

**INDIA STEEL  
WORKS LTD**

Inner Vision. Global Action.

COSEC/BSE/17-18  
23<sup>rd</sup> August, 2017

The Manager,  
Corporate Relationship Department,  
The Stock Exchange, Mumbai  
P.J. Towers, Dalal Street,  
Mumbai 400 023.

Dear Sir,

**Sub: Annual Report, 2017 – India Steel Works Limited**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the soft copy of the Annual Report Accounts containing the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2017.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For INDIA STEEL WORKS LIMITED**

**Dipti Vartak  
Company Secretary**

**Encl.: As above.**

**REGD. OFFICE & STEEL PLANT**

Zenith Compound Khopoli,  
Raigad - 410 203, Maharashtra, India  
T: +91 2192 265 812 F: +91 2192 264 061  
CIN: L29100MH1987PLC043186

**OFFICE**

304, Naman Midtown, Tower A,  
Senapati Bapat Marg, Elphinstone (W),  
Lower Parel, Mumbai - 400 013  
T: +91 22 62 304 304 F: +91 22 62 304 399

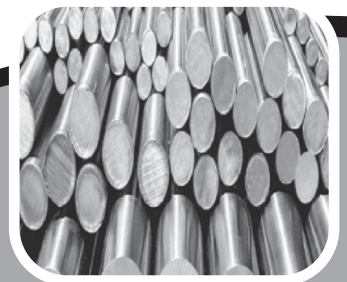
info@indiasteel.i  
www.indiasteel.i



# INDIA STEEL

WORKS LTD

Inner Vision. Global Action.



**CORPORATE INFORMATION****CHAIRMAN**

Mr. Ashwinkumar H. Gupta

**MANAGING DIRECTOR**

Mr. Sudhir H. Gupta

**DIRECTORS**

Mr. Varun S. Gupta - Whole-time Director & CFO  
 Mr. Deepak Kumar Gaur - Executive Director  
 Mr. T. R. Bajalia - Independent Director  
 Mr. Bimal Desai - Independent Director  
 Mrs. Kavita R Joshi - Independent Director  
 Mrs. Riddhi Shah - Independent Director  
 Mr. Anant Badjatya - Nominee Director

**STATUTORY AUDITORS**

Thanawala & company  
 Chartered Accountants  
 505, Abhay Steel House, 5th Floor,  
 22, Baroda Street, Iron Market, Mumbai- 400009

**COST AUDITOR**

Mr. Vishesh Patani  
 601, Madhur Pushpalata CHSL,  
 Gokhale Road, Dahanukar wadi,  
 Kandivali West, Mumbai 400 067.

**REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
 C 101, 247 Park, L B S Marg, Vikhroli West,  
 Mumbai 400 083

**REGISTERED OFFICE**

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

**MANUFACTURING FACILITY**

Zenith Compound, Khopoli, Raigad – 410203,  
 Maharashtra

**CORPORATE OFFICE**

304, Naman Midtown, Tower A,  
 Senapati Bapat Marg, Elphinstone Road (W),  
 Mumbai-400013

**BANKER**

Kotak Mahindra Bank Ltd  
 Dombivli Nagari Sahakari Bank Ltd

**WEBSITE**

[www.indiasteel.in](http://www.indiasteel.in)

<b>CONTENTS</b>	
<b>Particulars</b>	<b>Page No.</b>
Chairman's Message.....	1
Performance Highlights .....	2
Management Discussion And Analysis.....	3
Directors' Report .....	6
Report On Corporate Governance.....	23
Independent Auditor's Report .....	34
Balance Sheet .....	40
Statement of Profit & Loss .....	41
Cash Flow Statement .....	42
Significant Accounting Policies .....	43
Notice .....	63



## CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure in presenting to you the 30<sup>th</sup> Annual Report of the Company and thanking you for your continued support and goodwill that is critical to the success of your Company. I and on behalf of the India Steel Board of Directors would now like to highlight some key aspects of the year under review:

- Revenue touched an all-time high of ₹ 104,845.50 lakhs in comparison to the last year revenue as ₹ 64,407.58 Lakhs, while EBITDA increased by 13.36 % to ₹ 3, 404.96 Lakhs. However, PAT was lower due to higher interest and depreciation on account of capitalization of the 120 MW captive power plant.
- Net worth of the Company has increased from ₹ 237.02 Crores in F.Y. 2015-16 to ₹ 244.974 Crores in F.Y. 2016-17, due to increase in profit for the year ended 31<sup>st</sup> March, 2017.

During the Year, Mr. Deepak Kumar Gaur joined the Board, having rich experience of over 21 years in Operations of Various Iron and Steel Plants, previously associated with leading stainless steel producing companies.

Steel being crucial to the development of any modern economy and is also considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation.

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development while steel continues to have a stronghold, being a key ingredient in traditional sectors and several industries such as construction, housing and ground transportation, special steels are increasingly being used in engineering industries such as power generation, petrochemicals and fertilizers, will continue to be related closely to the economic prospects of a country or region. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernization and up gradation of older plants, improving energy efficiency and backward integration into global raw material sources.

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 that 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 plant, located just outside the thriving hub of Mumbai city, is 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, having a perfect combination of Dedication, Aim and Route Map.

While our Management team & employees took significant initiatives to improve the operating performance, market challenges offset the benefits of internal improvement efforts leading to significant profit erosion. Our in house testing labs are equipped with world class testing equipment and our quality control team works independently to guarantee that there is no compromise on the quality of steel that we deliver.

Finally, I would like to take this opportunity to thank you as the shareholders of the Company for your support & motivation to the Company during the year. I would also like to thank the lenders, customers, suppliers, various national & provincial governments with whom we have been working, further shall appreciate the employees, workers and Unions of India Steel group Companies who have stood by the Company & I look forward to their continuous dedication and support in the future.

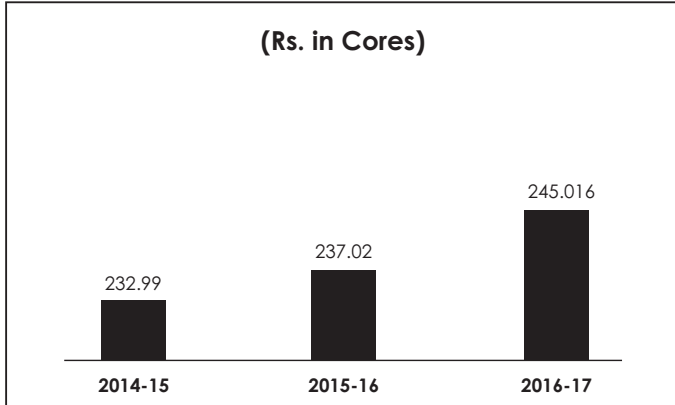
Yours Sincerely,

Ashwinkumar H. Gupta  
Chairman  
DIN: 00010850

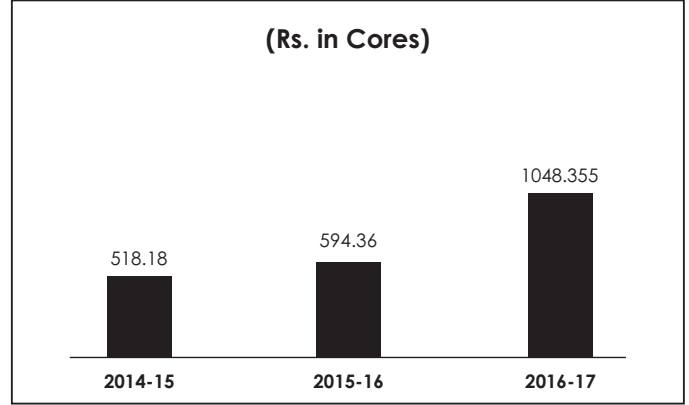


### PERFORMANCE HIGHLIGHTS

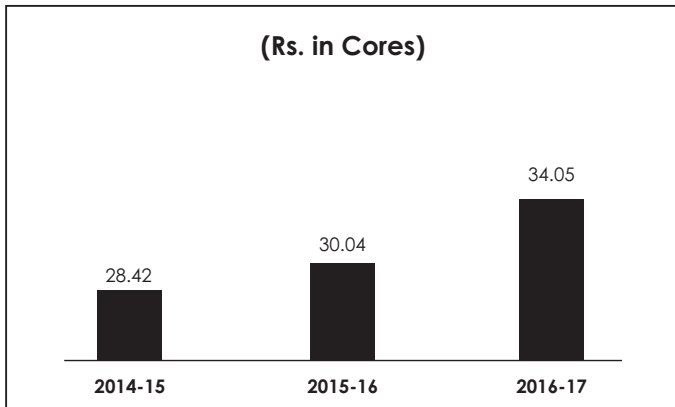
#### NET WORTH



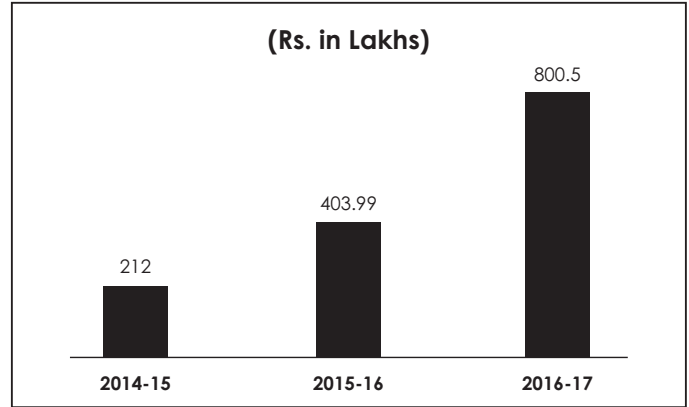
#### TURNOVER



#### EBITDA



#### NET PROFIT





## MANAGEMENT DISCUSSION AND ANALYSIS

### Economic Scenario: Global

In 2016, the world crude steel production reached 1628 million tonnes (mt) and showed a growth of 0.8% over 2015.

China remained world's largest crude steel producer in 2016 (808 mt) followed by Japan (105 mt), India (96 mt) and the USA (79 mt). World Steel Association has projected Indian steel demand to grow by 5.4% in 2016 and by 5.7% in 2017 while globally, steel demand has been projected to grow by 0.2% in 2016 and by 0.5% in 2017. Chinese steel use is projected to decline in both these years - by 1% in 2016 and by 2% in 2017.

### Economic Scenario: India

The Indian steel industry was the third largest producer of crude steel in 2015 against its 8<sup>th</sup> position in 2003. Also the country is third largest consumer of finished steel in the world preceded by China and the USA. The total steel demand stood at 80 million tonnes growing at 4.5% over the previous year. During the year, India continued to witness significant level of imports to the tune of 10 million tonnes as against 13 million tonnes last year, while initiatives like the safeguard duty and minimum import price have provided some relief to predatory pricing being followed by the exporting countries

### The Stainless Steel Industry

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly being used in engineering industries such as power generation, petrochemicals and fertilizers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernization and up gradation of older plants, improving energy efficiency and backward integration into global raw material sources.

India is currently the world's fourth largest producer of crude steel (knocking to be the third largest by the year end) and is expected to become the second largest producer by 2020

During the year, global steel demand stood at 1.5 billion tonnes, a decline of approximately 2.5% compared to the previous year. The demand of steel in China was also reduced as compared to previous Financial Year. Considering the current scenario in Steel Industry it seems the demand may fall in Financial Year 2016-17. Also, the demand was significantly lower in other countries such as – Brazil, USA, Russia etc.

Steel demand in Europe grew by 2.3% to 150 metric tonnes (2014: 4.7%), mainly due to growth in the automotive sector. In 2015, the EU became a net importer of steel, for the first time since 2008. The increase was mainly fulfilled by imported steel from China.

### 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
- Mechanical & Plant Engineering
- Power Generation
- Chemical Industry
- Medical Equipment

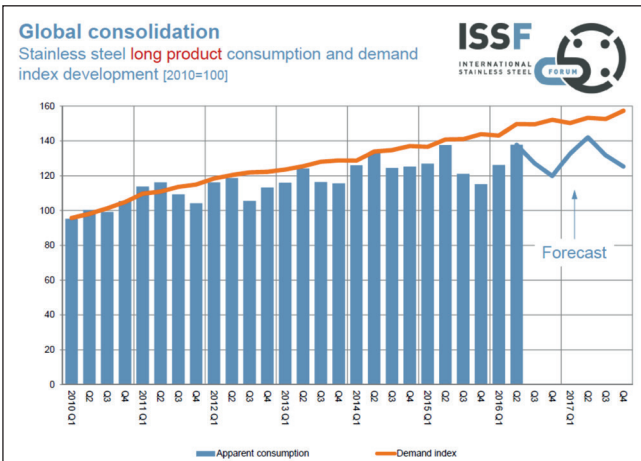


- Architecture and Building Industry
- Heavy Industries
- Aviation Industry
- Food & Packaging
- Structural & Civil engineering
- Hydraulic elements
- Bright Bar Industry
- Fasteners Industry
- Forging Industry
- Capital Goods Industry

**World Stainless Steel Long Products Market:**

**Stainless steel long product consumption & demand index development [2010 = 100]**

Source: ISSF, 14/10/2016



**FINANCIAL PERFORMANCE**

During the year the company achieved a Revenue of ₹ 1048.35 Crores along with Net Profit of ₹ 8.00 Crores. Company's Net Worth has increased from ₹ 237.02 Crores in FY 2015-16 to ₹ 245.01 Crores in FY 2016-17. Operating Profit (EBITDA) improved from ₹ 30.07 Crores in FY 2015-16 to ₹ 34.05 Crores in FY 2016-17 representing growth of 13.20%. EBITDA has improved significantly on account of effective capacity utilization. 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 the Government in FY 2016.
- Export potential in traditionally overlooked markets.
- Government is taking many steps to increase per capita consumption of stainless steel products.
- With the Government of India's emphasis on the substitution of imported goods to reduce import bills, sectors such as Transportation (Railways), Aerospace etc are expected to rely on Indian companies and domestic expertise for procurement.
- 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 30<sup>th</sup> Annual Report and the Company's Audited Accounts for the financial year ended 31<sup>st</sup> March, 2017.

**1. FINANCIAL HIGHLIGHTS**

The summarized financial results of the Company for the financial year 2016-17 are given hereunder:

(₹ in Lakh)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Sales including excise duty/Income including Job work operations	1,03,845.50	58,388.74
Operating Profit (EBITDA)	3,404.96	3,007.82
Finance Costs	947.98	985.72
Provision for Depreciation	1,832.13	1,791.98
Profit /(Loss) before tax & exceptional items	620.69	225.95
Current tax	183.05	178.03
Profit /(Loss) after Tax	800.50	403.99
Brought forward profit/ (loss) from last year	(19,121.47)	(19,524.69)
Exceptional Items	-	-
Balance carried forward to Balance Sheet	(18,321.74)	(19,121.47)

**2. CHANGE IN THE NATURE OF BUSINESS**

There was no material change in the nature of business of the Company during the year.

**3. OPERATIONS**

During the year under review, the gross revenue from operations increased to ₹1,03,845.50 lakh as against ₹ 58,388.74 lakh in the previous year which indicates the rise by 77.85% mainly due to focus on production activities and trading business. The operating profit (EBITDA) improved to ₹ 3,404.96 Lakh as against ₹ 3,007.82 Lakh in the previous year by 13.20%. The net profit after tax for the year was ₹ 800.50 lakh as against profit of ₹ 403.99 lakh in the previous year, indicating an increase of 98.14%.

**4. 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 Equity Shares of the Company during the year under review. However, your Directors are pleased to recommend a Final Dividend @ 0.01% on total paid up Preference share capital of the company for the financial year ended 31<sup>st</sup> March, 2017, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date for the Financial Year 2016-17. The final dividend amounts to ₹ 75,513/- on total paid up preference shares inclusive of tax on distributed profits.

**5. FINANCE:****(i) Share Capital**

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2017 was ₹ 3980.80 Lakh. 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**

The company has 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.

**6. CORPORATE SOCIAL RESPONSIBILITY:**

The Company believes in development which is beneficial for the society at large and to practice the corporate values through commitment to grow in socially and environmentally responsible way while meeting the interest of our stake-holders. During the year, the Company voluntarily has undertaken CSR initiatives and contributed ₹ 4,67,000/- for educational support to underprivileged students from poor town, remote rural and conflict afflicted communities in Khopoli town area, distribution of books & note books, scholarship to brilliant students etc.

