by the Board of Directors and the said Auditors, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds, things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**SPECIAL BUSINESS:**

5. 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 and 152 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Act and Clause 49 of the Listing Agreement, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. T. R. Bajalia ( DIN 02291892), who was appointed as an Additional Director on 13th day of February, 2015, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of 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 for a period of 5 (five) consecutive years up to February 12, 2020, not liable to retire by rotation.

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

6. 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 and 152 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Act and Clause 49 of the Listing Agreement, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Gaurav C. Chhabria ( DIN 05285290), who was appointed as an Additional Director on 13th day of February, 2015, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of 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 for a period of 5(five) consecutive years up to February 12, 2020, not liable to retire by rotation.





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

7. 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 requirements of Listing Agreement and provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr.S.P. Khosla, (DIN-01580588), who is a director liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company, for a term of 2 (two) consecutive years effective from 13th February, 2015, whose term of office shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper and expedient to give effect to this 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 and 152 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Act and Clause 49 of the Listing Agreement, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Kavita R. Joshi ( DIN 07138704), who was appointed as an Additional Director on 30th day of May, 2015, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of 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 for a period of 5(five) consecutive years up to May 29, 2020, not liable to retire by rotation.

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

9. 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. Varun S. Gupta (DIN-02938137), as Whole-time Director designated as "Executive Director" of the Company upon the terms and conditions as set out herein below:  
Period : 3 years with effect from 1<sup>st</sup> July, 2015 with liberty to either party to terminate by giving two months notice in writing to the other.

A. Salary: ₹ 2 Lacsp.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 ₹ 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 1st April each year from time to time at a rate not exceeding ₹ 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.

10. 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 all earlier resolutions passed by the shareholders of the Company in this respect and pursuant to clause (c) of sub-section (1) of section 180 and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, the Board of Directors of the Company (hereinafter called "the Board", which term shall be deemed to include any other Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers including the powers conferred on the Board of Directors by this resolution, or any person(s) authorised by the Board or its Committee for such purposes), is hereby authorised to borrow from time to time as it may think fit, by way of loans or any other financial facilities from, or issue of bonds, debentures or other Securities whether convertible into equity/preference shares and/or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity/preference shares to, bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body(ies) corporate, etc., whether share holder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 250 Crores (Rupees Two Hundred and Fifty Crores Only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such agreements, documents, papers and writings as may be deemed necessary, expedient or desirable to give effect to above resolutions.



**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**"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."

12. 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, 2016, 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."

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

**"RESOLVED THAT** pursuant to the provisions of the clause 49(VII) of the Equity Listing Agreement with the Stock Exchange and section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/approve all existing contracts / arrangements/ agreements and to enter into contract(s)/ transaction(s) with "Isinox Steels Limited" a related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of financial year 2014-15; having the following details and as detailed in the Explanatory Statement annexed hereto:

Description of Contract	Total cumulative contract value with Related Party (₹ In Crore)
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/ availing job-work and hire of facilities, availing / rendering of marketing/ business transfer and other services, leasing of factory / office premises/facilities or any other transactions.	600

