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ANNUAL REPORT

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27th  
2014-15



**INDUCTO**  
STEELS LTD

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**INDUCTO STEELS LIMITED**

(CIN: L27100MH1988PLC194523)

**TWENTY SEVENTH  
ANNUAL REPORT  
2014 - 2015****CORPORATE INFORMATION****BOARD OF DIRECTORS:**

Mr. Rajeev Shantisarup Reniwal (DIN 00034264)	Promoter, Chairman, Managing Director
Mrs. Sweety Rajeev Reniwal (DIN 00041853)	Promoter & Non Executive Director
Mr. Yogesh Anantrai Thakkar (DIN 00043588)	Non-Executive Independent Director
Mr. Bhushanlal Behl (DIN 03023697)	Non-Executive Independent Director
Mr. Prashant Natwarlal Agarwal (DIN 00074416) (Resigned w.e.f. 02.06.2014)	Non-Executive Independent Director
Mrs. Neela Shah (DIN 03018067) (Resigned w.e.f. 02.06.2014)	Non-Executive Independent Director

**KEY MANAGERIAL PERSON:**

*Mr. Rajeev Shantisarup Reniwal	Managing Director
*Mr. Rakesh Shantisarup Reniwal (*Appointed w.e.f 30 <sup>th</sup> March 2015)	Chief Financial Officer

**STATUTORY AUDITORS :**

M/s. P.D. Goplani &amp; Associates

**BRANCH AUDITORS :**

M/s. Lahoti Navneet &amp; Co.

**INTERNAL AUDITOR:**

Mr. Amol Shah

**BANKERS:**

Indian Overseas Bank

**REGISTERED OFFICE:**

156, Maker Chambers VI,  
220 Jamnalal Bajaj Marg, Nariman Point,  
Mumbai- 400021  
E-Mail: [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com)  
Web Site: - [www.hariyanagroup.com](http://www.hariyanagroup.com)

**BRANCH OFFICE:**Hariyana House, 2165/A-2, 2<sup>nd</sup> Floor, Sanskar Mandal Chowk, Bhavnagar – 364002.**SHIP BREAKING YARD:**

Plot No.45, Ship Breaking Yard, Alang, District Bhavnagar.

**REGISTRAR & SHARE TRANSFER AGENTS:-**

Sharex Dynamic (India)Pvt. Ltd. Unit-1, Luthra Ind. Premises, Safed Pool,  
Andheri Kurla Road, Andheri (E), Mumbai – 400072. Tel: 2851 5606/ 2851 5644 Fax: 2851 2885  
E-mail:- [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) | Website:- [www.sharexindia.com](http://www.sharexindia.com)

**Go Green Today**

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

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

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**Annual General Meeting**

**Date** : Wednesday, 30th September, 2015

**Time** : 10:00 a.m.

**Venue** : 156, Maker Chamber VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **27<sup>th</sup> Annual General Meeting** of the Shareholders of **Inducto Steels Limited** (CIN : L27100MH1988PLC194523) will be held on Wednesday, 30<sup>th</sup> September 2015, at 10.00 a.m. at 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial statements for the financial year ended 31<sup>st</sup> March 2015 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rajeev Shantisarup Reniwal (DIN: 00034264), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar having ICAI Firm Registration No. 118023W, be and are hereby appointed as Statutory Auditors of the Company for the Company’s financial year, 2015-16, to hold office from the conclusion of 27<sup>th</sup> Annual General Meeting until the conclusion of 28<sup>th</sup> Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursalment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company be and are hereby authorised to appoint Branch Auditors, M/s. Lahoti Navneet & Co., Mumbai, having ICAI Firm Registration No. 116870W, to audit the accounts in respect of the Company’s branches and to fix their terms and conditions of appointment and remuneration, as may be agreed upon by the Board of Directors, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the branches/offices outside India for the year ending March 31, 2016.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, as amended from time to time, the remuneration of Rs.40,000/- (Rupees Forty Thousand only) plus re-imbursalment of out-of-pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and approved by the Board payable to M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 101593) as Cost Auditors to conduct audit of cost records made and maintained by the Company pertaining to “Steel Products” as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for financial year commencing on 1<sup>st</sup> April 2015 and ending on 31<sup>st</sup> March 2016, be and is hereby ratified and confirmed.”

For **INDUCTO STEELS LIMITED,**

Sd/-

Rajeev Shantisarup Reniwal  
Managing Director  
(DIN 00034264)

Date: 25<sup>th</sup> August 2015  
Place: Mumbai

Regd. Office: 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021

## INDUCTO STEELS LTD.

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business item no.5 set out is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.  