**7. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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. During the year the Audit Committee has not received any reference under the policy.

**8. 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.

**9. RELATED PARTIES CONTRACTS OR ARRANGEMENTS:**

The Company has made materially significant Related Party Transactions, as approved by the non-interested shareholders at the 29<sup>th</sup> 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 in Form No. AOC 2. 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.

**10. 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.

**11. DIRECTORS****(i) Appointment**

Mr. Sudhir H. Gupta (DIN: 00010853) have been appointed as "Managing Director" of the Company subject to approval of the Shareholders of the Company for a period of 3 years with effect from 1<sup>st</sup> October, 2016. Mr. Deepak Kumar Gaur (DIN 07636636) has been appointed as an Additional Director of the Company w.e.f. 9<sup>th</sup> November, 2016, subject to approval of Shareholders at the Annual General Meeting. 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 in accordance with the Articles of Association of the Company Mr. Ashwinkumar Gupta & Mr. Varun Gupta retires from office by Rotation, and being eligible, offers themselves 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 Regulations 16 (1) (B) of SEBI (LODR), 2015.



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.

Mrs. Dipti Vartak (FCS - 9057) was appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 12<sup>th</sup> August, 2016.

**(ii) Resignation**

Mr. Rahul Yenukar, has been resigned from the office of Director of the Company effective 12<sup>th</sup> August, 2016. The Board places on record its appreciation of the services rendered by Mr. Rahul Yenukar during his tenure as a Director.

**(iii) Board Evaluation**

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 was been carried out has been explained in the Corporate Governance Report.

**(iv) Board Meetings**

During the year, five (5) Board 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.

**(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 in accordance with Section 178 of the Companies Act, 2013. More details of the same are given in the Corporate Governance Report.

**(vi) Audit Committee Policy**

The Board has, on the recommendation of the Audit committee, framed a policy for selection, appointment and remuneration of Statutory Auditors and internal Auditor in accordance with the Section 177 of the Companies Act, 2013. More details of the same are given in the Corporate Governance Report.

**12. 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, 2017, 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, 2017 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.

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

The Company has received a letter from M/s. Thanawala & Co., Chartered Accountants regarding their eligibility for the appointment as statutory Auditors of the Company. The said auditor will be appointed subject to approval of shareholders at ensuing Annual General Meeting for the term of 2 years i.e till the conclusion of 32<sup>nd</sup> Annual General Meeting to be held in the year 2019. The shareholders at the ensuing Annual General Meeting will consider reappointment of the Statutory Auditors.

There is 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 under section 148 of the Companies Act, 2013 for conducting the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2018. 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. The Cost Auditor have further confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013.

**(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 Mrs. Deepika Arora (ACS 29794 & CP No. 11355) Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure - A". There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial auditor in her report.

**14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time. Your Company uses ERP Systems as a business enabler and also to maintain its Books of Account. The transactional controls built into the ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records.

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

**15. 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.

**16. 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.

**17. DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual harassment Policy in line with the requirements of the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2016-17.

**18. MANAGEMENT DISCUSSION AND ANALYSIS:**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**19. CORPORATE GOVERNANCE:**

The Company has implemented the provisions of Chapter IV of SEBI (LODR), 2015 relating to the Corporate Governance requirements. A Report on Corporate Governance, the Report of Auditors Certificates thereof is given as annexure to this report.

**20. 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**".

**21. INDUSTRIAL RELATIONS:**

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

**22. ACKNOWLEDGEMENTS:**

The Directors express their appreciation for co-operation and encouragement received from all the Shareholders, Business Associates, Dealers, and 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

DIN: 00010850

Place: Mumbai

Date: 30<sup>th</sup> May, 2017

**ANNEXURE "A"****SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

To,

**The Members,**

**India Steel Works Limited**

India Steel Works Complex,

Zenith Compound,

Khopoli 410 203

Dear Sirs,

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

Based on my verification of the Company's Books, Papers, Minutes 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 financial year ended 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 and 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) Regulations, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 **(not applicable to the Company during the Audit period)**;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit period)**;
  - f. The Securities and Exchange Board of India (Registrar 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 **(not applicable to the Company during the Audit period)**, and;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit period)**
- (vi) For the other applicable laws, our Audit was limited to



- a. The Factories Act, 1948
- b. The Minimum Wages Act, 1948
- c. The employees Provident Funds and Misc. Provisions Act, 1952
- d. The payment of Bonus Act, 1965
- e. The payment of gratuity Act, 1972
- f. The Contract labour (Regulation and Abolition) Act, 1952
- g. The Industrial Employment (Standing Orders) Act, 1946
- h. The Employees Compensation Act, 1923
- i. The Apprentices Act, 1923
- j. The Air (Prevention and control of pollution) Act, 1981

I have relied on the representation made 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 process and control mechanism exists in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

I further report that, the compliance by the Company of applicable financial laws like Direct and Indirect Tax laws 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 clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited. 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 constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

I further report that, as per information provided the Company has generally given adequate notice to all directors to schedule the Board Meetings and agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that subject to above observations,** there are 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 compliance of all business laws and other applicable laws. This responsibility includes maintenance of Statutory register/files as required by the concerned authorities and internal control of the concerned department.

I further report that during the year under review, 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 Deepika Arora**  
**Practising Company Secretaries**

**Deepika Arora**  
**Proprietor**  
**(ACS-29794 & COP-11355)**

**Date: -30/05/2017**

**Place: - Mumbai**



**Annexure-B**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March,2017

[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:-: 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,  
 Tel: +91 2192 265 812 F:+91 2192 264 061  
 Email: cosec@indiasteel.in,  
 vi) Whether listed company: Yes  
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
 LINK INTIME INDIA PVT LIMITED  
 C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.  
 Tel No: +91 22 49186000  
 Fax: +91 22 49186060  
 Email ID: rnt.helpdesk@linkintime.co.in  
 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 & Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Metal & Metal ores	C7	50.59%
2	Trading	G2	49.41%

**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 :31.03.2016				Shareholding at the end of the year :31.03.2017				% 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	11271377	0	11271377	2.83	11259377	0	11259377	2.83	0.00
b) Central Govt or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	186622650	700000	187322650	47.06	186622900	700000	187322900	47.06	0.00
d) Bank/Fl	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>197894027</b>	<b>700000</b>	<b>198594027</b>	<b>49.89</b>	<b>197882277</b>	<b>700000</b>	<b>198582277</b>	<b>49.88</b>	<b>0.01</b>



Category of Shareholders	Shareholding at the beginning of the year :31.03.2016				Shareholding at the end of the year :31.03.2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<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/Fl	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>197894027</b>	<b>700000</b>	<b>198594027</b>	<b>49.89</b>	<b>197882277</b>	<b>700000</b>	<b>198582277</b>	<b>49.88</b>	<b>0.01</b>
<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/Fl	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>	<b>36480675</b>	<b>18900</b>	<b>36499575</b>	<b>9.17</b>	<b>36480675</b>	<b>18900</b>	<b>36499575</b>	<b>9.17</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	11356375	21950	11378325	2.85	9399144	21950	9421094	2.37	-0.49
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	7540055	1065405	8605460	2.16	9077591	1063905	10141496	2.55	0.39
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	15762080	0	15762080	3.96	15960280	0	15960280	4.01	0.05
c) Others (specify)									
Non Resident Indians (Repat)	4638474	15700	4654174	1.16	4666960	15700	4682660	1.18	0.01
Non Resident Indians (Non Repat)	269024	0	269024	0.06	277454	0	277454	0.07	0.00
Foreign Company	119260000	0	119260000	29.96	119260000	0	119260000	29.96	0.00
Clearing Member	2515866	0	2515866	0.63	2766164	0	2766164	0.69	0.06
Market Makers	6530	0	6530	0.00	36672	0	36672	0.01	0.001
Hindu Undivided Family	535864	0	535864	0.13	453253	0.11	453253	0.11	0.02
<b>SUB TOTAL (B)(2):</b>	<b>161884268</b>	<b>1103055</b>	<b>162987323</b>	<b>40.94</b>	<b>162887723</b>	<b>111350</b>	<b>162999073</b>	<b>40.95</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>198364943</b>	<b>1121955</b>	<b>199486898</b>	<b>50.11</b>	<b>198378193</b>	<b>1120455</b>	<b>199498648</b>	<b>50.11</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>396258970</b>	<b>1821955</b>	<b>398080925</b>	<b>100.00</b>	<b>396260470</b>	<b>1820455</b>	<b>398080925</b>	<b>100.00</b>	<b>0.00</b>



(ii) Shareholding of Promoters

Sl No.	Promoter's Name	Shareholding at the beginning of the year: 31.03.2016			Shareholding at the end of the year: 31.03.2017			% change in shareholding 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	ASHWIN GUPTA	55,15,825	1.39	0.00	55,15,825	1.39	0.00	0.00
2	SUDHIR GUPTA	53,82,725	1.35	0.00	53,82,725	1.35	0.00	0.00
3	VARUN GUPTA	2,04,800	0.05	0.00	2,04,800	0.05	0.00	0.00
4	PRIYA GUPTA	86,060	0.02	0.00	86,060	0.02	0.00	0.00
5	ANITA GUPTA	47,000	0.01	0.00	47,000	0.01	0.00	0.00
6	RUCHI AGARWAL	12,000	0.00	0.00	0	0.00	0.00	0.00
7	SIDDHARTH GUPTA	9,700	0.00	0.00	9,700	0.00	0.00	0.00
8	MALIKA SIDDHARTH GUPTA	5,000	0.00	0.00	5,000	0.00	0.00	0.00
9	PRIYANKA VARUN GUPTA	5,000	0.00	0.00	5,000	0.00	0.00	0.00
10	VIPIN AGARWAL	3,267	0.00	0.00	3,267	0.00	0.00	0.00
11	INDIA STEEL INTERNATIONAL (P) LTD	9,81,34,150	24.65	11.43	4,56,34,150	11.46	99.68	0.00
12	KHAMGAON LAND DEVELOPMENT & TRADING CO (P) LTD	1,74,00,000	4.37	0.00	4,36,50,000	10.97	0.00	0.00
13	YEOTMAL LAND DEVELOPMENT & TRADING CO (P) LTD	1,74,00,000	4.37	0.00	4,36,50,000	10.97	0.00	0.00
14	ISIWORLD STEELS PVT LTD	1,78,37,500	4.48	0.00	1,78,37,500	4.48	0.00	0.00
15	ISISALES (INDIA) PVT LTD	1,74,00,250	4.37	0.00	1,74,00,400	4.37	0.00	0.00
16	ISIMETALS (INDIA) PVT LTD	1,74,00,250	4.37	0.00	1,74,00,350	4.37	0.00	0.00
17	ISICOM TRADERS P LTD	13,12,750	0.33	0.09	13,12,750	0.33	0.00	0.00
18	ISISTAR EXPORTS PVT LTD	4,37,500	0.12	0.09	4,37,500	0.12	0.00	0.00
19	ISINOX LTD	250	0.00	0.00	250	0.00	0.00	0.00
	<b>TOTAL</b>	<b>19,85,94,027</b>	<b>49.89</b>	<b>11.60</b>	<b>198582277</b>	<b>49.89</b>	<b>11.60</b>	<b>0.01</b>

(iii) Change in Promoters' Shareholding ( please specify, if there is no change)

	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
<b>Ms. Ruchi Agarwal</b>	12,000	0.00		
<b>Increase / Decrease in Shareholding during the year</b>				
26.10.2016 (Sale)	4,000	0.00	8,000	0.00
27.10.2016 (Sale)	700	0.00	7,300	0.00
28.10.2016 (Sale)	5,300	0.00	2,000	0.00
30.10.2016 (Sale)	2,000	0.00	0	0.00
At the End of the year			0	0.00
<b>Khamgaon Land Development and Trading Co. Private Limited</b>	1,74,00,000	4.37		
<b>Increase / Decrease in Shareholding during the year</b>				
08.09.2016 (Purchase)	2,62,50,000	6.59	4,36,50,000	10.96
At the End of the year			4,36,50,000	10.96



	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
<b>Yeotmal Land Development and Trading Co. Private Limited</b>	1,74,00,000	4.37		
Increase / Decrease in Shareholding during the year				
08.09.2016 (Purchase)	2,62,50,000	6.59	4,36,50,000	10.96
At the End of the year			4,36,50,000	10.96
<b>India Steel International Pvt Ltd</b>	9,81,34,150	24.65		
Increase / Decrease in Shareholding during the year				
08.09.2016 (Sale)	5,25,00,000	13.18	4,56,34,150	11.46
At the End of the year			4,56,34,150	11.46
<b>Isimetals (India) Pvt Ltd</b>	1,74,00,250	4.37		
Increase / Decrease in Shareholding during the year				
04.07.2016 (Purchase)	100	0.00	1,74,00,350	4.37
At the End of the year			1,74,00,350	4.37
<b>Isisales (India) Pvt Ltd</b>	1,74,00,250	4.37		
Increase / Decrease in Shareholding during the year				
04.07.2016 (Purchase)	150	0.00	1,74,00,400	4.37
At the End of the year			1,74,00,400	4.37

Note: there is no change in the shareholding of Promoters / Promoters group except as stated above.

**(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 (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	UD INDUSTRIAL HOLDING PTE. LTD.	92000000	23.11	1.04.2016	0	No movement		
		92000000	23.11	31.03.2017			92000000	23.11
2	TB INVESTMENTS LTD	27000000	6.78	1.04.2016	0	No movement		
		27000000	6.78	31.03.2017			27000000	6.78
3	APMS INVESTMENT FUND LTD	14334300	3.60	1.04.2016	0	No movement		
		14334300	3.60	31.03.2017			14334300	3.60
4	ERISKA INVESTMENT FUND LTD	8400000	2.11	1.04.2016	0	No movement		
		8400000	2.11	31.03.2017			8400000	2.11
5	PARVEEN KUMAR GUPTA	7531400	1.89	1.04.2016	0	No movement		
		7531400	1.89	31.03.2017			7531400	1.89
6	LOTUS GLOBAL INVESTMENTS LTD	5934300	1.49	1.04.2016	0	No movement		
		5934300	1.49	31.03.2017			5934300	1.49
7	K R BHARAT	5494948	1.38	1.04.2016	0	No movement		
		5494948	1.38	31.03.2017			5494948	1.38
8	KOTAK MAHINDRA BANK LTD	5000000	1.26	1.04.2016	0	No movement		
		5000000	1.26	31.03.2017			5000000	1.26
9	USHDEV INTERNATIONAL LTD	4931539	1.24	1.04.2016	0	No movement		
		4931539	1.24	31.03.2017			4931539	1.24
10	SIDDHARTHA SURESH KHATWANI	4499321	1.13	1.04.2016	0	No Movement		
		4499321	1.13	31.03.2017			4499321	1.13



(v) Shareholding of Directors and Key Managerial Personnel:

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	Mr. Ashwinkumar H. Gupta				
	At the beginning of the year	5515825	1.39	5515825	1.39
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	5515825	1.39	5515825	1.39
2	Mr. Sudhir H. Gupta				
	At the beginning of the year	5382725	1.36	5382725	1.36
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	5382725	1.36	5382725	1.36
3	Mr. Varun S. Gupta				
	At the beginning of the year	204800	0.05	204800	0.05
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	204800	0.05	204800	0.05
4	*Mr. Rahul M. Yenukar				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
5	**Mr. Deepak Kumar Gaur				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
6	Mr. T.R. Bajalia				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
7	Mrs. Kavita Joshi				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-



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
8	Mrs. Riddhi Shah				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
9	***Mrs. Dipti Vartak				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

\*Ceased to be the Director of the Company w.e.f. 12<sup>th</sup> August, 2016.

\*\*Appointed as Additional Director w.e.f. 9<sup>th</sup> November, 2016.