**RESOLVED FURTHER** that the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

**RESOLVED FURTHER** that the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution."

By order of the Board

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

Dilip Maharana  
Company Secretary

Place: Mumbai

Date: 30<sup>th</sup> May, 2015

**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. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made there under, and in terms of the approval given by the members at the Annual general meeting of the Company held on 8<sup>th</sup> September, 2014, the current auditors of the Company, M/s. Thanawala & Co., Chartered Accountants (Firm Registration No.110948W), are eligible to hold the office for a period of three years, until conclusion of the 30<sup>th</sup> Annual General Meeting of Company, subject to ratification by members at every subsequent Annual General Meeting. The ratification of appointment of auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting along with their remuneration has been put up for the approval of members.
- E. Statement as required under section 102 (1) of the Companies Act, 2013, in respect of special business is annexed hereto.
- F. The Register of Members and the share transfer books of the Company will remain closed from Monday, the **21<sup>st</sup> day of September, 2015 to Monday, 28<sup>th</sup> day, of September, 2015** both days inclusive.
- G. The Registrar and Transfer Agent of the Company M/s. Link Intime India Pvt Ltd is handling registry work in respect of shares held both in physical form and in electronic / demat form.
- H. 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.
- I. Electronic copy of the 28<sup>th</sup> Annual Report (including the Notice) of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the Members whose E-mail Ids are registered with the Company/Depository Participant(s) for communication purposes. For Members other than the above, physical copies of the Annual Report are being sent in the permitted mode. 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.
- J. Members may also note that an electronic copy of the 28<sup>th</sup> Annual Report including Notice along with attendance slip and proxy form will be available on the Company's website at [www.indiasteel.in](http://www.indiasteel.in). Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making such a request for the same free of cost. For any communication, the shareholders may also send their request to the Company's investor E-mail Id: [cosec@indiasteel.in](mailto:cosec@indiasteel.in)
- K. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.
- L. 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.
- M. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- N. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.



- O. 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.
- P. 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.

**Q. Voting through electronic means**

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) of the Company by 'remote e-voting' (e voting at a place other than the venue of the AGM). The business may be transacted through remote e-voting services provided by the Central Depository Services Limited (CDSL).
2. The facility for voting through ballot/ polling paper shall also be made available to those shareholders who are present at the 28<sup>th</sup> AGM, but have not cast their votes by availing the remote e-voting facility. The Members who have exercised their voting through the remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
3. The instructions to members for voting electronically are as under :
  - (i) The remote e-voting period begins on **25<sup>th</sup> September, 2015** at 9.00 a.m. (IST) and ends on **27<sup>th</sup> September, at 5.00 p.m. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **21<sup>st</sup> Day of September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (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 sequence number which is printed on Postal Ballot / Attendance Slip indicated 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com)

**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 21<sup>st</sup> day of September, 2015 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 21<sup>st</sup> Day of September, 2015
- (c) VICKY M. KUNDALIYA, Proprietor of M/s. V. M. KUNDALIYA & ASSOCIATES PRACTICING COMPANY SECRETARIES MEMBERSHIP NO. FCS 7716 CP NO. 10989, Email Id:- [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 not exceeding three working days from the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him.
- (e) The results declared alongwith the scrutiniser's report shall be placed on the Company's Website and shall also be communicated to the stock exchanges. The resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Monday, 28<sup>th</sup> September, 2015.



## 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. 5, 6,7& 8: APPOINTMENT OF INDEPENDENT DIRECTORS

**Mr. T. R. Bajalia :**The Board of Directors of the Company appointed, pursuant to the provisions of sub-section (1) of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and on the basis of the recommendation of Nomination & Remuneration Committee, Mr. T. R. Bajalia, as an Additional Director independent of management of the Company with effect from February 13, 2015.

Mr. T. R. Bajalia aged about 62 years has more than 39 years of experience in the banking industry. He retired as the Deputy Managing Director of the SIDBI on 31st December, 2013. Before joining SIDBI, he was Executive Director in IDBI Bank, where he handled various portfolios e.g. Corporate Banking, Project Appraisal, NPA Management and Resolution, MSME Funding, Human Resource Management Development & Training, Legal, Management of Facilities and Infrastructure.

He played a significant role in the formation of the Micro Small and Medium Enterprises (MSME) vertical in IDBI in 2008. He has also served as a Nominee Director of IDBI on board of various State level institutions and large public listed companies.

He served as a Member of the Committee constituted by Reserve Bank of India for restructuring of SME and other concerns. He was also member of CDR empowered group, committees relating to MSME sector constituted by Reserve Bank of India.

He is a Graduate in Economics, a Cost Accountant and Certified Associate of the Indian Institute of Bankers.

In terms of the provisions of sub-section (1) of section 161 of Companies Act, 2013, Mr. T. R. Bajalia would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. T. R. Bajalia for the office of Director of the Company.

Mr. T. R. Bajalia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. T. R. Bajalia 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. Mr. T. R. Bajalia possesses appropriate skills, experience and knowledge.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. T. R. Bajalia as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. T. R. Bajalia as an Independent Director for a term of five years w.e.f 13<sup>th</sup> day of February, 2015, for the approval by the shareholders of the Company.