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. 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 a proxy for any other person or shareholder.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 24<sup>th</sup> September 2015 to Wednesday, 30<sup>th</sup> September 2015 (both days inclusive).
4. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. Electronic copy of the 27<sup>th</sup> Annual Report 2014-15, 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 email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Notice of the 27<sup>th</sup> Annual Report 2014-15, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the physical mode.
6. Members are requested to :-
  - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31<sup>st</sup> March 2015, so as to enable the Company to keep the information ready.
  - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.
  - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
  - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
  - v. Approach the R&TA of the Company for consolidation of folios.
  - vi. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).
  - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Sharex Dynamic (India) P Ltd. Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 upto the date of book closure.
7. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

8. The Company has listed its shares on the BSE Limited. The listing fees till date have been paid.
9. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
10.
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting, by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through Ballot Paper.
  - iii. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - iv. The e-voting period commences on Sunday, 27<sup>th</sup> September 2015 (9:00 am) and ends on Tuesday, 29<sup>th</sup> September 2015 (5:00 pm). During this period, Members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, 23<sup>rd</sup> September 2015, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, Member shall not be allowed to change it subsequently.

**The process and manner for remote e-voting are as under:**

**A. For Members receiving e-mail on their registered email ids from NSDL:**

- a. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- c. Click on "Shareholder - Login".
- d. Put User ID and password as initial password noted in step (1) above and Click Login.
- e. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
- f. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- g. Select "EVEN" of INDUCTO STEELS LIMITED.
- h. Members can cast their vote online from 9.00 am on Sunday, 27<sup>th</sup> September 2015 till 5.00 p. m. on Tuesday, 29<sup>th</sup> September 2015.
- i. E-Voting shall not be allowed beyond 5.00 pm on Tuesday, 29<sup>th</sup> September 2015.
- j. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- k. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted. Kindly note that vote once casted cannot be modified.

## INDUCTO STEELS LTD.

- i. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [scrutinizerdilip@gmail.com](mailto:scrutinizerdilip@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### For Members whose e-mail address is not registered:

- a. Initial password is provided separately in the Annual report posted for the AGM:  
**EVEN (e-voting Event Number)      USER ID      PASSWORD/PIN**
  - b. Please follow all steps from Sl. No. 10 (A)(b) to Sl. No. 10(A)(k) above, to cast vote.
  - c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - d. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.
  - e. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - f. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, 23<sup>rd</sup> September 2015.
  - g. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date, 23<sup>rd</sup> September 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA). However, if you are already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - h. A member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed to vote again at the AGM.
  - i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
11. The Company has appointed Mr. Dilip Bharadiya, Practising Company Secretary FCS 7956 and CP 6740 as the Scrutinizer to count the votes casted in favour or against the resolutions proposed from item No. 1 to 5 of the Notice for point No. 9 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.
  12. The Chairman shall, at the AGM, at the end of the discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  13. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's

Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

14. The Results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
15. Members can access the Annual Report 2014-15 of the Company circulated to them on the website of the Company or on the Stock Exchange, [www.bseindia.com](http://www.bseindia.com)
16. 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.
17. The Securities and Exchange Board of India ("SEBI") has mandated submission of PAN by every participant in the Securities Market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.



**EXPLANATORY STATEMENT**

**Pursuant to Section 102 of the Companies Act, 2013**

**Item No.5**

Based on the recommendation of the Audit Committee, the Board at its meeting held on 30<sup>th</sup> June 2015, approved the appointment and remuneration of M/s. Kewlani & Associates, Cost Accountants (Firm Registration No.101593) to conduct audit of cost records made and maintained by the Company pertaining to "Steel Products" prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year commencing on 1<sup>st</sup> April 2015 and ending on 31<sup>st</sup> March 2016, at a remuneration of Rs.40,000/- (Rupees Forty Thousand only) plus reimbursement of out-of pocket expenses incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Act read along with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 made thereunder, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the financial year ending 31<sup>st</sup> March 2016 by way of an Ordinary Resolution is being sought from the Members as set out at Item No.4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

On behalf of the Board of Directors

For **INDUCTO STEELS LIMITED**

Sd/-

**Rajeev Shantisarup Reniwal**

Managing Director

(DIN 00034264)

**Registered Office:**

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

Date: 25<sup>th</sup> August 2015

Place: Mumbai

Details of Director seeking re-appointment as required under Clause 49 of the Listing Agreement is as follows:

<b>Name</b>	Mr. Sweety Rajeev Reniwal
<b>Date of Birth</b>	21/10/1973
<b>Qualification</b>	B.COM
<b>Nature of Expertise</b>	Business
<b>Experience</b>	10 Years Experience in Business
<b>Name of other Public Companies in which holds Directorship</b>	NIL
<b>Name of other Companies in Committees of which holds Membership/ Chairmanship</b>	NIL
<b>Shareholding in Inducto Steels Limited</b>	407745 Equity Shares (10.15%)

**DIRECTORS' REPORT**

[(Disclosure under Section 134(3) of the Companies Act, 2013)  
{Read With Companies (Accounts) Rules, 2014}]

**Dear Shareholders,**

Your Directors are presenting the 27<sup>th</sup> Annual Report of your Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March 2015.

**FINANCIAL RESULTS:****(in lacs)**

<b>PARTICULARS</b>	<b>2014-15</b>	<b>2013-14</b>
Revenue from Operations	20,919.27	35,736.44
Other Income	1,762.14	1,973.39
Total Revenue	22,681.41	37,709.83
Profit / (Loss) before tax	478.70	613.57
Less: Tax Expense	154.79	202.92
Less: Deferred Tax	(0.37)	5.96
Profit / (Loss) after tax	324.28	404.69

**HIGHLIGHTS OF COMPANY'S PERFORMANCE :**

During the year under consideration total revenue were Rs. 22,681.41 Lacs as against Rs. 37,709.83 Lacs in the preceding financial year and Profit After Tax was Rs. 324.28 Lacs as against Rs. 404.69 Lacs in the preceding financial year.

The Company has not been able to perform well during the year due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee steep decrease in prices of Iron and steel products and volatile market conditions. However, the Company has been able to improve the net profit margins for the financial year 2014-15 due to its cautious approach. The Management is of the view that, in the coming years the ship breaking industry as well as Iron and Steel sector will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the Company to move towards its sustained path of growth.

**DIVIDEND :**

To consolidate the future position of the Company and support the fund requirements, your Board of Directors regret their inability to recommend any dividend for the year.

**RESERVES :**

The whole profit after tax has been transferred to P&L surplus. There is no amount that has been proposed to be carried to any other reserves.

**LOANS, GUARANTEE & INVESTMENTS :**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**DEPOSITS :**

The Company has never accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act.

**RELATED PARTY TRANSACTIONS :**

The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors. There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 2.30 of the Notes to the financial statements.

The particulars of contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, in prescribed Form No. AOC -2, is appended as **Annexure 1** to the Board's Report.

**INTERNAL FINANCIAL CONTROLS :**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL :****A) Changes in Directors and Key Managerial Personnel (KMP)**

During the year under review, Mrs. Neela Shah and Mr. Prashant Agrawal resigned from the Directorship of the Company w.e.f. 2<sup>nd</sup> June 2014. Thereafter, the Board of the Company is duly constituted.

Mr. Rajeev Reniwal, will be retiring by rotation at the ensuing Annual General Meeting and being eligible, seeks reappointment pursuant to Section 152 of the Companies Act, 2013.

**• Appointment and Resignation of KMP:**

The Board of Directors at its meeting held on 30<sup>th</sup> March 2015 appointed Mr. Rakesh Reniwal as Chief Finance Officer (CFO).

Further, Mr. Rajeev Reniwal, Managing Director, was designated as a KMP.

**B) Declaration by an Independent Director(s) and re-appointment, if any**

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6).

**PERFORMANCE EVALUATION OF THE BOARD :**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The same is found to be satisfactory.

At a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed at the Board Meeting that followed the meeting of the independent Directors, at which the performance of the Board, its Committees and Individual directors was also discussed.

**BOARD MEETINGS :**

During the year under review, the Company has conducted 15 (Fifteen) Board Meetings. Details are covered in Corporate Governance Report.

## **EXTRACT OF ANNUAL RETURN :**

In accordance with Section 134(3)(a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the annual return in form no. MGT – 9 is appended as **Annexure 2** of the Board's Report.

## **CORPORATE GOVERNANCE :**

A separate section on Corporate Governance forming part of the Directors' Report and a Certificate from the Auditors is included in the Annual Report. **Annexure – 3** is attached herewith.

## **AUDITORS :**

M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar, having ICAI Firm Registration No. 118023W being eligible offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 139 of the Companies Act, 2013. Members are requested to appoint the auditors and to fix their remuneration.

The Auditors in their report dated May 29, 2015 have opined that provision for gratuity and long term employee benefits as per AS-15 has not been made. In this connection, the Board would like to clarify that the Co. has no employee in continuous service of 5 years or more. Hence, the provisions pertaining to gratuity are not applicable to the Company.