\*\*\*Appointed as Company Secretary w.e.f. 12<sup>th</sup> August, 2016.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Amt in ₹ Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
<b>i) Principal Amount</b>	227.19	3329.71	0	3556.90
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
TOTAL (i+ii+iii)	227.19	3329.71	0	3556.90
Change in Indebtedness during the financial year				
Addition	0	70.75	0	70.75
Reduction	163.23	0	0	-163.23
Net Change	163.23	70.75	0	-92.48
Indebtedness at the end of the financial year (31.03.2017)				
<b>i) Principal Amount</b>	63.96	3400.46	0	3464.42
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
TOTAL (i+ii+iii)	63.96	3400.46	0	3464.42

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

B. Remuneration to other directors:

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD



**A. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in Lakh)**

S. No.	Particulars of Remuneration	Name of MD/WTD/Manger					Total amount
		Mr.Ashwinkumar H. Gupta	Mr. Rahul Yenukar	Mr.Sudhir H. Gupta	Mr. Varun S. Gupta	Mr. Deepak Kumar Gaur	
1	Gross Salary						
	a) Salary	30.00	8.24	27.00	24.00	9.50	98.74
	b) Allowance	22.80	10.60	20.52	18.24	17.09	89.25
	c) Perquisites	0	0	0	0	0	0
	d) Profits in lieu of Salary	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0
3	Sweet Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
5	others	0.08	0.02	0.08	0.08	0	0.26
	Total	52.88	18.86	47.60	43.32	26.59	188.25

**B. Remuneration to other/ independent Directors (₹ in Lacs)**

S. No.	Particulars of Remuneration	Name of Independent Directora				Total
		Mr. Bimal Desai	Mr. T. R. Bajalia	Mrs. Kavita Joshi	Mrs. Riddhi Shah	
1	a) fees for attending board Meeting	0.32	0.32	0.50	0.30	1.44
	b) Commission	0	0	0	0	0
	c) other	0	0	0	0	0
	Total	0.32	0.32	0.50	0.30	1.44

**C. Remuneration to other KMP (₹in Lacs)**

S. No.	Particulars of Remuneration	Name of KMP	Total
		Dipti Vartak, Company Secretary /Compliance officer	
1	Gross Salary		
	a) Salary		3.44
	b) Perquisites		5.17
	c) Profits in lieu of Salary		0
2	Stock option		0
3	Sweet Equity		0
4	Commission		0
5	others		0
	Total		8.61

**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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
B. OTHER OFFICERS					
Penalty			None		
Punishment					
Compounding					





## Annexure-C

**(A) Conservation of energy-**

Total energy consumption and energy consumption per unit of production is given in the table below:

**Power & fuel Consumption**

	Particulars	2016-17	2015-16
<b>a</b>	<b>Electricity:</b>		
	Purchase Units ( '000 kwh)	55076	48855
	Total Amount ( ' 000 ₹)	453440	360984
	Average Rate/Unit (₹/Kwh)	8.23	7.39
<b>b</b>	<b>Furnance Oil / CBFS / Diseal:</b>		
	Quantity (Kilo litres)	5671	4786
	Total Amount (in '000 ₹)	142017	106641
	Average Rate (₹/Litre)	25.04	22.28
<b>c</b>	<b>Others</b>		
	<b>LDO :</b>		
	Total Amount (in '000 ₹)	1,071	-
	<b>Gases:-</b>		
	Total Amount (in '000 ₹)	72635	58023
<b>II</b>	<b>Consumption Per Unit Of Production</b>		
	<b>Electricity:</b>		
	Steel Billets	636	678
	Hot Rolled/Bars/rods	247	233
	Cold Finish Bars	136	80
	<b>Furnance Oil / CBFS / Diseal:</b>		
	Steel Billets	14	18
	Hot Rolled/Bars/rods	70	63
	Cold Finish Bars	-	-

**(B) Technology absorption-**

In-house expertise has been used to successfully develop various grades of special steels meeting international standards of quality.

The fume-extraction system of the AOD converter has been upgraded to reduce consequent Air Pollution.

Quality System: To continue in pursuit of quality, Steel and Rolling Mill Division of your Company at Khopoli has been accredited with "TUV CERT" by RWTUV for compliance in accordance with AD-Merkblatt W0/W2/W10 manufacturing process. The Khopoli Plant as well as Purchase and Marketing Departments of your Company remains ISO 9001 certified by IRQS Mumbai.

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

The Foreign Exchange earned in terms of actual inflows during the year is ₹ 97,34,56,558/- and the Foreign Exchange outgo during the year in terms of actual outflows is 3,57,76,09,442/-.



## 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 arm's 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 (a). Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name of related party and nature of relationship	Isinox Limited ( Formerly known as Isinox Steels Limited)
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ job work etc.
(c)	Duration of the contracts/ arrangements / transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arm's length basis
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	---

## (b). Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name of related party and nature of relationship	ISL Global Pte. Ltd., UAB ISL Lithuania, ISL Europe Spolka Zoo (WOS of Isinox Limited)
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ job work etc.
(c)	Duration of the contracts/ arrangements / transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arm's 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (₹ in Lakh)	% increase in Remuneration in the Financial Year 2016-17 (₹ in Lakh)	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of Remuneration of KMP against the performance of the Company
1	Ashwinkumar H. Gupta, Executive Chairman	52.88	-	26.70	Operating profit (EBITDA) improved to ₹ 3404.96 Lakh against profit of ₹ 3003.65 Lakh, The net Profit after tax increased to ₹ 800.50 Lakh against profit of ₹ 403.99 Lakh
2	Sudhir H. Gupta, CEO & Managing Director	47.60	-	24.04	
3	Varun S.Gupta Executive Director	42.32	-	21.87	
4	*Rahul M. Yenurkar (Director – Technical)	18.86	-	9.52	
5	**Deepak Kumar Gaur ( Additional Director)	26.59	-	13.42	
6	***Dipti Vartak Company Secretary & Compliance Officer	8.61	60.97%	4.34	

(ii) The median remuneration of employees of the Company during the financial year was ₹ 1,98,000/-

(iii) In the financial year, there was an increase of 4.76% in the median remuneration of employees.

(iv) There were 487 permanent employees on the rolls of Company as on March 31, 2017;

(v) Average percentage decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 20.30 % whereas the increase in the managerial remuneration for the same financial year was 94.09 %.

\*Ceased to be the Director of the Company w.e.f. 12<sup>th</sup> August, 2016

\*\* Appointed as Additional Director w.e.f. 9<sup>th</sup> November, 2017

\*\*\* Appointed as Company Secretary w.e.f. 12<sup>th</sup> August, 2017



## 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, transparent dealings and ethical conduct of affairs of the Company is the basic norm of Corporate Governance practiced here.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

### 2. Board of Directors

During financial year 2016-17, the Board consists of Ten Directors comprising of five executive Directors, one nominee Director and four Independent Directors including two Woman Director, out of which one executive Director resigned during the year.

#### (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 2016-17 attendance in		No of other Directorship in Other Indian Public Ltd Companies@	No of Chairmanship / Membership in other Indian Public Limited Companies#
		Board Meetings	Last AGM		
Mr. Ashwinkumar H. Gupta (DIN: 00010850)	Executive Chairman, Promoter , Brother of Managing Director	4	Yes	NIL	NIL
Mr. Sudhir H. Gupta (DIN: 00010853)	Managing Director, Promoter ,Brother of Executive Chairman	5	Yes	NIL	NIL
Mr. Varun S. Gupta (DIN: 02938137)	Executive Director, Promoter , Son of Managing Director	5	Yes	1	NIL
Mr. Rahul M. Yenukar* (DIN: 06802786)	Whole-time Director	1	No	1	NIL
Mr. Deepak Kumar Gaur\$ (DIN: 07636636)	Executive Additional Director	2	No	1	NIL
Mr. Bimal Desai (DIN: 00872271)	Independent Director	4	Yes	NIL	NIL
Mr. T.R. Bajjala (DIN: 02291892)	Independent Director	5	No	3	1
Mrs. Kavita R. Joshi (DIN: 07138704)	Independent Director	5	Yes	1	NIL
Mrs. Riddhi Shah (DIN: 07527966)	Independent Director	4	No	NIL	NIL
Mr. Anant Badjatya** (DIN: 07035836)	Nominee Director	1	No	NIL	NIL

\* Resigned effective 12<sup>th</sup> August, 2016

\$ Mr. Deepak Kumar Gaur has been appointed as an Additional Director w.e.f. 9<sup>th</sup> November, 2016

\*\* Mr. Anant Badjatya is the nominee of strategic investor TB Investments Limited.

@Directorship excludes Alternate Directorship, Foreign Company Directorship & Pvt Limited Companies

#Committee positions of only of Audit Committee and the Stakeholders Relationship Committee have been considered (Excluding committees of India Steel Works Limited) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

During the Financial year five Meetings were held on 25<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 28<sup>th</sup> September, 2016, 9<sup>th</sup> November, 2016, and 3<sup>rd</sup> February, 2017, The maximum interval between any two meetings was not more than 4 months.

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

The Board of Directors has complete 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 following Directors seeking appointment / re-appointment are given in the Notice of the 30<sup>th</sup> Annual General Meeting and forms a part of this Report for:

1. Mr. Sudhir H. Gupta for re-appointment as Managing Director
2. Mr. Deepak Kumar Gaur for appointment as Executive Director of the Company
3. Mr. Ashwinkumar H. Gupta for re-appointment eligible after retire by rotation
4. Mr. Varun S. Gupta for re-appointment eligible after retire by rotation

**(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 and the weblink of the same is: <http://www.indiasteel.in/pdfs/Familiarisation%20programme.pdf>

**(f) Performance Evaluation:**

In compliance with the provisions of Section 134 of the Companies Act, 2013 ('the Act') read with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the stock exchange, the Independent Directors met on 30<sup>th</sup> May, 2017, 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 has adopted Code of Business Conduct & Ethics and is applicable to all the Directors and senior management personnel. In terms of the requirements of Regulation 17(5) of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015, 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**, under the heading 'Investors Relations'. The weblink of the same is: [http://www.indiasteel.in/pdfs/Code\\_of\\_Conduct\\_for\\_Company\\_Board\\_of\\_Directors\\_Senior\\_Management.pdf](http://www.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, 2017 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**.

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, 2017. A declaration to that effect signed by the 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 Four Non-Executive Independent Directors and one Executive Director viz., Mr. T R Bajalia - Chairman, Mr. Bimal Desai, Mrs. Kavita Joshi and Mrs. Riddhi Shah all independent wherein Mr. Sudhir H. Gupta and Mr. Varun S. 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 Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.
- Meetings and attendance during the year:  
During the year, four Audit Committee Meetings were held on 25<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 3<sup>rd</sup> February, 2017. The Composition of Audit Committee and the attendance at the meetings as given hereunder:

Name of the Director	Status	No. of meetings attended
Mr. T.R.Bajalia	Chairman, Non-Executive Independent Director	4
Mr. Bimal Desai	Member, Non-Executive Independent Director	3
Mr. Sudhir H. Gupta	Managing Director, Promoter	4
Mr. Varun Gupta	Member, Whole-time Director	4
Mrs. Kavita Joshi	Member, Non-Executive Independent Director	4
Mrs. Riddhi Shah	Member, Non-Executive Independent Director	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).

- **CFO Certification**

The Managing Director & CFO has issued a Certificate pursuant to the provisions of Clause 17 (8) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 certifying the Financial Statements, the Cash Flow Statements and the Internal Financial Control Systems for financial Year ended March 31<sup>st</sup>, 2017 and the same was placed before the Board of Directors at their meeting held on 30<sup>th</sup> May, 2017.

**(b) Stakeholders Relationship Committee:**

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015, 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	No. of meetings attended
*Mr. Rahul Yeurkar	Member, Non-Executive Director	1
Mr. Bimal Desai	Member, Independent Director	3
Mr. T R Bajalia	Member, Independent Director	4
Mrs. Kavita Joshi	Member, Independent Director	4
Mrs. Riddhi Shah	Member, Independent Director	4
Mr. Ashwinkumar Gupta	Member, Executive Director	3

\* Resigned from the Directorship w.e.f. 12<sup>th</sup> August, 2016.

Four meetings were held during the year i.e. 25<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 3<sup>rd</sup> February, 2017. During the year 2016-17, the Company has received one shareholders' complaints and the same was resolved, there were no requests for dematerialization were pending as on 31<sup>st</sup> March, 2017.

Share Transfers in physical form can be lodged with Link Intime India Private Ltd. A summary of transfer / transmission of securities of the Company so approved as 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 Regulation 7(3) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 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 Regulation 19 of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015, the Board has "Nomination and Remuneration Committee", the composition of which is as follows:

Name of the Director	Status	No. of meetings attended
Mr. Bimal Desai	Chairman, Non-Executive Independent Director	3
Mr. T R Bajalia	Member, Non-Executive Independent Director	4
Mrs. Kavita Joshi	Member, Non-Executive Independent Director	4
Mrs. Riddhi Shah	Member, Non-Executive Independent Director	4

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 senior management personnel in the organization. The terms of reference of the Committee inter alia, include the following:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management personnel;
- 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;
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- Assessing the independence of Independent Directors;

During the financial year 2016-17, the Nomination & Remuneration Committee met on 25<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 3<sup>rd</sup> February, 2017.

**(c) Internal Complaint Committee:**

In compliance with the provisions of The Sexual harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013, the Board has formed an internal Complaints Committee. The constitution of this committee is as mentioned below:

Name of the Director	Status	Contact Details
Mrs. Thankamani Sreenivasan	Presiding officer, Dy. Gen. Manager – Exports	tpanicker@indiasteel.in
Mr. Vinay Mishra	Member, HR Head	vmishra@indiasteel.in
Mrs. Dipati Vartak	Member, Company Secretary	cosec@indiasteel.in

The Committee will be considering the following issues also:

- Sexual Harassment
- Redressal of employee complaints
- Safety and Job Security

The same has been conveyed through placing an official mail. Further, the ICC meets regularly to review the complaints and disputes arise, if any. The Committee has not received any Complaint during the year. The noting of the Committee meeting is also noted in Board Meeting.

**Appointment & Remuneration Policy:****A. Policy for appointment and removal of directors, KMP and senior management personnel****(i) Appointment Criteria and Qualifications**

- 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.
- A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment.
- 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.

**(i) 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 2016-17:**

Name of the Director	Salary & Perquisites ₹ in Lacs	Contribution to PF	Commission	Sitting Fees ₹ in Lacs
Mr. Ashwinkumar H. Gupta	52.88	Nil	Nil	Nil
Mr. Sudhir H. Gupta	47.60	Nil	Nil	Nil
Mr. Varun S. Gupta	42.32	Nil	Nil	Nil
Mr. Deepak Kumar Gaur	26.59	Nil	Nil	Nil
Mr. Rahul Yenukar	18.86	Nil	Nil	Nil
Mr. Bimal Desai	Nil	Nil	Nil	0.32
Mr. T R Bajalia	Nil	Nil	Nil	0.32
Mrs. Kavita Joshi	Nil	Nil	Nil	0.50
Mrs. Riddhi Shah	Nil	Nil	Nil	0.30
Mr. Anant Badjatya	Nil	Nil	Nil	Nil

**4. Annual General Meetings**

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

Financial Year	Date	Location	Time
2015-16	26.09.2016	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11.00 a.m.
2014-15	28.09.2015	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.	11.30 a.m
2013-14	8.09.2014	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.	11.30 a.m

Special resolutions:

- At the 29<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September 2016, the following Special resolutions were passed:
  - a. Appointment of Ms. Riddhi Shah as an Independent Director
  - b. Appointment of Mr. Anant Badjatya as a Nominee Director
  - c. Approval of borrowing powers
  - d. Approval of remuneration of Cost Auditor of the Company
  - e. Approval of related party transactions

**5. Disclosures**

- (i) There were transactions of material nature with related party. The transactions were made during ordinary course of business on arm's 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://www.indiasteel.in/pdfs/poicy\\_on-dealing-with-the-related-party-transaction.pdf](http://www.indiasteel.in/pdfs/poicy_on-dealing-with-the-related-party-transaction.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 Regulation 39 and Schedule VI of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 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 31.03.2016	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 31.03.2017	237	43600

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 are freeze 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 31<sup>st</sup> March, 2017 are as under:

Mr. Ashwinkumar H. Gupta -5515825

Mr. Sudhirkumar H. Gupta -5382725

Mr. Varun S. Gupta -204800

#### General Shareholders Information:

##### A. Annual General Meeting:

Date: 9<sup>th</sup> August, 2017.