Mr. T. R. Bajalia is a Director in Capri Global Capital Limited, Capri Global Housing Finance Private Limited, Indigram Skill & Knowledge Initiatives Private Limited, Kanchan Sobha Finance Private Limited. He does not hold any shares directly or indirectly in the Company. He is a member of Audit Committee of Capri Global Capital Limited. He is not related to any of the Directors on the Board of the Company.

**Mr. Gaurav Chhabria:** The Board of Directors of the Company appointed, pursuant to the provisions of sub-section (1) of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and on the basis of the recommendation of Nomination & Remuneration Committee, Mr. Gaurav Chhabria, as an Additional independent Director of the Company with effect from February 13, 2015.

In terms of the provisions of sub-section (1) of section 161 of Companies Act, 2013, Mr. Gaurav Chhabria would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Gaurav Chhabria for the office of Director of the Company.

Mr. Gaurav Chhabria aged about 34 years is a Master of Commerce from University Of Queensland, Australia. He was



Superannuation Accountant (SMSF) in Super Answers Pty Ltd (Australia) August 2006 – September 2008, Chief Accounting Officer Kimatram & Sons Pvt Ltd. He has a good experience in the field of general and revenue accounting, accounts payable/receivable management, internal financial systems, direct and indirect tax functions, Manage and form accounting policies, procedures, reporting controls, financial compliance etc.

Mr. Gaurav Chhabria is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Gaurav Chhabria 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. Mr. Gaurav Chhabria possesses appropriate skills, experience and knowledge.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gaurav Chhabria as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gaurav Chhabria as an Independent Director for a term of five years w.e.f 13<sup>th</sup> February, 2015, for the approval by the shareholders of the Company.

Mr. Gaurav Chhabria does not hold any shares directly or indirectly in the Company. He has no directorship in any other Company.

**Mr. S. P. Khosla:** Mr. S. P. Khosla is serving on the Board of your company as an Independent Director, whose office is liable to retirement by rotation. Section 149(10) of the Companies Act, 2013 provides that an Independent Director can hold office for maximum two terms of up to five consecutive years on the Board. Section 149(13) of the said Act states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of Independent Directors. Also, Circular No. 14/2014 dated 9<sup>th</sup> June, 2014 of the Ministry of Corporate Affairs requires that the appointment of Independent Directors is to be made expressly under the provisions of Section 149 of the Companies Act, 2013. Accordingly, the Board at its meeting held on 13<sup>th</sup> February, 2015 has appointed Mr. S. P. Khosla, as Independent Director of the company for a term of two consecutive years effective from 13<sup>th</sup> February, 2015, subject to the approval of shareholders.

Mr. S.P. Khosla is not disqualified from being appointed as Director in terms of Section 164 of the Act and have 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.S.P.Khosla.

The Company has also received declarations from Mr. S. P. Khosla 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. S.P.Khosla fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement Mr. S.P. Khosla is independent of the management.

Mr. S.P.Khosla aged about 87 years, is a Law graduate and a Post Graduate in Economics. His experienced guidance has helped the Company. He is the Chairman of the Audit Committee, Stakeholders Committee, Nomination & Remuneration Committee of the Company. He holds 1500 equity shares in the share capital of the Company. In view of his rich experience the Board recommends his re-appointment as a Director not liable to retire by rotation.

**Mrs. Kavita R. Joshi** The Board of Directors of the Company appointed, pursuant to the provisions of sub-section (1) of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and on the basis of the recommendation of Nomination & Remuneration Committee, Mrs. Kavita R. Joshi, as an Additional independent Director of the Company with effect from May 30, 2015.

In terms of the provisions of sub-section (1) of section 161 of Companies Act, 2013, Mrs. Kavita R. Joshi would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Kavita R. Joshi for the office of Director of the Company.

Mrs. Kavita R. Joshi aged about 33 years is a Master of Commerce from Mumbai University & CS from Institute of Company Secretaries of India, New Delhi. She is in practice over 6 years as a Company Secretary. She has a good experience in the





field of Corporate Law. Mrs. Kavita R. Joshi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mrs. Kavita R. Joshi that she 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. Mrs. Kavita R. Joshi possesses appropriate skills, experience and knowledge.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Kavita R. Joshi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Kavita R. Joshi as an Independent Director for a term of five years, for the approval by the shareholders of the Company.