Apart from this the report is self-explanatory.

## **SECRETARIAL AUDIT :**

The Board of Directors have appointed Mr. Dilip Bharadiya, Proprietor of M/s. Dilip Bharadiya & Associates, Practising Company Secretaries, Mumbai, to conduct Secretarial Audit for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report for the financial year 2014-15 forms part of the Directors' Report as **Annexure 4**.

The Auditor has raised observations pertaining to delay in filing of forms in time. The management of the Company has assured that the Company will take adequate steps to streamline work and adhere with time guideline provided under various acts, statutes, regulations.

## **MATERIAL CHANGES AND COMMITMENTS :**

There are no material changes having taken place affecting the financial position of the Company from the date of closure of financial year till the signing of Accounts.

## **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors, further state that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. & FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :**

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

**A. Conservation of energy:**

**(i) the steps taken or impact on conservation of energy;**

The Company acknowledges the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has made efforts to minimize energy costs. Company is engaged in Ship Breaking and trading in metal scrap, coals, aluminium foil & other industrial inouts. No significant power consumption is required in ship breaking industry as major portion is production process consisting of non mechanical processes. However, industrial gases are used in ship dismantling activities and the Company has taken various measures to control the consumption of fuel and energy.

**(ii) the steps taken by the Company for utilising alternate sources of energy;**

Company is engaged in Ship Breaking and trading in metal scrap, coals, aluminum foil & other industrial inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities and the Company has taken various measures to control the consumption of fuel and energy. Hence, the Company has not made any investment towards any alternate source of energy.

**(iii) the capital investment on energy conservation equipments;**

The Company is taking adequate steps to conserve energy though no such capital investment has been made.

**B. Technology absorption:**

The Company's operations do not require significant absorption of technology.

**C. Foreign exchange earnings and Outgo:**

	<b>Current Year</b>	<b>Previous Year</b>
Foreign Exchange Earnings and Outgo	847718101	409247000

**CORPORATE RESPONSIBILITY STATEMENT (CSR):**

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable as the Company is not falling under the said parameters.

## **AUDIT COMMITTEE:**

The Audit Committee was reconstituted in accordance with the provisions of Companies Act, 2013. The details pertaining to Audit Committee and its composition are included in the Corporate Governance Report, which forms part of this report.

## **NOMINATION AND REMUNERATION COMMITTEE:**

The Company has constituted a Nomination and Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 and has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes, and independence of a Director. The Committee shall function in accordance with the terms and reference of the policy. Policy of the Company is enclosed herewith as **Annexure 5**.

## **VIGIL MECHANISM:**

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

## **STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

The details pertaining to composition of the Committee is included in the Corporate Governance Report, which forms part of this report. The role of the Committee is explained in detail in the Corporate Governance Report enclosed herewith.

## **PERFORMANCE OF EMPLOYEES:**

**A) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

**a. Details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Company has not paid any remuneration to the Directors of the Company and hence the information is not furnished.

**b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

No remuneration is paid to any Director of the Company. Further, appointment of Chief Financial Officer, was done at the Board Meeting held on 30<sup>th</sup> March 2015 and hence the information pertaining to percentage increase in remuneration cannot be provided.

**c. The percentage increase in the median remuneration of employees in the financial year:**

There is no increase in remuneration of employees. Hence, information cannot be furnished.

**d. The number of permanent employees on the rolls of Company: 11**

- e. **The explanation on the relationship between average increase in remuneration and Company performance:**

There is no increase in remuneration of employee. Hence, information cannot be furnished.

- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Appointment of key managerial personnel was done on 30th March 2015. Since this information is for part of the year, the same is not comparable.

- g. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalization	92195980	140001302	-34.15%
Price Earnings Ratio	2.84	3.46	-17.92%

- h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

During the financial year under review, the Company has not come out with any public offer.

- i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There is no increase in salaries of employees other than the managerial personnel in the last financial year. Further, no remuneration is paid to managerial personnel so comparison cannot be made.

- j. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

Appointment of key managerial personnel was done on 30th March 2015. Since this information is for part of the year, the same is not comparable.

- k. **The key parameters for any variable component of remuneration availed by the directors:**

No remuneration is paid to any Director of the Company.

- l. **The key parameters for any variable component of remuneration availed by the directors:**

Not applicable

- m. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

No remuneration is being paid to Key Managerial Personnel.

- B) **Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**



The Company has no such employee drawing remuneration more than mentioned under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company does not have Subsidiary/Joint Ventures/Associate Companies.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the financial year under review as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges is provided in **Annexure - 6**.