Time: 11: 00 a.m.

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

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

- Date of Book closure 2<sup>nd</sup> August 2017 to 9<sup>th</sup> August, 2017 (Both days inclusive).
- Dividend Payment Date: Final dividing of 0.01% on total paid up Preference share capital of the company for the financial year ended 31<sup>st</sup> March, 2017 shall be paid by 7<sup>th</sup> September 2017.

##### 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
Apr 2016	2.59	1.81
May 2016	2.89	2.48
June 2016	3.18	2.37
July, 2016	4.19	2.80
Aug, 2016	4.00	2.40
Sep, 2016	3.08	2.20
Oct, 2016	4.29	2.67
Nov, 2016	4.86	3.26
Dec, 2016	4.40	3.00
Jan, 2017	5.47	3.30
Feb, 2017	5.70	4.51
Mar, 2017	5.40	4.05



**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 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

Tel No: +91 22 49186000 Fax: +91 22 49186060 Email ID: rnt.helpdesk@linkintime.co.in

Mumbai-400 078 Website: www.linkintime.co.in

**H. Compliance Officer**

**Mrs. Dipti Vartak**

304, Tower A, Naman Midtown, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400013

**I. Share Transfer System**

Share Transfers in physical forms can be lodged with Link Intime India Pvt Ltd. The transfers are normally processed within a period of 15 days from the date of the receipt if the documents are complete in all respects. Requests for dematerialization if shares are processed and confirmation is given to the respective depositories. i.e. NSDL & 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 Regulation 7(3) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

**J. Distribution of shareholding as on 31<sup>st</sup> March, 2017.**

SHAREHOLDING OF SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARES	PERCENTAGE OF TOTAL
1 -- 500	9168	78.4126	1896387	0.4764
501 -- 1000	1071	9.1601	956235	0.2402
1001 -- 2000	556	4.7554	899328	0.2259
2001 -- 3000	232	1.9843	614128	0.1543
3001 -- 4000	98	0.8382	359194	0.0902
4001 -- 5000	140	1.1974	683962	0.1718
5001 -- 10000	204	1.7448	1551626	0.3898
10001 & above	223	1.9073	391120065	98.2514
<i>Total:</i>	<b>11692</b>	<b>100.0000</b>	<b>398080925</b>	<b>100.0000</b>

**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	9	11259377	2.83	2.83	0	0.00
(b)	Central Government/State Government(s)	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	9	187322900	47.06	47.06	45487600	24.28
(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>18</b>	<b>198582277</b>	<b>49.88</b>	<b>49.88</b>	<b>45487600</b>	<b>22.90</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>18</b>	<b>198582277</b>	<b>49.88</b>	<b>49.88</b>	<b>45487600</b>	<b>22.90</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	-	-
(I)	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	165	9421094	2.36	2.36	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 2 Lakh	11198	11366642	2.86	2.86	-	-
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	6	14735134	3.70	3.70	-	-
(c)	Qualified Foreign Investors	0	0	0.00	0.00	-	-
(d)	<b>Any Other</b>						
i	Non Resident Indians (Repat)	43	4682660	1.17	1.17	-	-
ii	Non Resident Indians (Non Repat)	18	277454	0.07	0.07	-	-
iii	Foreign Companies	3	119260000	29.96	29.96	-	-
iv	Clearing Member	28	2766164	0.69	0.69	-	-
v	Hindu Undivided Family	187	453253	0.11	0.11	-	-
vi	Market Makers	3	36672	0.01	0.01	-	-
	<b>Sub Total (B)(2)</b>	<b>11651</b>	<b>162999073</b>	<b>40.95</b>	<b>40.95</b>	-	-
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	<b>11667</b>	<b>199498648</b>	<b>50.12</b>	<b>50.12</b>	NA	NA
	<b>Total (A)+(B)</b>	<b>11685</b>	<b>398080925</b>	<b>100.00</b>	<b>100.00</b>		
(C)	<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>11685</b>	<b>398080925</b>	<b>100.00</b>	<b>100.00</b>	<b>45487600</b>	<b>11.43</b>

**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 31.03.2017. The Company's shares are traded on the Stock Exchange, Mumbai.

**M. Plant Locations:**

**Special Steel and Rolling Mill Division**

Zenith Compound, Khopoli, Dist. Raigad, Maharashtra-410203

Tel. No. +91 21 92265812 Fax No. +91 21 92264061

**N. Address for correspondence:**

India Steel Works Limited

304, Naman Midtown, Tower A, Senapati Bapat Marg, Elphinstone Road (W), Mumbai-400013

Tel: +91 22 62 304 361/ 364 Email: cosec@indiasteel.in Website: [www.indiasteel.in](http://www.indiasteel.in)



**CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT**

As provided under Regulation 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 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 2016-17.

For **India Steel Works Limited**

**Place: Mumbai**

**Dated: 30<sup>th</sup> May 2017**

**Sudhir H. Gupta**

**Managing Director**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Shareholders of India Steel Works Ltd.

We have reviewed the records concerning the Company's Compliance with Regulation 27 and Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges of India for the financial year beginning April 1, 2016 and ending on March 31<sup>st</sup>, 2017.

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

Based on such review, in our opinion, the Company has complied with Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Stock Exchanges of India.

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 and on behalf of –  
**Thanawala & Company**  
Chartered Accountants

Firm Reg. No. 110948W  
[V.K. Thanawala]  
Proprietor  
Membership No. 15632

Place : Mumbai

Date : 30<sup>th</sup> May 2017





## INDEPENDENT AUDITOR'S REPORT

To

The Members

INDIA STEEL WORKS LIMITED

### 1. Report on the standalone Financial Statements

We have audited the accompanying financial statements of **INDIA STEEL WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information in which is incorporated the unaudited financial statement of overseas branch.

### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

### 5. Other matters

The unaudited financial statement of branch included in the financial statement, which constitute the total current assets of ₹2,61,23,488/- and net assets of ₹71,32,246/- as at 31<sup>st</sup> March 2017, total revenue of ₹2,98,87,47,983/, net profit



of ₹ 7,42,323/- and net cash flow amounting to ₹ 25,01,739/- for the period ended on that date, as considered in the financial statement.

**6. Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the on the matters specified in para 3 and 4 of the said order,
2. 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 purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the 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 the written representations received from the directors as at 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - g. 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 information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigation on its financial position in its financial statement Refer Note 29(ii) to the financial statement.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The company has disclosed in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016 and these are in accordance with the books of account maintained by the company. (Refer Note No 32 to the financial statement.)

For and on behalf of –  
**Thanawala & Company**  
Chartered Accountants

Firm Reg. No. 110948W  
[V.K. Thanawala]  
Proprietor  
Membership No. 15632

Place : Mumbai

Date : 30<sup>th</sup> May 2017

**ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT****ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE COMPANY ON THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2017,**

We Report That -

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed asset.
- b. As explained to us the Company has a phased program for physical verification of the fixed asset of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.
2. The inventory have been physically verified by the management, except those lying with third parties at reasonable intervals during the year. No material discrepancies were noticed on physical verification of inventories as compared to book records.
3. According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to companies firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Accordingly the provision of clause 3(iii) Of the order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, the company has complied the provisions of section 185 and 186 of the Companies Act 2013 to the extend applicable with respect to the loans & investment made.
5. The company has not accepted any deposit from the public in accordance with the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and rules framed there under.
6. We have broadly reviewed the cost records maintained by the company pursuant to the Order of the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained, We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a. According to and on the basis of our examination of the records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, and other material statutory dues during the year with the appropriate authorities. According to the records of the company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of Sales tax and Central Sales Tax and other statutory dues as at the last day of the period ending 31<sup>st</sup> March, 2017 -

Name of Status	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	Sales Tax	11.24	F.Y.- 2002 / 2003	Sales Tax Officer
Central Excise Act	Excise	53.53	F.Y.-2012 / 2013	DGCI
Central Excise Act	Excise	406.30	F.Y.-2012 / 2013	FTWL
Central Excise Act	Excise	37.99	F.Y.-2005 / 2006	Comm. of Central Excise
Central Excise Act	Excise	9.64	F.Y.-2012 / 2013	Addl. Com of Central Excise



8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and governments. The company did not have any outstanding dues to debenture holders during the year.
9. The company has not raised any money by way of public issue or further public offer during the year or in the recent past. Based on the information and explanations given to us by the management.
10. 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 fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have been informed of such case by the management.
11. According to the information and explanation given to us and based on our examination of the books and records of the Company, we are the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Company Act.
12. In our opinion, the company is not a Nidhi Companies, Therefore, provision of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statement as per Accounting Standard in Note No -30 to the Financial Statement.
14. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company has not entered into any non-cash transactions prescribed U/s 192 of the Act the year with directors or persons connected with them during the year.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of –  
**Thanawala & Company**  
Chartered Accountants

*Firm Reg. No. 110948W*  
*[V.K. Thanawala]*  
Proprietor  
Membership No. 15632

Place : Mumbai

Date : 30<sup>th</sup> May 2017

**ANNEXURE – B TO THE AUDITORS REPORT****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIA STEEL WORKS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of India Steel Works Limited

We have audited the internal financial controls over financial reporting of India Steel Works Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Mumbai

Date : 30<sup>th</sup> May 2017



Balance Sheet as at 31<sup>st</sup> March, 2017

PARTICULARS		Note No.	As at 31 <sup>st</sup> March, 2017 Amt. ₹	As at 31 March, 2016 Amt. ₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	1,03,99,39,765	1,03,99,39,765
	(b) Reserves and surplus	3	1,41,02,15,741	1,33,02,42,671
	(c) Money received against share warrants			
			2,45,01,55,506	2,37,01,82,436
<b>2</b>	<b>Share application money pending allotment</b>			
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	34,64,41,847	35,56,90,357
	(b) Deferred tax liabilities (net)	4C	-	-
	(c) Other long-term liabilities	5	37,26,23,974	32,57,88,979
	(d) Long-term provisions	6	2,86,82,000	2,52,28,322
			74,77,47,821	70,67,07,658
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	30,45,16,203	30,00,23,735
	(b) Trade payables	8	1,96,74,79,731	1,98,64,90,310
	(c) Other current liabilities	9	7,30,78,406	3,95,30,439
	(d) Short-term provisions	10	11,66,64,877	13,61,19,389
			2,46,17,39,216	2,46,21,63,873
	<b>TOTAL</b>		5,65,96,42,543	5,53,90,53,967
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11	2,28,05,11,429	2,31,48,58,681
	(ii) Intangible assets	11	-	56,56,703
	(iii) Capital work-in-progress	11	19,18,24,040	17,63,37,360
			2,47,23,35,469	2,49,68,52,743
	(b) Non-current investments	12	2,14,76,940	2,14,76,940
	(c) Deferred tax assets (net)		3,61,08,849	1,78,03,360
	(d) Long-term loans and advances	13	18,80,55,228	19,19,34,988
	(e) Other non-current assets	14	42,20,55,338	28,15,16,301
			3,14,00,31,824	3,00,95,84,333
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	15	1,66,41,50,391	1,35,64,07,164
	(c) Trade receivables	16	41,14,33,969	65,92,23,336
	(d) Cash and cash equivalents	17	2,57,68,781	2,99,96,458
	(e) Short-term loans and advances	18	15,75,18,135	18,47,14,405
	(f) Other current assets	19	26,07,39,443	29,91,28,273
			2,51,96,10,720	2,52,94,69,635
	<b>TOTAL</b>		5,65,96,42,543	5,53,90,53,968
	<b>Significant Accounting Policies, Notes on Financial Statements</b>	1-34		

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

Vijay K.Thanawala  
Proprietor  
M.N.015632

Place : Mumbai  
Date : 30<sup>th</sup> May 2017

Ashwinkumar H Gupta  
Chairman  
DIN: 00010850

Sudhirkumar H Gupta  
Managing Director  
DIN: 00010853

Varun S. Gupta  
Executive Director  
DIN: 02938137

Dipti Vartak  
Company Secretary  
FCS 9057





Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017

Particulars		Note No.	For the year ended 31 <sup>st</sup> March , 2017 Amt. ₹	For the year ended 31 <sup>st</sup> March , 2016 Amt. ₹
<b>INCOME</b>				
1	Revenue from operations (gross)	20	10,94,46,49,232	6,33,60,48,456
	Less: Excise duty		56,00,98,922	49,71,74,792
	Revenue from operations (net)		10,38,45,50,310	5,83,88,73,663
2	Other income	21	9,90,03,129	10,47,09,272
3	<b>Total revenue (1+2)</b>		<b>10,48,35,53,439</b>	<b>5,94,35,82,936</b>
<b>EXPENDITURE</b>				
	(a) Cost of materials consumed	22	4,43,40,90,575	3,16,31,01,843
	(b) Purchases of stock-in-trade	22B	5,07,30,13,743	1,77,01,85,893
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22C	-58,95,41,198	-33,59,95,134
	(c) Employee benefits expense	23	20,76,77,447	21,36,15,124
	(d) Finance costs	24	9,47,97,735	9,85,72,432
	(e) Depreciation and amortisation expense		18,36,28,723	17,96,14,544
	(f) Other expenses	25	1,01,78,16,953	83,23,08,251
	<b>Total expenses</b>		<b>10,42,14,83,978</b>	<b>5,92,14,02,953</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		6,20,69,461	2,25,95,635
6	Exceptional items	26	-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		6,20,69,461	2,25,95,635
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		6,20,69,461	2,25,95,635
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year			-
	(b) (Less): MAT credit (where applicable)			-
	(c) Current tax expense relating to prior years		-3,24,625	-
	(d) Net current tax expense		-3,24,625	-
	(e) Deferred tax		1,83,05,489	1,78,03,360
			<b>1,79,80,864</b>	<b>1,78,03,360</b>
11	<b>Profit / (Loss) after tax (9 ± 10)</b>		8,00,50,325	4,03,98,995
	<b>Earnings per equity shares of face value of Re 1/-each</b>			
	Basic and Diluted (in ₹)	27	0.20	0.10
	Significant Accounting Policies, Notes on Financial Statements	1-34		

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

Vijay K.Thanawala  
Proprietor  
M.N.015632

Place : Mumbai  
Date : 30<sup>th</sup> May 2017

Ashwinkumar H Gupta  
Chairman  
DIN: 00010850

Sudhirkumar H Gupta  
Managing Director  
DIN: 00010853

Varun S. Gupta  
Executive Director  
DIN: 02938137

Dipti Vartak  
Company Secretary  
FCS 9057

**Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2017**

	2016-2017 Amt ₹ in Lac	2015-2016 Amt ₹ in Lac
Cash Flow from Operations		
Net Profit / (Loss) before Tax	620.69	225.96
Other Income from Non Operating activity	(38.61)	(47.93)
Depreciation and Amortisation	1,832.13	1,791.99
Finance Cost	947.98	985.72
Prior Period Expenses/ Write Backs	951.42	810.95
Provision for Taxes	(3.25)	-
Loss on Sale of Assets	-	(188.22)
Provision for (increase)/ Diminution in value of Investments		
Operating Profit / (Loss)	4,310.36	3,578.47
Decrease / (Increase) in Sundry Debtors	2,477.89	(2,587.26)
Decrease / (Increase) in Inventories	(3,077.43)	(2,688.19)
Decrease / (Increase) in Loans & Advances	(710.74)	(1,166.86)
Increase / (Decrease) in Sundry Creditors	453.72	7,370.77
Net Cash generated from / (used in) operations	3,453.80	4,506.94
Preference Dividend Paid	(0.64)	(0.64)
Taxes Paid	(0.13)	(0.13)
Cash Flow before extraordinary / exceptional items	3,453.03	4,506.17
Extraordinary Ordinary / Exceptional Items	(951.42)	(810.95)
Cash Flow after extraordinary / exceptional items	2,501.61	3,695.22
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,657.04)	(1,944.59)
Sale of Fixed Assets	70.08	189.00
(Purchase)/Sale of Investment	-	-
Dividend Received		
Cash Flow from financial activities	(1,586.96)	(1,755.59)
Increase (Decrease) in Cash received from Issuance of share capital		
Increase / (Decrease) in Short Term Borrowings	44.92	(684.72)
Increase / (Decrease) in Long Term Borrowings	(92.49)	(202.81)
Interest Paid	(909.37)	(937.80)
Net Cash (used in) / from Financing Activities	(956.93)	(1,825.33)
Net increase in cash and cash equivalents	(42.28)	114.31
Cash and cash equivalent as at the beginning of the year	299.96	185.66
Cash and cash equivalent as at the end of the year	257.69	299.96

**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  
DIN: 00010850**

**Sudhirkumar H Gupta  
Managing Director  
DIN: 00010853**

**Varun S. Gupta  
Executive Director  
DIN: 02938137**

**Place : Mumbai  
Date : 30<sup>th</sup> May 2017**

**Dipti Vartak  
Company Secretary  
FCS 9057**



## Notes forming part of the financial statements

### 1 Significant Accounting Policies-

#### 1.1 Basis of accounting

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

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

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the companies Act, 2013.