Mrs. Kavita R. Joshi does not hold any shares directly or indirectly in the Company. She has no directorship in any other Company.

Copy of draft letters for appointment of Mr. T.R. Bajalia, Mr. Gaurav Chhabria, Mr. S.P. Khosla, Mrs. Kavita R. Joshi as Independent Directors setting out the terms and conditions are available for inspection by members at the registered Office of the Company.

Except the appointee Directors no other Directors are interested in the resolutions set out at Item No. 5 to 8 of the notice with regard to their appointments. The relatives of the said appointee Directors may be deemed to be interested in the resolutions set out at Item no. 5 to 8 of the Notice, to the extent of their Shareholding interest, if any, in the Company.

Save and except the above, 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. The board commends the Ordinary Resolutions set out at Item No. 5 to 8 of the notice for approval of the shareholders.

#### **ITEM NO.9: REAPPOINTMENT OF MR. VARUN S. GUPTA AS EXECUTIVE DIRECTOR**

The Board of Directors of the Company at its meeting held on May 30, 2015 has, subject to the approval of members, re-appointed Mr. Varun S. Gupta as Whole-time Director, designated as Executive Director, for a period of 3 (three) years from the expiry of his present term, which will expire on 1<sup>st</sup> July, 2015, 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. Varun S. Gupta as Whole-time Director, designated as Executive Director are more specifically mentioned in the Resolution.

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

The statement as required under Part II of Section II, of the Schedule V of the Companies Act, 2013 with reference to:

- i. Payment of Remuneration is approved by the Board as well as the Nomination & remuneration committee of the Company.
- ii. 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;
- iii. 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 :
    - (1) Nature of Industry : Manufacturing of Stainless Steel and alloy steel long products.
    - (2) Date or expected date of commencement of commercial production : Existing Company, already commenced from 1987.



(3) 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	For the year ended 31.3.2015
1	Net sales / Income	60137.14	72486.38	61322.72	51296.63
2	Other operating Income	104.06	515.36	1666.90	521.47
3	Total Expenditure	60951.09	74080.94	63107.84	51610.33
4	Finance Cost	1476.87	1446.69	1518.70	1102.95
5	Profit/(loss) before Tax	-711.37	-1079.56	-1254.91	207.76
6	Tax Expenses	-1.89	-1.5	-2.48	-4.30
7	Net Profit/(loss): For the year	-713.26	-1081.06	-1257.39	212.06
8	Profit/(Loss) b/f from previous years	-16685.04	-17398.3	-18479.36	-19736.75

(4) Export performance and net foreign exchange earnings: on FOB basis is ₹ 133.80Lacs.

(5) Foreign Investments or Collaborators, if any: Nil

Back ground details: Mr.Varun S. Gupta, aged about 30 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 30th June, 2015.

2. Past Remuneration: Salary ₹ 2 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 ₹ 2.00Lacs 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:

Mr. 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.SudhirH.Gupta. No other managerial personnel have any relationship with Mr. Varun S. Gupta.

**ITEM NO.10 : BORROWING POWERS**

The Shareholders of the Company had authorised the Board of Directors of the Company by way of Special Resolution in the year 1996, under clause (d) of sub-section (1) of Section 293(now repealed) of the Companies Act, 1956to borrow moneys for the purpose of the Company's business in excess of the paid-up capital of the Company and its free reservesprovided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed ₹ 250Crores(Rupees Two Hundred and Fifty Crores).

However, pursuant to the provisions of clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013 (the 'Act'), the Board can exercise such borrowing powers only with the approval of Members of the Company by way ofSpecial Resolution. It may be mentioned that there is no change in the borrowing limit of ₹ 250 Crores (Rupees Two Hundred and Fifty Crores) as earlier approved by the shareholders. The resolution is accordingly recommended for approval asa



Special Resolution by the Shareholders of the Company.

The Board recommends the Resolutions for your approval. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives is deemed to be concerned or interested in the proposed resolution.