#### 1.2 Inventories :

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

- 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.
- 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.
- 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 provided over the useful life of assets as specified in Schedule II of the Companies Act, 2013 using Straight Line Method.

#### 1.7 Revenue recognition :

Sales are accounted for net of Excise Duty, VAT and claims etc. 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.

#### 1.9 Capital work in Progress and Preoperative Expenses during Construction period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

#### 1.10 Employee Benefits

- Company's Contribution to the provident fund and family pension funds is recognized during the year in which related service is rendered.

**Notes forming part of the financial statements**

- 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.

**1.11 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.

**1.12 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).

**1.13 Taxes on income :**

Current tax is determined based on the amount of tax payable in respect of taxable income for the financial year ending on 31<sup>st</sup> March.

Deferred tax is recognized, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period are capable of reversal in one or more subsequent periods. Deferred tax assets, are recognized only to the extent there is virtual certainly supported by convincing evidence of its realization.

**1.14 Cash flow statement**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**1.15 Miscellaneous Expenditure :**

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

**1.16 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.

**1.17 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.

As per Our Report of Even date

For and on Behalf of

THANAWALA & Co.

Chartered Accountants

Firm Reg. No. 110948W

[V.K. Thanawala]

Proprietor

M.N. 15632

Place : Mumbai,

Dated : 30<sup>th</sup> May 2017

Ashwinkumar H Gupta

Chairman

DIN: 00010850

Varun S. Gupta

Chief Financial Officer

DIN: 02938137

Sudhirkumar H Gupta

Managing Director

DIN: 00010853

Dipti Vartak

Company Secretary

FCS 9057

For, India Steel Works Limited



Notes forming part of the financial statements

Note 2 Equity Share capital

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares	Amt ₹	Number of shares	Amt ₹
(a) Authorised Equity shares of Re 1/- each with voting rights	42,00,00,000	42,00,00,000	42,00,00,000	42,00,00,000
(b) Issued Equity shares of Re 1/- each with voting rights	39,80,80,925	39,80,80,925	39,80,80,925	39,80,80,925
<b>Total</b>	<b>39,80,80,925</b>	<b>39,80,80,925</b>	<b>39,80,80,925</b>	<b>39,80,80,925</b>
(c) Subscribed and fully paid up Equity shares of Re 1/- each with voting rights	39,80,80,925	39,80,80,925	39,80,80,925	39,80,80,925
<b>Total</b>	<b>39,80,80,925</b>	<b>39,80,80,925</b>	<b>39,80,80,925</b>	<b>39,80,80,925</b>

2A

Of the above, 8,70,00,000 fully paid-up equity shares of Re 1/- each represent the shares which were allotted on a preferential basis to the promoters of the Company in the last 5 years

Of the above, 7,20,00,000 fully paid-up equity shares of Re 1/- each represent the shares which were allotted on a preferential basis to the Strategic Investors of the Company in the last 5 years

Of the above, 50,00,000 fully paid-up equity shares of Re 1/- each represent the shares which were allotted to on a preferential basis to the Bank 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 2017			
- Number of shares	39,80,80,925	-	39,80,80,925
- Amount	39,80,80,925	-	39,80,80,925
Year ended 31 March, 2016			
- Number of shares	39,80,80,925		39,80,80,925
- Amount	39,80,80,925	-	39,80,80,925

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

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	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.	4,56,34,150	11.46%	9,81,34,150	24.65%
TB Investments Ltd	2,70,00,000	6.78%	2,70,00,000	6.78%



Notes forming part of the financial statements

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
UD Industrial Holding Pte Ltd.	9,20,00,000	23.11%	9,20,00,000	23.11%
Khamgaon Land Development and Trading co. Pvt.Ltd.	4,36,50,000	10.97%	1,74,00,000	4.37%
Yeotmal Land Development and Trading co. Pvt.Ltd.	4,36,50,000	10.97%	1,74,00,000	4.37%
<b>TOTAL</b>	<b>25,19,34,150</b>	<b>63.29%</b>	<b>25,19,34,150</b>	<b>63.29%</b>

Note 2B Preference Share capital

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares	Amf ₹	Number of shares	Amf ₹
(a) Authorised Preference shares of Re 10/- each without voting rights	6,45,00,000	64,50,00,000	6,45,00,000	64,50,00,000
(b) Issued, Subscribed and fully paid up 14% Cumulative Redeemable Preference shares of Re 10/- each without voting rights	20,00,000	2,00,00,000	20,00,000	2,00,00,000
0.01% Cumulative Redeemable Preference shares of ₹10/- each without voting rights	5,36,71,310	53,67,13,100	5,36,71,310	53,67,13,100
0.01% Cumulative Redeemable Preference shares (Option Series) of Re 10/- each without voting rights	85,14,574	8,51,45,740	85,14,574	8,51,45,740
<b>Total</b>	<b>6,41,85,884</b>	<b>64,18,58,840</b>	<b>6,41,85,884</b>	<b>64,18,58,840</b>

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

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

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

4) Dividend on above Preference Shares for current year not provided Rs 28,62,186/- & till date amounted to Rs 5,81,70,897/-

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 2017			
- Number of shares	6,41,85,884	-	6,41,85,884
- Amount	64,18,58,840	-	64,18,58,840
Year ended 31 March, 2016			
- Number of shares	6,41,85,884	-	6,41,85,884
- Amount	64,18,58,840	-	64,18,58,840



Notes forming part of the financial statements

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

Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	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.	3,75,47,800	58.50%	3,75,47,800	58.50%
Punjab & Sind Bank	1,21,38,000	18.91%	1,21,38,000	18.91%
Oriental Bank of Commerce	56,98,413	8.88%	56,98,413	8.88%
<b>TOTAL</b>	<b>5,53,84,213</b>	<b>86.29%</b>	<b>5,53,84,213</b>	<b>86.29%</b>

(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 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Preference shares without voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	23,48,931	23,48,931
<b>Total</b>	<b>23,48,931</b>	<b>23,48,931</b>

Note 2C Unclassified Share capital

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares	Amt ₹	Number of shares	Amt ₹
(a) Authorised Unclassified shares	-	50,00,000	-	50,00,000
(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 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	Amt ₹	Amt ₹
(a) Capital reserve		
As per last balance sheet	1,18,64,51,809	1,18,64,51,809
Add : Revaluation during the year	-	-
Closing balance	1,18,64,51,809	1,18,64,51,809
(b) Securities premium account		
As per last balance sheet	1,80,19,38,325	1,80,19,38,325
Add : Received during the year	-	-
Closing balance	1,80,19,38,325	1,80,19,38,325
(c) Preference Share Redemption Reserve		
As per last balance sheet	5,00,00,000	5,00,00,000





Notes forming part of the financial statements

Particulars		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
		Amt ₹	Amt ₹
Closing balance		-	-
		5,00,00,000	5,00,00,000
(d) General Reserve			
As per last balance sheet		20,40,00,000	20,40,00,000
Closing balance		20,40,00,000	20,40,00,000
(e) Surplus / (Deficit) in Statement of Profit and Loss			
As per last balance sheet		-1,91,21,47,463	-1,95,24,69,203
Add: Profit / (Loss) for the year		8,00,50,325	4,03,98,995
Less : Preference Dividend	64,188		
Less : Tax on Dividend	13,067	77,255	77,255
Closing balance		<b>-1,83,21,74,393</b>	<b>-1,91,21,47,463</b>
<b>Total (a)+(b)+(c)+(d)+(e)</b>		<b>1,41,02,15,741</b>	<b>1,33,02,42,671</b>

Note 4 Long-term borrowings

Particulars		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
		Amt ₹	Amt ₹
(a) Term loans			
(1) From banks			
i) Secured - Kotak Mahindra Bank Ltd.		-	1,63,50,168
ii) Secured - NBFC		63,95,621	63,68,963
		63,95,621	2,27,19,131
(2) From others			
i) Unsecured			
a) Inter Corporate Deposits		34,00,46,226	33,29,71,226
b) From related parties		-	-
		34,00,46,226	33,29,71,226
(b) Deferred payment liabilities			
Secured		-	-
Unsecured		-	-
		-	-
(c) Deposits			
Secured		-	-
Unsecured		-	-
		-	-
<b>Total</b>		<b>34,64,41,847</b>	<b>35,56,90,357</b>

Note : Terms of Repayment & Security for Secured Loan.

1) Loans from Kotak Mahindra Prime Ltd. @9.75% interest are secured against hypothecation of motor vehicles These loans are repayable in 48 equated monthly months installment of ₹220300/-

2) Loans from Toyota Financial Services Ltd @10.25% interest are secured against hypothecation of motor vehicles These loans are repayable in 48 equated monthly months installment of ₹54432/-



Notes forming part of the financial statements

Note 4 Long-term borrowings (contd.)

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Amt ₹		Amt ₹	
	Secured	Unsecured	Secured	Unsecured
From banks/NBFC's:				
Kotak Manindra Bank Ltd	-	-	1,63,50,168	-
Kotak Manindra Prime Ltd.	58,82,875			
Srei Equipment Finance Ltd.	-	-	53,21,909	-
Toyota Financial Services Ltd.	5,12,746		10,47,054	-
	63,95,621	-	2,27,19,131	-
Total - Deferred payment liabilities	-		-	
Total	-	-	-	-

Note : Terms of Repayment & Security for Secured Loan.

- 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.
- Loans from Toyota Financial Services Ltd are secured against hypothecation of respective motor vehicles. This loan is repayable in 48 months respectively.

Note 4C Deferred Tax Liability

Particulars	As at 31 <sup>st</sup> March, 2017 Amt ₹	As at 31 <sup>st</sup> March, 2016 Amt ₹
Related to Fixed Assets	-	-
Disallowance under Income Tax Act	-	-
	-	-

Note 5 Other long-term liabilities

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
(a) Others:		
(i) Long term Creditors for Capex	37,26,23,974	32,57,88,979
(ii) Contractually reimbursable expenses		
(iii) Trade / security deposits received		
<b>Total</b>	<b>37,26,23,974</b>	<b>32,57,88,979</b>

Note 6 Long-term provisions

Particulars	As at 31 <sup>st</sup> March, 2017 Amt ₹	As at 31 <sup>st</sup> March 2016 Amt ₹
(a) Provision for employee benefits:		
(i) Provision for compensated absences	1,02,31,425	90,90,321
(ii) Provision for gratuity	1,84,50,575	1,61,38,001



Notes forming part of the financial statements

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(iii) Provision for post-employment medical benefits	2,86,82,000	2,52,28,322
(b) Provision - Others:		
(i) Provision for premium payable on redemption of bonds	-	-
(ii) Provision for other contingencies	-	-
<b>Total</b>	<b>2,86,82,000</b>	<b>2,52,28,322</b>

Note 7 Short-term borrowings

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Loans repayable on demand		
From banks		
Secured - Kotak Bank Ltd.	9,88,93,757	10,60,19,072
- DNSB	20,56,22,446	19,40,04,663
Unsecured	30,45,16,203	30,00,23,735
From other parties	-	-
(b) Deposits		
Secured	-	-
Unsecured	-	-
© Deferred Payment Liability		
Secured	-	-
Unsecured	-	-
<b>Total</b>	<b>30,45,16,203</b>	<b>30,00,23,735</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 assets of the company, hypothecation of stock and book debts of the company and personal guarantees of some of the promoter directors of the Company.

Note 8 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Trade payables:		
Micro Small & medium Enterprises	1,96,74,79,731	1,98,64,90,310
Others	-	-
<b>Total</b>	<b>1,96,74,79,731</b>	<b>1,98,64,90,310</b>



## Notes forming part of the financial statements

## Note 9 Other current liabilities

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Unpaid dividends	-	-
(b) Interest accrued & due on borrowings	-	9,22,131
(c) Other payables		
(i) Statutory remittances:-		
Vat/CST Payable	3,57,42,773	34,20,630
Service Tax Payable	1,29,413	3,29,464
TDS Payable	36,31,254	36,20,758
PF & ESIC Payable	8,55,095	6,77,602
PT Payable	1,27,025	86,850
Union Welfare Fund/MLWF Payable	-	48,936
Mediclaime Claim Payable	-	-
Property Tax/Cess Payable	-	23,94,006
(ii) Payables on purchase of fixed assets	2,23,14,260	2,46,94,332
(iii) Employee's Loan Repayment	3,48,845	1,84,147
(iv) Unpaid Bonus	-	-
(v) Share Application Money received & due for refund	-	-
(vi) Advance from Customers	99,29,741	31,51,582
<b>Total</b>	<b>7,30,78,406</b>	<b>3,95,30,439</b>

## Note 10 Short-term provisions

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Provision for employee benefits		
(i) Bonus	30,96,725	31,94,331
(ii) Salary	2,98,08,844	1,40,30,059
	3,29,05,569	1,72,24,390
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	-	-
(ii) Provision for Electricity Expenses	7,18,12,890	9,87,54,390
(iii) Provision for Purchase Bills Not Booked	-	1,62,11,438
(iv) Provision for Expenses	1,18,69,163	39,29,171
(iv) Provision for Dividend & Tax	77,255	-
	8,37,59,308	11,88,94,999
<b>Total</b>	<b>11,66,64,877</b>	<b>13,61,19,389</b>



NOTE NO. 11 : FIXED ASSETS :

Sr No	GROSS BLOCK				DEPRECIATION			IMPAIRMENT		NET BLOCK	
	AS ON 01.04.2016	ADDITIONS	TRANSFERS/ DEDUCTIONS	AS ON 31.03.2017	AS ON 01.04.2016	FOR THE YEAR	TRANSFERS/ DEDUCTIONS	AS ON 31.03.2017	AS ON 31.03.2016	AS ON 31.03.2017	AS ON 31.03.2016
A)											
1	75,29,22,000	-	-	75,29,22,000	-	-	-	-	-	75,29,22,000	75,29,22,000
2	42,92,57,786	11,93,270	-	43,04,51,056	15,76,27,093	1,43,80,875	-	2,08,37,618	2,08,37,618	23,76,05,470	25,07,93,075
3	2,01,16,606	-	15,45,865	1,85,70,741	42,33,847	7,34,349	1,94,221	8,00,432	3,99,575	1,29,96,335	1,54,83,185
4	3,53,92,85,695	13,96,03,894	-	3,67,88,89,589	2,04,86,51,481	16,43,30,838	-	22,64,73,659	22,64,73,659	1,23,94,33,609	1,26,41,60,553
5	1,71,37,933	6,96,410	-	1,78,34,343	1,59,32,036	3,41,449	-	4,00,857	4,00,857	15,60,858	8,05,040
6	1,59,93,988	83,19,174	-	2,43,13,162	76,55,488	15,29,301	-	1,24,144	1,24,144	1,50,04,226	82,14,353
7	58,40,426	3,90,315	-	62,30,741	23,53,478	2,79,738	-	-	-	35,97,525	34,86,948
8	2,81,87,134	14,400	-	2,82,01,534	90,92,252	16,16,521	-	1,01,355	1,01,355	1,73,91,406	1,89,93,527
<b>TOTAL</b>	<b>4,80,87,41,568</b>	<b>15,02,17,463</b>	<b>15,45,865</b>	<b>4,95,74,13,166</b>	<b>2,24,55,45,674</b>	<b>18,32,13,071</b>	<b>1,94,221</b>	<b>24,83,37,208</b>	<b>24,83,37,208</b>	<b>2,28,05,11,429</b>	<b>2,31,48,58,681</b>
B)											
INTANGIBLE ASSET											
Overseas Project	56,56,703	-	56,56,703	-	-	-	-	-	-	-	56,56,703
<b>TOTAL</b>	<b>56,56,703</b>	<b>-</b>	<b>56,56,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,56,703</b>
C)											
CAPITAL WORK IN PROGRESS											
1	11,79,900	3,90,184	1,40,000	14,30,084	-	-	-	-	-	14,30,084	11,79,900
2	1,10,88,099	1,32,54,883	-	2,43,42,982	-	-	-	-	-	2,43,42,982	1,10,88,099
3	16,40,69,361	14,03,43,723	13,83,62,110	16,60,50,974	-	-	-	-	-	16,60,50,974	16,40,69,361
<b>TOTAL</b>	<b>17,63,37,360</b>	<b>15,39,88,790</b>	<b>13,85,02,110</b>	<b>19,18,24,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,18,24,040</b>	<b>17,63,37,360</b>
<b>GRAND TOTAL</b>	<b>4,98,50,78,928</b>	<b>30,42,06,253</b>	<b>14,00,47,975</b>	<b>5,14,92,37,206</b>	<b>2,24,55,45,674</b>	<b>18,32,13,071</b>	<b>1,94,221</b>	<b>24,83,37,208</b>	<b>24,83,37,208</b>	<b>2,47,23,35,469</b>	<b>2,49,88,52,743</b>
Previous Year	4,79,45,26,742	19,29,66,845	24,14,679	4,98,50,78,928	2,06,86,83,395	17,91,98,892	23,36,613	24,83,37,208	24,83,37,208	2,49,68,52,743	2,48,16,70,064



Notes forming part of the financial statements

Note 12 Non-current investments

Particulars	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Amt ₹	Amt ₹	Amt ₹	Amt ₹	Amt ₹	Amt ₹
Investments (At cost):						
A. <u>Trade</u>						
(a) Investment in equity instruments (Fully paidup)						
(i) Subsidiaries						
(ii) Associates						
(iii) Others - Sai Wradha Power Ltd. - DNSB.	-	2,12,27,640	2,12,27,640	-	2,12,27,640	2,12,27,640
		53,300	53,300		53,300	53,300
<b>Total</b>	-	2,12,80,940	2,12,80,940	-	2,12,80,940	2,12,80,940
(b) Investment in preference shares						
(i) Subsidiaries						
<b>Total</b>	-	-	-	-	-	-
<b>Total - Trade A</b>	-	2,12,80,940	2,12,80,940	-	2,12,80,940	2,12,80,940
B. <u>Other investments</u>						
(a) Investment in equity instruments						
(i) Interfit India Limited		196000	1,96,000		1,96,000	1,96,000
<b>Total - Other (B)</b>	-	1,96,000	1,96,000	-	1,96,000	1,96,000
<b>Total - (A+B)</b>	-	2,14,76,940	2,14,76,940	-	2,14,76,940	2,14,76,940

Note 13 Long-term loans and advances

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Income Tax Refund Receivable (TDS) Unsecured, considered good	1,61,41,114	1,07,18,847
(b) MAT credit entitlement - Unsecured, considered good		
(c) Balances with government authorities Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable	1,95,98,332	2,64,00,359
(iii) Customs/Excise Duty/Service Tax/VAT paid under Protest	60,79,575	60,79,575
(d) Deposits	3,42,09,250	3,67,09,250
(e) Insurance Claim Receivable	11,20,26,957	11,20,26,957
<b>Total</b>	18,80,55,228	19,19,34,988

Note 14 Other non-current assets

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Unamortised expenses		
(i) Deferred Revenue Expenditure **	-	-
(ii) Preliminary Expenses	4,15,644	8,31,296
(a) Inventory Non current (Refer note No.15)	42,16,39,694	28,06,85,005
<b>Total</b>	42,20,55,338	28,15,16,301



Notes forming part of the financial statements

Note 15 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March 2016	
	Amt ₹	Amt ₹	Amt ₹	Amt ₹
	Current	Non current	Current	Non current
(a)(i) Raw materials (including Consumables/Stores/Tools)	22,81,40,284	-	14,49,87,316	17,59,74,534
(ii) Raw materials in Transit	15,32,94,071	-	20,13,15,787	-
	38,14,34,354	-	34,63,03,103	17,59,74,534
(b) Work-in-progress	1,00,44,34,375	41,06,00,800	85,19,17,706	9,36,71,578
(c) Finished goods (other than for trading)	20,05,27,201	31,37,667	9,88,14,376	31,37,667
(d) Stock-in-trade (for trading)	6,75,55,750	79,01,227	4,84,59,409	79,01,227
(d) Stock-in-trade (with Consignment Agents)	1,01,98,710		1,09,12,570	
<b>Total</b>	<b>1,66,41,50,391</b>	<b>42,16,39,694</b>	<b>1,35,64,07,164</b>	<b>28,06,85,005</b>

Note 16 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Unsecured, considered good unless otherwise specified	15,41,49,410	12,98,50,544
Provision for Doubtful	1,65,00,000	1,65,00,000
	17,06,49,410	14,63,50,544
Less :- Provision for Doubtful	-1,65,00,000	-1,65,00,000
	15,41,49,410	12,98,50,544
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
* Unsecured, considered good	25,72,84,560	52,93,72,792
	25,72,84,560	52,93,72,792
<b>Total</b>	<b>41,14,33,969</b>	<b>65,92,23,336</b>

Note 17 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Cash on hand	7,04,209	1,50,76,749
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	1,70,17,003	61,55,884
(ii) In EEFC accounts		
* (iii) In deposit accounts (Maturity more than 12 months)	55,45,830	87,63,825
(iv) In earmarked accounts		





Notes forming part of the financial statements

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
- Unpaid dividend accounts (v) In India Steel Singapore Branch accounts	25,01,739	-
<b>Total</b>	<b>2,57,68,781</b>	<b>2,99,96,458</b>

\* Of the above ₹4395830/- have been earmarked by bank against guarantee issued

Note 18 Short-term loans and advances

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Security deposits		
(i) Secured, considered good	1,78,88,590	1,78,88,590
(ii) Unsecured, considered good (Others)	51,85,728	44,90,728
(iii) Unsecured, considered good (Related Parties)	52,00,000	52,00,000
	<b>2,82,74,318</b>	<b>2,75,79,318</b>
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	2,38,34,938	1,13,34,184
(Maximum Balance due from officers of the company Rs 2,21,46,129/-)		
	<b>2,38,34,938</b>	<b>1,13,34,184</b>
(c) Prepaid expenses - Unsecured, considered good	54,24,201	1,09,80,555
	<b>54,24,201</b>	<b>1,09,80,555</b>
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	9,31,20,002	8,95,82,443
(ii) Service Tax credit receivable	61,14,676	39,68,470
(iii) Deposit for Sales Tax Appeal	7,50,000	7,50,000
(iv) Customs Duty Refund Receivable	-	7,19,434
(v) Excise Rebate Claim	-	-
	<b>9,99,84,678</b>	<b>9,50,20,347</b>
(e) Inter-corporate Loans & Advances		
Secured, considered good	-	-
Unsecured, considered good	-	3,98,00,000
Unsecured, considered good Related Parties	-	-
Doubtful	-	-
	<b>-</b>	<b>3,98,00,000</b>
<b>Total</b>	<b>15,75,18,135</b>	<b>18,47,14,405</b>

Note 19 Other current assets

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(a) Unamortised expenses		
(i) Share issue expenses (where applicable)	-	-
(ii) Deferred Revenue Expenditure	-	-
(iii) Preliminary Expenses	-	-
(b) Accruals		
(i) Interest accrued on deposits	20,31,526	12,20,371



Notes forming part of the financial statements

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March 2016
	Amt ₹	Amt ₹
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(c) Others		
(i) Insurance Claim Receivable	5,82,24,071	12,29,29,065
(ii) Advance to Suppliers	16,41,93,123	8,60,11,701
(iii) Advance to Capex Suppliers	1,08,22,823	1,41,57,901
(iv) DEPB Receivable	6,378	3,63,485
(v) Duty Drawback Receivable	1,74,537	1,16,527
(vi) Job Work Charges Accrued on FG	2,52,23,738	5,72,86,935
(vii) Claims Receivable	-	1,70,42,288
(vii) Others Advance TDS Receivable ( NBFC)	63,247	-
<b>Total</b>	<b>26,07,39,443</b>	<b>29,91,28,273</b>

Note 20 Revenue from operations

Particulars	For the year ended 31 <sup>st</sup> March , 2017	For the year ended 31 <sup>st</sup> March, 2016
	Amt ₹	Amt ₹
(a) Sale of products	10,71,25,62,256	6,06,67,71,186
(b) Sale of Scrap	2,24,331	18,94,915
(c) Labour Charges Received	23,18,04,635	26,72,65,828
(d) Export Incentives	58,010	1,16,527
	10,94,46,49,232	6,33,60,48,456
Less : Excise Duty	56,00,98,922	49,71,74,792
<b>Total</b>	<b>10,38,45,50,310</b>	<b>5,83,88,73,663</b>

Note 21 Other income

Particulars	For the year ended 31 <sup>st</sup> March , 2017	For the year ended 31 <sup>st</sup> March, 2016
	Amt ₹	Amt ₹
<b>Operating</b>		
(a) Miscellaneous Income	31,280	44,760
(b) Interest income		
Interest on Bank Deposits (TDS ₹45398/- )	4,54,022	3,08,206
Other Interest Income (TDS ₹194909/ -)	33,69,033	44,34,050
(c) Dividend income:		
from current investments	6,890	5,742
others		
(d) Sundry Balances W/off	9,09,22,594	1,96,96,229
(e) Excess Provision W/Back	42,19,310	6,13,98,352
(f) Profit on Sale of Assets	-	1,88,21,934
(g) Order Cancellation Charges	-	-
<b>Total</b>	<b>9,90,03,129</b>	<b>10,47,09,272</b>



Notes forming part of the financial statements

Note 22.a Cost of materials consumed

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
Opening stock	52,22,77,636	37,39,86,863
Add: Purchases	4,74,68,59,670	3,51,42,86,469
Add: Transport Inwards	3,83,21,222	3,57,12,627
Less: Sales	-49,19,33,599	-23,86,06,480
	4,81,55,24,929	3,68,53,79,479
Less: Closing stock	38,14,34,354	52,22,77,636
<b>Cost of material consumed</b>	<b>4,43,40,90,575</b>	<b>3,16,31,01,843</b>
Material consumed comprises:		
Scrap & Ferro Alloys	3,45,65,93,423	2,94,20,65,166
Steel Billets	73,30,74,216	52,56,286
Wire Rods/Coils	1,59,58,770	1,25,87,736
Other items	22,84,64,166	20,31,92,655
<b>Total</b>	<b>4,43,40,90,575</b>	<b>3,16,31,01,843</b>

Note 22.b Purchase of traded goods @

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
Other items	5,07,30,13,743	1,77,01,85,893
<b>Total</b>	<b>5,07,30,13,743</b>	<b>1,77,01,85,893</b>

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

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
<u>Inventories at the end of the year:</u>		
Finished goods	21,38,63,578	10,19,52,043
Work-in-progress	1,41,50,35,175	94,55,89,284
Stock-in-trade	7,54,56,977	6,72,73,206
	1,70,43,55,731	1,11,48,14,533
<u>Inventories at the beginning of the year:</u>		
Finished goods	10,19,52,043	20,30,44,821
Work-in-progress	94,55,89,284	56,78,73,351
Stock-in-trade	6,72,73,206	79,01,227
	1,11,48,14,533	77,88,19,399
<b>Net (increase) / decrease</b>	<b>-58,95,41,198</b>	<b>-33,59,95,134</b>

Note 23 Employee benefits expense

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
Salaries and wages	16,85,68,412	17,45,97,270
Directors Remuneration	2,00,89,972	2,04,61,200
Contributions to provident and other funds	52,03,809	43,17,520



Notes forming part of the financial statements

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
Contributions to Gratuity	25,19,908	66,50,000
Employee Insurance	30,56,942	11,77,911
Staff welfare expenses	67,04,193	40,88,503
Leave Encashment	15,34,211	23,22,720
<b>Total</b>	<b>20,76,77,447</b>	<b>21,36,15,124</b>

Note 24 Finance costs

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
(a) Interest expense on:		
(i) Bank - Cash Credit	4,89,79,898	6,05,91,301
(ii) LC Charges	-	-
(iii) Others	-	-
- Interest on delayed / deferred payment of taxes	64,40,587	49,80,738
- Unsecured Loans	1,27,50,000	1,27,50,000
- Vehicle Loans	2,90,332	1,40,928
(b) Suppliers	5,08,96,004	-
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-3,13,54,124	1,67,86,676
(d) Bank Charges & Commission	67,95,039	33,22,789
<b>Total</b>	<b>9,47,97,735</b>	<b>9,85,72,432</b>

Note 25 Other expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
<b>A) Manufacturing Expenses</b>		
Labour Charges	13,64,58,572	12,35,02,770
Power and fuel	66,91,62,792	52,56,48,028
Lease Hire Charges	51,02,205	46,42,667
Water	7,13,936	3,81,247
Repairs and maintenance - Buildings	48,86,513	30,10,543
Repairs and maintenance - Machinery	2,54,46,844	2,30,76,489
Repairs and maintenance - Others	15,85,171	9,71,015
<b>B) Selling Expenses</b>		
Packing Materials	52,78,108	88,56,036
Clearing & Freight Charges	28,164	34,550
Discount on Sales	1,87,52,897	66,05,412
Transport Outward	3,72,03,272	4,23,21,965



Notes forming part of the financial statements

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
Commission & Brokerage	61,74,608	56,13,823
Travelling Expenses	1,58,83,399	1,65,44,482
Exhibition Expenses	70,19,638	28,41,937
Sales Promotion	13,00,351	10,92,883
Other Selling Expenses	83,256	1,81,312
	<b>B)</b>	
	9,17,23,693	8,40,92,400
<b>C) General Administration Expenses</b>		
Communication Expenses	26,15,122	25,13,792
Printing & Stationery	14,99,078	14,69,470
Legal & Professional Fees	1,41,27,827	84,13,816
Service Charges	12,31,306	11,42,093
Insurance Charges	37,63,095	61,86,759
Auditors Remuneration	12,50,000	12,10,500
Directors Sitting Fees	1,44,000	96,000
Rent Rates & Taxes	1,38,18,434	1,31,09,046
Motor Vehicle Expenses	77,49,682	62,20,459
Service Tax	19,48,567	8,65,531
Miscellaneous Expenses	2,61,56,580	1,76,19,073
Penalty	2,50,000	-
Loss on Sale of Assets	4,70,587	-
Prior Period Expenses Written Off	77,12,949	77,20,900
	<b>C)</b>	
	8,27,37,227	6,65,67,439
Less : Insurance Claim	-	-
<b>Total A+B+C</b>	<b>1,01,78,16,953</b>	<b>83,18,92,599</b>

Notes: General Administration Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	5,00,000	5,00,000
For Other Services	2,75,000	1,50,000
As auditors - Cost Auditor	1,00,000	2,00,500
As auditors - Internal audit	3,00,000	3,00,000
As auditors - Others	75,000	60,000
<b>Total</b>	<b>12,50,000</b>	<b>12,10,500</b>
(ii) Details of Prior period items (net)		
Prior Period Payroll Expenses	11,325	63,405
Prior Period Transport Charges	-	-
Prior period purchase (change of accounting policy)	3,29,223	1,45,896
Prior period expenses (Others)	73,72,401	75,11,599
<b>Total</b>	<b>77,12,949</b>	<b>77,20,900</b>



Notes forming part of the financial statements

Note 26.a Exceptional items

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 <sup>st</sup> March, 2016 Amt ₹
Provision no longer required written back	-	-
Investment Written Off	-	-
Settlement with Lenders	-	-
Advisory services for Settlement with Lenders	-	-
Profit on Sale of Fixed Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note 26.b Extraordinary items

Particulars	For the year ended 31 <sup>st</sup> March, 2017 Amt ₹	For the year ended 31 March, 2016 Amt ₹
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

27. Additional Information

Particulars	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
		%ge		%ge
a) Total Value of consumption imported & indigenous				
Imported	1,84,93,78,363	41.71%	94,36,17,954	29.83%
Indigenous	2,58,47,12,212	58.29%	2,21,94,83,889	70.17%
Total	4,43,40,90,575	100.00%	3,16,31,01,843	100.00%
b) Value of Imports calculated on FOB basis				
i) Raw Materials & Consumables	1,72,41,28,413		88,30,87,523	
ii) Capital Goods	3,88,870		1,36,653	
iii) Traded Goods	1,85,30,92,158		74,91,68,470	
c) Expenditure in foreign currency				
i) Travelling	53,41,767		59,24,682	
ii) Others	71,60,464		21,59,049	
d) Amount remitted in foreign currencies on account of Dividends	-		-	

Note 28 : Earnings in Foreign Exchange

i) Exports of Goods on FOB basis	97,34,56,558	31,06,60,837
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Note 29 : Segment Information:

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 31<sup>st</sup> March, 2017  
(as identified & certified by the management)

Enterprises under significant influence of key management.	
1	Isinox Steels Limited
2	Indiasteel International P.Ltd.
3	Inoxware P.Ltd.