**ITEM NO.11: ALTERATION & SUBSTITUTION OF ARTICLES OF ASSOCIATION**

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

The Act is now in force and with the coming into force of the Act several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft Articles of Association is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 12 of the Notice.

The Board commends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

**ITEM NO.12: 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, 2016 as per the following details:

Name of the Cost Auditor :Vishesh N. Patani Audit fees: ₹100000/-.

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.13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31st, 2016.

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.13 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.13 of the Notice for approval by the shareholders.

**ITEM NO.13: APPROVAL OF ARRANGEMENTS/TRANSACTIONS WITH RELATED PARTIES**

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by special resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to clause 49 of the Listing Agreement with the Stock Exchanges ("clause 49") as amended, approval of the shareholders through special resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Isinox Steels Limited, a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2015:-



Sl. No	Nature of Transaction	FY: 2015-16 Estimated Annual Value of Contracts & Services [in ₹ crore]
<b>Sale of Goods &amp; rendering of Services by the Company to Isinox Steels Limited</b>		
1	Sale	250
2	Job Work Income	50
<b>Total Income</b>		300
<b>Purchase of Goods &amp; receiving of Services by the Company from Isinox Steels Limited</b>		
1	Purchase	250
2	Job Work Charges / Hire Charges	50
<b>Total Expenditure</b>		300
<b>Total Transaction Value</b>		

The other 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 with effect from 1st April 2014.
5. Material Terms of the Contract or arrangement including the value: The Contracts/arrangements/Agreements are renewable mutually for further periods as the Board may deem fit. The business value of the transactions could be upto ₹ 600 Crs. 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 above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. In view of the above, it is proposed to seek approval of the members of the Company through Special resolution for the above transactions and the related parties are abstained from voting on the said resolution. None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution except for their holdings in the shares of the Company and to the extent of their memberships and/or directorships in the Isinox Steels Limited.

The Board recommends the Resolution at Item Nos. 14 of the Notice for approval of the Members.

#### **DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT:**

As required under clause 49 of the listing Agreement with the Stock Exchange details of the Directors seeking re-appointment are as follows:

Mr. Ashwin Kumar H. Gupta (DIN-00010850), Promoter Director, aged about 65 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. He has other directorship in the following Companies:

Isimetals India Pvt.Limited, Isicom Traders Pvt. Limited, Isiworld Steels Pvt. Limited, Isistar Exports Pvt. Limited, Emgee Homes Pvt.Limited, Harbour View Realty Private Limited, Gupta Housing PvtLimited, India Steel International Pvt Limited, Sanhash Motors Pvt Limited. None of the Directors are concerned or interested in the Resolution.

Mr. Mahesh Sheregar is a Director of the Company since 2010. He is a Management Graduate with specialization in Finance, currently based in Dubai. He is the Director of ANC Holdings LLC. He has an experience of more than 29 years. He holds key posts in various industrial conglomerates having international presence. His other directorships are:

Freshly Farmed & Frozen Foods Pvt.Limited, Reverdale Foods Limited, ANC Contracting India Private Limited, Thomas Bennett Schmidlin Facade Private Limited, ANC Buildcon (India) Private Limited.

Mr. Mahesh Sheregar does not hold any shares in the share capital of the Company. He is a nominee of strategic investor T.B Investments Ltd. None of the Directors are concerned or interested in the Resolution.

Regd. Office:  
Zenith Compound, Khopoli, Raigad-410203

By order of the Board  
India Steel Works Complex,

Place: Mumbai  
Date: 30th May, 2015

Dilip Maharana  
Company Secretary



**Addendum to the Notice calling Twenty Eighth Annual General Meeting of INDIA STEEL WORKS LIMITED (CIN:L29100MH1987PLC043186) held on Monday, the 28<sup>th</sup> day of September, 2015 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 businesses enumerated there in:**

In the special business item no.7 of the notice approval of the members were sought to the appointment of Mr.S.P. Khosla as Independent Director. Unfortunately Mr. Khosla passed away on 27<sup>th</sup> day of July, 2015. The Directors at their meeting held on 14 August, 2014 taken note of the sad demise of the said Director and places on record the valuable contributions made by him during his tenure. In the said meeting the Directors approved this addendum to the notice dated 30<sup>th</sup> day of May, 2015 to drop out the Resolution No.7 from the Special Business as no more necessary.