Notes forming part of the financial statements

Enterprises under significant influence of key management.		
4	Isiworld Steel (I) P.Ltd.	
5	Isicom Traders P.Ltd.	
6	Isistar Exports P.Ltd.	
7	Isimetal (I) P.Ltd.	
8	Yeotmal Land Development & Trading Co.P.Ltd.	
9	Emgee Homes P.Ltd.	
10	ISL Global PTE Ltd.	
11	Gupta Housing P.Ltd.	
12	Titan Steel P.Ltd.	
<b>Key Management personnel &amp; their relatives.</b>		
	Mr. Ashwin H. Gupta	
	Mr. Sudhir H Gupta	
	Mr. Varun S.Gupta	
	Mr. Rahul Yenukar	
	Mr. Deepak kumar Gaur	
	India Steel Industries	Enterprises over which Key Mangerial Personnel are able to exercise significant influence
	India steel International	

Nature of Transactions	Associates	Key Managerial Personnel	Others
	Amount Rs.		
	31 <sup>st</sup> March 2017		
Licence Fees Paid	41,40,000		-
Labour Charges Paid	4,07,80,049		
Purchases	1,16,93,62,809		
Purchases FMS / MEIS License	87,37,233		
Sales	3,17,15,20,579		
Purchase of Plant & Machinery	79,46,342		
Labour Charges Received	23,41,79,977		
Directors Remuneration	-	2,00,89,972	
Deposit	52,00,000		-
Sundry Creditors	3,67,738		-
Sundry Debtors	11,47,27,455		

31. Earnings Per Share (EPS)

	Period Ended 31-Mar-17	Year Ended 31-Mar-16
Profit/Loss after taxation	8,00,50,325	4,03,98,995
Number of Equity Shares	39,80,80,925	39,80,80,925
Earnings per Share - Basic & Diluted	0.20	0.10
Face Value per Share	1	1



**Notes forming part of the financial statements****Note 32 : Disclosure on Specified Bank Notes**

PARTICULARS	CASH IN HAND		
	SBN	OTHER	TOTAL
<b>Closing Cash In Hand as on 08/11/2016</b>	1,43,36,500	54,524	1,43,91,024
Add : Permitted Receipts	-	-	-
Less : Permitted Payments	-	18,12,993	18,12,993
	-	(16,72,343)	(16,72,343)
	-	-	-
<b>Total</b>	1,43,36,500	1,95,174	1,45,31,674
Less : Amount deposited in Bank	1,43,36,500	2,000	1,43,38,500
	-	-	-
<b>Closing Cash In Hand as on 30/12/2016</b>	-	<b>1,93,174</b>	<b>1,93,174</b>

**Note 33 : Contingent Liabilities & Commitments**

PARTICULARS		31st March 2017	31st March 2016
A)	Contingent Liabilities		
1)	Claims against the company/disputed liabilities not acknowledged as debts	1,697.82	168.16
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	1,038.31	1,016.64
3)	Sales Tax matters in respect of which show cause notices have been received & contested	11.24	136.30
4)	Property Tax disputed Disputed.	184.81	230.00
5)	Preference Share Dividend	581.70	553.08
B)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account & not provided for.	200.67	107.96

**Note 34:** Previous year figures have been regrouped/rearranged wherever necessary to correspond

- a) 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**

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

**Ashwinkumar H Gupta**  
Chairman  
DIN: 00010850

Place : Mumbai

Date : 30<sup>th</sup> May 2017

**For and on behalf of the Board**

**Sudhirkumar H Gupta**  
Managing Director  
DIN: 00010853

**Varun S. Gupta**  
Executive Director  
DIN: 02938137

**Dipti Vartak**  
Company Secretary  
FCS 9057



NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of **INDIA STEEL WORKS LIMITED (CIN:L29100MH1987PLC043186)** will be held on Wednesday, 9<sup>th</sup> August, 2017 at 11.00 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 31<sup>st</sup> March, 2017, 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 declare Final Dividend @ 0.01% amounting on total paid up Preference share capital of the company for the financial year ended 31<sup>st</sup> March, 2017.
3. To appoint a Director in place of Mr. Ashwinkumar Gupta (DIN-00010850) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Varun Gupta (DIN-02938137) who retires by rotation and being eligible, offers himself for re-appointment.
5. Ratification for Appointment of Auditor.

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

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 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 retiring Auditors M/s. Thanawala & Co., Chartered Accountants (Firm Registration No.110948W), be and are hereby appointed as Statutory Auditors of the Company for the further period of 2 (two) years, subject to ratification by the members at every Annual General Meeting of the Company and eligibility of the firm, to hold office from the conclusion of this Annual General Meeting until the conclusion of thirty second Annual General Meeting of the Company, on such remuneration to be fixed by the Board of Directors."

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:**

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **an Special Resolution:**  
"RESOLVED THAT subject to the provisions of sections 2(94), 161, 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 consent, 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 appoint Mr. Sudhir H. Gupta (DIN-00010853), as "Managing Director" of the Company upon the terms and conditions as set out herein below:

Period: 3 years with effect from 1<sup>st</sup> October, 2016 with liberty to either party to terminate by giving two month notice in writing to the other.

A. Salary: ₹ 2.25 Lacs p.m.

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

- a. Accommodation: Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.
- b. Medical Reimbursement: For self and family in accordance with the rules of the Company, and shall further also includes reimbursement of Life insurance, accidental insurance and Mediclaim Insurance for self and family .



- 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 for self and spouse on actual basis.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost. The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increment of salary effective 1<sup>st</sup> April each year from time to time at a rate not exceeding ₹0.50 Lacs p.m.

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

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

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

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

**"RESOLVED THAT** subject to the provisions of sections 2(94), 161, 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 consent, 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 appoint Mr. Ashwinkumar H. Gupta (DIN-00010850), as "Chairman" of the Company upon the terms and conditions as set out herein below:

Period: 3 years with effect from 1st November, 2017 with liberty to either party to terminate by giving two months' notice in writing to the other:

Remuneration and Perquisites

- A) Salary: ₹ 2.50 Lakhs p.m.
- B) Perquisites: in addition to salary the Whole Time Director shall also 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 Allowances in lieu thereof subject to a limit of sixty percent of annual salary
  - b) Medical Reimbursement: For self & family in accordance with rules of the Company and shall further also includes reimbursement of Life insurance, accident insurance and Mediclaim Insurance for self and family.
  - c) Leave travel Assistance: for self & family in accordance with rules of the Company.
  - d) Leave: Leave on full pay as per the rules of the Company.



- e) Provident fund / Gratuity /Pensions: as per rules of the Company.
- f) Insurance: Personal Accident Insurance of an amount, the total Annual Premium of which does not to be exceeded ₹ 0.20 lac p.a.
- 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 for self and spouse 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 ₹0.50 Lacs p.m.

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

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

8. 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 variation in the perquisites forming part of his remuneration, being payable to 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 Lacs p.m.

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

- a. Accommodation: Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.
- b. Medical Reimbursement: For self and family in accordance with the rules of the Company, and shall further also includes reimbursement of Life insurance, accident insurance and Mediclaim Insurance for self and family.
- 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 ₹0.50 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."

9. 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 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Deepak Kumar Gaur (DIN 07636636), who was appointed as an Additional Director w.e.f. 9<sup>th</sup> November, 2016 and holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as director of the Company."

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."

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 authorized 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 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 31<sup>st</sup>, 2018, 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."

12. 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 Limited, ISL Global Pte Ltd, UAB ISL Lithuania, ISL Europe Spolka Zoo and other WOS of Isinox Limited as may be incorporated from time to time being 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 2016-17; 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.	1355

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."

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

By order of the Board  
 India Steel Works Limited

Place: Mumbai  
 Date: 28<sup>th</sup> June, 2017

Sudhir Gupta  
 Managing Director  
 DIN:00010853



**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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- B. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
- C. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- D. Statement as required under section 102 (1) of the Companies Act, 2013, in respect of special business is annexed hereto.
- E. The Register of Members and the share transfer books of the Company will remain closed from **Thursday, 3<sup>rd</sup> August, 2017 to Wednesday, 9<sup>th</sup> August, 2017** both days inclusive.
- F. The dividend, if declared at the Annual General Meeting, would be paid/dispatched after 9<sup>th</sup> August, 2017 to those persons or their mandates: (a) whose names appear as Beneficial Owners as at the end of the business hours on Wednesday, 2<sup>nd</sup> August, 2017 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before Wednesday, 2<sup>nd</sup> August, 2017.
- 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 30<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 30<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 30<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 polling paper shall also be made available to those shareholders who are present at the 30<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 Company has appointed Ms. Khyati Shah, Practicing Company Secretary (C.P.No. 9574) as Scrutinizer for conducting the remote e- voting and voting process at the AGM in a fair and transparent manner.
4. The instructions to members for voting electronically are as under :
  - (i) The remote e-voting period begins on **6<sup>th</sup> August, 2017 at 09.00 a.m. (IST) and ends on 8<sup>th</sup> August, 2017 at 5.00 p.m. (IST)**. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **2<sup>nd</sup> August, 2017**, 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>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) 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 2<sup>nd</sup> August, 2017 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 2<sup>nd</sup> August, 2017.
- (c) Ms. Khyati Shah, Practicing Company Secretary, Membership No:- 22662 CP No:- 9574 Mumbai, [cskhyatishah@gmail.com](mailto:cskhyatishah@gmail.com) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (d) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



## ANNEXURE TO THE NOTICE

**Statement pursuant to section 102 of Companies Act, 2013 in respect of special business and details pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:**

**ITEM NO.6: REAPPOINTMENT OF MR. SUDHIR H.GUPTA AS MANAGING DIRECTOR OF THE COMPANY**

Mr. Sudhir H. Gupta (53) has Degree in Science and Law from University of Mumbai. He has more than 30 years of experience in the steel industry. He has been the Jt. Managing Director since the year 1991 and re-designated as Managing Director of the Company from 30<sup>th</sup> day of June, 2009.

Mr. Sudhir H. Gupta has been managing day to day affairs of the company. Subject to the supervision and control of the Board of Directors, he is overall in-charge of running the day to day affairs of the Company including Budgeting, Funding, Liaisoning with the Investors and Corporate affairs. He is also looking after the general administration, banking, finance, sales and purchase. As a Managing Director he has played a key role in making the Company to grow inspite of every odd in the past.

The Board of Directors of the Company at its meeting held on 28<sup>th</sup> September, 2016 has, subject to the approval of members, re-appointed Mr. Sudhir H. Gupta, as Managing Director of the Company, for a period of 3 (three) years with effect from 1<sup>st</sup> October, 2016 at the remuneration approved by the Nomination & Remuneration Committee and also by the Board.

In accordance to the provisions of Section 2(94), 196,197,198 and 203 read with schedule V and other applicable provisions including rules, regulations made there under, if any, of the Companies Act, 2013, ("the Act"), that the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by shareholders at ensuing general meeting.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Sudhir H. Gupta as Managing Director are more specifically mentioned in the Resolution.

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

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	For the year ended	For the year ended	For the year ended
		31.3.2014	31.3.2015	31.3.2016	31.3.2017
1	Net sales / Income	61322.72	51296.63	58,388.74	103845.50
2	Other operating Income	1666.90	521.47	1,047.09	990.03
3	Total Expenditure	63107.84	51610.33	59214.03	104214.83
4	Finance Cost	1518.70	1102.95	985.57	947.98
5	Profit/(loss) before Tax	-1254.91	207.76	225.96	620.69
6	Tax Expenses	-2.48	-4.30	178.03	183.05
7	Net Profit/(loss): For the year	-1257.39	212.06	4,03.99	800.50
8	Profit/(Loss) b/f from previous years	-18479.36	-19736.75	-19524.69	-19121.47

(4) Export performance and net foreign exchange earnings: on FOB basis is ₹ 97,34,56,558/-

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

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

Mr. Sudhir H. Gupta is a Promoter Director holding 53,82,725 Equity shares consisting of 1.35% of the paid-up capital of the Company. Apart from receiving remuneration as stated above he does not receive any emoluments from the Company. He has no Directorship in other public limited Companies in India. Mr. Varun Gupta (Whole-time Director) is Son of Mr. Sudhir H. Gupta. Mr. Ashwinkumar H. Gupta (Executive Chairman) is the brother of Mr. Sudhir H. Gupta. No other managerial personnel have any relationship with Mr. Sudhir H. Gupta.

#### ITEM NO.6: REAPPOINTMENT OF MR. ASHWINKUMAR H. GUPTA AS CHAIRMAN OF THE COMPANY

Mr. Ashwinkumar H. Gupta (67) has Degree in B.tech from University of Mumbai. He has been associated with the Company since incorporation as the Managing Director. He has been re-designated as Chairman of the Company since 2009.

Mr. Ashwinkumar H. Gupta has been managing day to day affairs of the company. Subject to the supervision and control of the Board of Directors, he is overall in-charge of business policy decisions of the Company including Budgeting, Funding, Liasioning with the Investors and Corporate affairs. He is also looking after the general administration, banking, finance, sales and purchase.

The shareholders of the Company at its meeting held on 8<sup>th</sup> September, 2014 has, subject to the approval of members, re-appointed Mr. Ashwinkumar H. Gupta, as Chairman of the Company, for a period of 3 (three) years with effect from 1<sup>st</sup> November, 2014 at the remuneration approved by the Nomination & Remuneration Committee and also by the Board.

In accordance to the provisions of Section 2(94), 196,197,198 and 203 read with schedule V and other applicable provisions including rules, regulations made there under, if any, of the Companies Act, 2013, ("the Act"), that the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by shareholders at the ensuing general meeting.

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

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	For the year ended	For the year ended	For the year ended
		31.3.2014	31.3.2015	31.3.2016	31.3.2017
1	Net sales / Income	61322.72	51296.63	58,388.74	103845.50
2	Other operating Income	1666.90	521.47	1,047.09	990.03
3	Total Expenditure	63107.84	51610.33	59214.03	104214.83
4	Finance Cost	1518.70	1102.95	985.57	947.98
5	Profit/(loss) before Tax	-1254.91	207.76	225.96	620.69
6	Tax Expenses	-2.48	-4.30	178.03	183.05
7	Net Profit/(loss): For the year	-1257.39	212.06	4,03.99	800.50
8	Profit/(Loss) b/f from previous years	-18479.36	-19736.75	-19524.69	-19121.47

- (4) Export performance and net foreign exchange earnings: on FOB basis is ₹ 97,34,56,558/-
- (5) Foreign Investments or Collaborators, if any: Nil
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: NIL

Mr. Ashwinkumar H. Gupta is a Promoter Director holding 5515825 Equity shares consisting of 1.39% of the paid-up capital of the Company. Apart from receiving remuneration as stated above he does not receive any emoluments from the Company. He has no Directorship in other public limited Companies in India. Mr. Varun Gupta (Whole-time Director) is Son of brother of Mr. Ashwinkumar H. Gupta. Mr. Ashwinkumar H. Gupta (Executive Chairman) is the brother of Mr. Sudhir H. Gupta. No other managerial personnel have any relationship with Mr. Ashwinkumar H. Gupta.

#### ITEM NO. 7. MODIFICATIONS IN TERMS OF REMUNERATION PAYABLE TO MR. VARUN GUPTA, WHOLE-TIME DIRECTOR OF THE COMPANY

The Board of Directors of the Company at its meeting held on 30<sup>th</sup> May, 2017 has, subject to the approval of members, modification of terms in remuneration, with regards to Medical Expenses re-imburements shall also include Life insurance premium as well as Medi-claim insurance premium for self and also of his family, of Mr. Varun S. Gupta, Chairman of the Company, at the terms of remuneration approved by the Nomination & Remuneration Committee and also by the Board.

In accordance to the provisions of Section 2(94), 196,197,198 and 203 read with schedule V and other applicable provisions including rules, regulations made there under, if any, of the Companies Act, 2013, ("the Act"), that the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Ashwinkumar H. Gupta as Chairman are more specifically mentioned in the Resolution



Mr. Varun S. Gupta is a Promoter Director holding 2,04,800 Equity 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, except Isinox Limited. Mr. Sudhir H. Gupta (Managing Director of the Company) is the father of Mr. Varun H. Gupta. Mr. Ashwinkumar Gupta is uncle (father's brother) of Mr. Varun S Gupta. No other managerial personnel have any relationship with Mr. Varun S. Gupta.

**ITEM NO. 9 APPOINTMENT OF MR. DEEPAK KUMAR GAUR AS AN EXECUTIVE DIRECTOR**

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. Deepak Kumar Gaur ( DIN 07636636), who was appointed as an Additional Director w.e.f. 9<sup>th</sup> November, 2016.

In terms of the provisions of sub-section (1) of Section 161 of Companies Act, 2013, Mr. Deepak Kumar Gaur 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. Deepak Kumar Gaur the office of Director of the Company.

Mr. Deepak Kumar Gaur is Graduate in Science and Mechanical Engineering .He has also completed his Master degree in Business Administration with specialisation in Marketing and Human Resource from Nagpur University. He has rich experience of over 21 years in Operations of Various Iron and Steel Plants. He was previously associated with leading stainless steel producing companies."

Mr. Deepak Kumar Gaur 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.

The Board considers that his association would be of immense benefit to the Company; henceforth the Board recommended the appointment of Mr. Deepak Kumar Gaur as an Executive Director, for the approval by the shareholders of the Company.

Mr. Deepak Kumar Gaur does not hold any shares directly or indirectly in the Company. He is an additional Director in a Public Limited Company, Isinox Limited.

Copy of draft letters for appointment of Mr. Deepak Kumar Gaur as Director, setting out the terms and conditions are available for inspection by members at the registered Office of the Company.

**ITEM NO. 10: BORROWING POWERS**

The Shareholders of the Company had authorized 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, 1956 to borrow moneys for the purpose of the Company's business in excess of the paid-up capital of the Company and its free reserves provided 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 of Special 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 as a Special Resolution by the Shareholders of the Company.

In compliance with Section 293(1)(a) of the Companies Act, 1956, Members of the Company had authorized Board of Directors to create charge on assets/undertakings of the Company to secure its borrowings from time to time. Consequent to repeal of Section 293(1)(a) of Companies Act, 1956, to facilitate the Board to create mortgage / charge on assets and/or undertakings of the Company from time to time, to secure borrowings of the Company, it is recommended that your Board be authorized for the purpose under the provision of Section 180(1) (a) of the Companies Act, 2013.

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: 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 31<sup>st</sup>, 2017 as per the following details:



Name of the Cost Auditor : Vishesh N. Patani Audit fees: ₹ 100,000/-

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.11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31<sup>st</sup>, 2017.

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.9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.11 of the Notice for approval by the shareholders.

#### ITEM NO.12: 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 transactions entered into by the Company in the ordinary course of business on arm's length basis.

However, pursuant to Regulation 23 with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), 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 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 10% or more 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 Limited and ISL Global Pte Ltd, UAB ISL Lithuania, ISL Europe Spolka Zoo and other WOS of Isinox Limited as may be incorporated from time to time, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to 10% or more of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2017:-

Sl. No	Nature of Transaction	FY: 2016-17 Estimated Annual Value of Contracts & Services [in ₹ crore]
<b>Sale of Goods &amp; rendering of Services by the Company</b>		
1	Sale	900
2	Job Work Income	100
<b>Total Income</b>		<b>1000</b>
<b>Purchase of Goods &amp; receiving of Services by the Company</b>		
1	Purchase	300
2	Job Work Charges / Hire Charges	50
3	Rent	5
<b>Total Expenditure</b>		<b>355</b>
<b>Total Transaction Value</b>		<b>1355</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 parties: ISL Global Pte Ltd, UAB ISL Lithuania, ISL Europe Spolka Zoo and other WOS of Isinox Limited as may be incorporated from time to time.
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, Mr. Deepak Kumar Gaur, Mr. T R Bajalia, Mrs. Kavita Joshi and Ms. Sowmya Prabhu.
3. Nature of relationship: Isinox Ltd., is owned by the aforesaid Promoter Directors and their relatives. Mr. Deepak Kumar Gaur is a Technical Director on Board of both the Companies though he does not have any shareholding in either of the Companies. ISL Global Pte Ltd is a wholly owned subsidiary of Isinox limited.
4. Nature of the Contract or arrangement : purchases, sells, availing services and also rendering services, giving advances against its orders, providing and accepting 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 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 up to ₹1355. p.a. (based on last year's operational value).
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, Mr. Deepak Kumar Gaur, Mr. T R Bajalia and Mrs. Kavita Joshi, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. In view 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 ISL Global Pte Ltd, UAB ISL Lithuania, ISL Europe Spolka Zoo and other WOS of Isinox Limited as may be incorporated from time to time.

The Board recommends the Resolution at Item Nos. 12 of the Notice for approval of the Members.

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

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchange details of the Directors seeking re-appointment are as follows:

Mr. Varun Gupta is a Director of the Company since 2009. He is a graduate in Business administration from the Bond University, Gold Coast, Australia. He holds 204800 shares consisting of 0.05% of the Equity share Capital of the Company. He has other Directorships in following Companies:

Isinox Ltd. and Level Enterprises Pvt Ltd. None of the Directors are concerned or interested in the resolution.

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

Place: Mumbai  
Date: 28<sup>th</sup> June, 2017

By order of the Board  
India Steel Works Limited

Sudhir Gupta  
Managing Director  
DIN:00010853



## 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](http://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 30<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Wednesday, 9th August, 2017 at 11:00 a. m. at the Registered Office of the Company at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203, Maharashtra.

\_\_\_\_\_

Signature of the Shareholder/Proxy

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

TEAR HERE







# INDIA STEEL WORKS LIMITED

(CIN: L29100MH1987PLC043186)

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

**Tel :**+912192265812; **Fax :** +912192264061/+912249102099 **Website:** www.indiasteel.in **E-mail:** cosec@indiasteel.in

## PROXY FORM-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

(2)

Name:	
E-mail Id:	
Address	
Signature	

or failing him

(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 30<sup>th</sup> Annual General Meeting of the Company, to be held on the Wednesday, 9<sup>th</sup> August, 2017 at 11:00 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>ORDINARY BUSINESS</b>			
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2017.		
2	Declaration of Dividend on fully paid up Preference shares		
3	Re-appointment of Mr. Ashwinkumar H. Gupta who retires by rotation.		
4	Re-appointment of Mr. Varun S Gupta who retires by rotation.		
5	Appointment of M/s. Thanawala & Co., Chartered Accountants, Auditors of the Company & fixing remuneration.		
6	Approval to the re-appointment of Mr. Sudhir H. Gupta as Managing Director of the Company.		
7	Approval to the re-appointment of Mr. Ashwinkumar H. Gupta as Chairman of the Company.		
8	Variation in the terms of remuneration payable to Mr. Varun Gupta, Executive Director.		
9	Approval to the appointment of Mr. Deepak Kumar Gaur as Whole-time Director.		
10	Approval /Authority to the Board to Borrow.		
11	Ratification of Remuneration payable to Cost Auditor.		
12	Approval of arrangements / transactions with related parties.		

Signed.....this..... day of.....2017.

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Affix Revenue Stamp not less than ₹ 1
---

Notes:

- Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 30<sup>th</sup> Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

TEAR HERE



# QUALITY CERTIFICATIONS

**IRCLASS**  
SYSTEMS AND SOLUTIONS PRIVATE LIMITED

**CERTIFICATE OF APPROVAL**  
Issued by Indian Register Quality Systems  
(A Division of IRCLASS Systems and Solutions Private Limited)

This is to certify that the Quality Management Systems of

Organisation: India Steel Works Ltd.  
Address: Zenith Compound, Khopoli - 410 203,  
Dist. Raigad, Maharashtra, India

has been assessed and found conforming to the following requirement

Standard: ISO 9001:2008  
Scope: Manufacture and Supply of Alloy, Non-Alloy  
& Stainless Steel-Billets, Bars, Wire Rods,  
Sections and Bright Bars

Certificate No.: IRQS/1610363  
Original Certification Date : 02/06/2010  
Current Date of Granting : 10/05/2016  
Expiry Date : 14/09/2018

*Shashi Nath Mishra*  
Heard IRQS

Indian Register Quality Systems

This approval is subject to continued satisfactory maintenance of the Quality Management System of the organisation to the above standard, which will be monitored by IRQS. The use of the Accreditation Mark indicates accreditation with respect to activities covered by the certificate with accreditation no. 0071

Head Office: 52A, Adil Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai - 400 072 India

## ISO 9001:2008

**TUV NORD**

**CERTIFICATE**  
of TÜV NORD Systems GmbH & Co. KG

certifies, that the company

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

has been verified and recognized as material manufacturer according to

AD 2000-Merkblatt WO  
Certificate-No.: 07-203-1423-WP-1160/14

The scope of approval is available in the annex  
"scope of approval", file no.:SEK-523/14 (811 190 858/4).

The company fulfils the following essential requirements:  
Facilities permitting appropriate manufacturing and inspection corresponding to the present  
technical standards, quality assurance, which guarantees that manufacturing and inspection of products stated  
in our scope of approval are carried out in accordance with technical regulations,  
competent supervising and inspecting personnel

This certificate is valid until  
**September 2017**

Essen, 21.06.2014

TÜV NORD Systems GmbH & Co. KG - Energy Technology Division  
Certification Body for Pressure Equipment (see Reg. No. 0045)  
Strobelstrasse 11, 42699 Solingen  
Tel. +49 201 203-2011 - Email: aksewing@tuev-nord.de

## AD 2000 Markblatt WO

**TUV NORD**

**CERTIFICATE**  
Quality Assurance System  
for Material Manufacturer  
acc. to Pressure Equipment Directive 97/23/EC

Certificate no.: 07-203-1423-WP-1160/14

Name and address of manufacturer: India Steel Works Limited  
Zenith Compound, Khopoli  
Dist. Raigad - 410 203, Maharashtra, India

This is to certify that the manufacturer has implemented and applies a QA System.  
This QA System has been subjected to a specific assessment for material acc. to Directive  
97/23/EC, annex I, sec. 4.3 with regard to the materials mentioned within the scope of approval.

Approved: QA System acc. to AD2000-Merkblatt WO  
and EN 764-5, 465, 475

Audit report no.: 811 154 3239  
Scope of approval: Stainless Steel Billets, Round Bars, RCCS, Wire Rods &  
Bright Bars

Details of the scope are mentioned in the annex of the certificate AD2000-Merkblatt WO

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

The manufacturer disposes of the essential procedures and equipments as well as the required  
qualified personnel to ensure quality of manufacturing and sealing the materials and products  
mentioned in the scope of approval.

Essen, 21.06.2014

Certification Body  
for Pressure Equipment  
of TÜV NORD Systems GmbH & Co. KG

Head Office: 52A, Adil Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai - 400 072 India

## PED CERTIFICATE

**TUV INDIA**

**CERTIFICATE**  
of conformity with the following European Regulation

REGULATION (EC) No 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF  
THE COUNCIL of 18 December 2006 concerning the Registration, Evaluation, Authorisation  
and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending  
Directive 1980/43/EEC and repealing Council Regulation (EEC) No 1831/83 and Commission  
Regulation (EC) No 1488/04 as well as Council Directive 76/769/EEC and Commission Directives  
91/561/EEC, 93/47/EEC, 93/105/EEC and 2006/12/EC

This is to certify that the following products comply to the requirements of the Article 35 & Article 57 of the above  
mentioned European Regulation.

Applicant : India Steel Works Ltd.

Product : 1) Stainless Steel Austenitic Steel 200 Series  
2) Stainless Steel Martenitic Steel 400 Series  
3) Stainless Steel Ferritic Steel 300 Series  
4) Stainless Steel Ferritic Steel 400 Series  
5) Precipitation Hardened Steel PH Series

Address : ZENITH COMPOUND, KHOPOLI, DIST : RAIGAD, MAHARASHTRA, INDIA PIN - 410203

This Certificate of conformity is based on the evaluation of randomly selected samples of the products with TÜV  
India Registration No. 923014-15. It does not imply an assessment of the production and it does not permit the use  
of a mark of conformity or of a safety mark or logo pertaining to TÜV India Private Limited, Member of TÜV NORD  
GROUP.

Terms & Conditions as per Test Report No. TUVINDIA/070114-10001001030 are applicable

Issued on : 28/05/2015

Validity : 25/03/2018

For TÜV India Pvt. Ltd.

Head Office : 801, Raheja Plaza - 1, L.B.S. Marg, Chhatkopar (West), Mumbai - 400 086.  
www.tuvindia.com/in

## REACH CERTIFICATE

**SIRM QAS INTERNATIONAL**

No Lesen : PC000909  
Licence No :

**LESEN PENSIJILAN BARANGAN**  
Product Certification Licence

SIRM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada  
SIRM QAS International Sdn. Bhd. hereby grants to

INDIA STEEL WORKS LIMITED  
1101, TOWERS, INDIANILLS FINANCE CENTRE  
SENAPATI (BAYU) MARKS, ELPHINSTONE ROAD (W)  
40013, LOWER PAREL  
MUMBAI, INDIA

Lesen untuk menggunakan Tanda Penjualan di atas barangan  
di bawah ini untuk the Certification Mark on  
STAINLESS STEEL BARS FOR GENERAL PURPOSE

Please refer to detail in the SCHEDULE  
sebagai mematuhi keperluan  
as complying with  
MS 2766-2 : 2009

*Khalifah Mustafa*  
Managing Director  
SIRM QAS International Sdn. Bhd.

Tarikh Mula Penjualan : 29 November 2013  
Tarikh Tamat : 11 January 2016

Tarikh Mula Lesen : 29 November 2013  
Tarikh Tamat : 01/05/2016

This License is granted subject to the provisions of the Product Certification Agreement of SIRM QAS International Sdn. Bhd.

## SIRM - BLACK BRIGHT ROUND BARS

**TUV INDIA**

**GERTIFICATE**  
of conformity with the following European Directive

Restriction of use of certain Hazardous Substances RoHS-Directive  
2011/65/EC

This is to certify that the following products comply to the requirements of the Article 4 (1) of the above mentioned  
European Directive

Applicant : India Steel Works Ltd.

Product : 1) Stainless Steel Austenitic Steel 200 Series  
2) Stainless Steel Martenitic Steel 400 Series  
3) Stainless Steel Ferritic Steel 300 Series  
4) Stainless Steel Ferritic Steel 400 Series  
5) Precipitation Hardened Steel PH Series

Address : ZENITH COMPOUND, KHOPOLI, DIST : RAIGAD, MAHARASHTRA, INDIA PIN - 410203

This Certificate of conformity is based on the evaluation of randomly selected samples of the products with TÜV  
India Registration No. 923014-15. It does not imply an assessment of the production and it does not permit the use  
of a mark of conformity or of a safety mark or logo pertaining to TÜV India Private Limited, Member of TÜV NORD  
GROUP.

Terms & Conditions as per Test Report No. TUVINDIA/070114-10001001030 are applicable

Issued on : 28/05/2015

Validity : 25/03/2018

For TÜV India Pvt. Ltd.

Head Office : 801, Raheja Plaza - 1, L.B.S. Marg, Chhatkopar (West), Mumbai - 400 086.  
www.tuvindia.com/in

## ROHS CERTIFICATE

If undelivered Please Return to :



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