Hence in the e-voting process on the voting page, the Resolution will not be available in the "RESOLUTION DESCRIPTION" and in the meeting, if poll is demanded the said Resolution will be excluded.

By order of the Board

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

Place: Mumbai  
Date: 14<sup>th</sup> August, 2015

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](mailto: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 28<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on **Monday, 28<sup>th</sup> day of September, 2015** 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.

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Default PAN#

# Members who have not updated their PAN with the Company/Depository Participant shall use default PAN mentioned in the address sticker.

**Note: Please read the Instructions for e-voting given along with notice of the Annual General Meeting. The voting period starts from, Friday September 25, 2015 (9.00 a.m.) and ends on Sunday, September 27, 2015 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.**

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-MGT-11

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:	
E-mail Id:	
Address	
Signature	

or failing him/her

(2)

Name:	
E-mail Id:	
Address	
Signature	

or failing him/her

(3)

Name:	
E-mail Id:	
Address	
Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on the **Monday, 28<sup>th</sup> day of September, 2015** 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:

Sr.No.	Resolutions	For	Against
<b>ORD INAR Y BUSINESS</b>			
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2015		
2	Re-appointment of Mr. Ashwinkumar H. Gupta who retires by rotation.		
3	Re-appointment of Mr. Mahesh Sheregar who retires by rotation.		
4	Ratification to the Re-appointment M/s. Thanawala & Co., Chartered Accountants, Auditors of the Company & fixing remuneration.		
<b>SPECIAL BUSINESS</b>			
5	Approval to the appointment of Mr.T.R. Bajalia as Independent Director		
6	Approval to the appointment of Mr.Gaurav Chhabria as Independent Director		
7	Approval to the appointment of Mr.S.P.Khosla as Independent Director <sup>s</sup>		
8	Approval to the appointment of Mrs.Kavita R.Joshi as Independent Director		
9	Approval to the re- appointment of Mr. Varun S. Gupta, Whole-time Director designated as Executive Director.		
10	Approval /Authority to the Board to Borrow		
11	Approval to alter Articles of Association of the Company		
12	Ratification of Remuneration payable to Cost Auditor		
13	Approval of arrangements / transactions with related parties.		

Signed....this..... day of.....2015.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

1. 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
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 27th Annual General Meeting
3. 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.
4. Please complete all details including details of member(s) in above box before submission
5. The Resolution is dropped.

Affix Revenue Stamp not less than ₹ 0.15
------------------------------------------------------



# QUALITY CERTIFICATIONS



## Certificate Of Approval

This is to certify that the Quality Management System of

### India Steel Works Ltd.

Zenith Compound, Khopoli - 410 203, Dist. Raigad,  
Maharashtra, India

has been found to conform  
to the requirements of the Standard:

**ISO 9001 : 2008**

with respect to the following scope:

**Manufacture and Supply of Alloy, Non-Alloy &  
Stainless Steel - Billets, Bars, Wire Rods, Sections and  
Bright Bars**

This Approval is subject to continued satisfactory maintenance of the Quality Management System of the Organization to the above Standard, which will be monitored by IRQS.

Certificate No.: /RQS/1310256 granted on: 3<sup>rd</sup> May 2013

Initial Approval Date: 2<sup>nd</sup> June 2010  
Current Certification Effective Date: 2<sup>nd</sup> June 2013  
Current Certificate Expiry: 1<sup>st</sup> June 2016

*C. Sriramamurthy*  
C. Sriramamurthy  
Chief Surveyor & Senior Vice President

The use of the Accreditation Mark indicates accreditation with respect to activities covered by the certificate with accreditation no. C 071  
Conditions overleaf

**ISO 9001:2008**



**AD 2000 Markblett W0**



**PED CERTIFICATE**



**SIRIM INTERNATIONAL, MALAYSIA**

If undelivered Please Return to :



**INDIA STEEL WORKS LIMITED**

*INNER VISION. GLOBAL ACTION*

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**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  
[cfi\\_mum@crystalforms.com](mailto:cfi_mum@crystalforms.com)