### **COST AUDIT:**

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company has approved the appointment of Mr. Sonu Sobhraj Kewlani, Partnership firm M/s Kewlani & Associates, having Registration No. 101593 as the cost auditors of the Company to conduct cost audits pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time for the year ending March 31, 2016, at a remuneration of Rs. 40,000/- p.a. and, have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

### **RISK MANAGEMENT:**

The Board of the Company has formed a Risk Management Committee on 30<sup>th</sup> March 2015 to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Policy to manage risk is also placed on the website of the Company. During the year, risk analysis and assessment was conducted and the details of the same are covered in the Management Discussion and Analysis Report of the Company.

### **FAMILIARIZATION PROGRAMME:**

As per Clause 49 of the Listing Agreement entered into with the stock exchange, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis are attached, which form part of this report. Details of the familiarization programme of the Independent Directors are available on the website of the Company.

### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

Your Directors state that during the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **DETAILS OF VARIOUS PLANS:**

During the financial year 2014-15, ship breaking unit at Alang Ship Breaking Yard and Trading Unit have not been able to perform well during the year due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and Steel products and volatile market conditions. The management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of Iron and Steel will increase which will help the Company to move towards its sustained path of growth.

Overall, since the prices of Iron and Steel having been reasonably stabilized and the inventory levels of the Company and its market position, both the segments of the Company, viz. Ship Breaking and Trading, are expected to see major increase in terms of Gross Revenues and Net profit Margins in the coming year.

The Company is hopeful that in the coming period the Company will continue its ship breaking and trading activities and take it to the level of extended growth and will contribute more to the overall growth of the business of the Company and your Directors see a very positive and bright future prospects ahead for the Company looking to the prevailing upward trend in the Iron and Steel sector in India and internationally.

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

### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the co-operation extended by all the employees, Bankers, Financial Institutions, various State and Central Government authorities and stakeholders.

For and on Behalf of the Board of Directors,

**INDUCTO STEELS LTD.**

**Sd/-**  
**Rajeev Shantisarup Reniwal**  
Managing Director  
(DIN 00034264)

**Sd/-**  
**Sweety Reniwal**  
Director  
(DIN 00041853)

Place: Mumbai  
Date: 25<sup>th</sup> August 2015

# INDUCTO STEELS LTD.

## FORM NO. AOC -2

## Annexure - 1

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr. Rakesh Reniwal Brother of Mr. Rajeev Reniwal (MD of the Company)
b)	Nature of contracts/arrangements/transaction	Appointment as Chief Financial Officer (CFO) of the Company
c)	Duration of the contracts/arrangements/transaction	<b>N.A.</b>
d)	Salient terms of the contracts or arrangements the or transaction including the value, if any	He shall be paid no remuneration for services rendered by him to the Company
e)	Justification for entering into such contracts or arrangements or transactions'	Being one of the Promoters of the Company and brother of the MD of the Company, he willing agreed to become a part of the Company as CFO without drawing any remuneration.
f)	Date of approval by the Board	30 <sup>th</sup> March 2015
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	<b>N.A.</b>

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

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

For and on Behalf of the Board of Directors,

Sd/-  
**Rajeev Reniwal**  
Managing Director  
(DIN 00034264)

Sd/-  
**Sweety Reniwal**  
Director  
(DIN 00041853)

Place: Mumbai  
Date: 25<sup>th</sup> August 2015

## EXTRACT OF ANNUAL RETURN

Annexure 2

As on financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies act, 2013 read with  
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

**A. REGISTRATION AND OTHER DETAILS:**

CIN:-	L27100MH1988PLC194523
Registration Date:	29/11/1988
Name of the Company:	Inducto Steels Ltd.
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details:	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai: 400021.
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	Unit-1, Luthra Ind. Premises,Safed Pool, Andheri-Kurla Road, Andheri(E), Mumbai-400072.

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Trading in Metal Scrap, Coals, Aluminium Foil & Other Industrial Inouts	N.A.	42.13%
b.	Dismantling / Breaking of old and used ships	72085110	57.87%

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN/GLN Associate	Holding/Subsidiary/ held	% of shares
a	NIL			

**D. SHARE HOLDING PATTERN**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). individual	2597354	7400	2604754	64.839	2677354	7400	2684754	66.831	1.992
(b). Central Govt.									
(c). State Govt(s).	0	0	0		0	0	0		0
(d). Bodies Corpp.	0	0	0		0	0	0		0
(e). FIINS / BANKS.	0	0	0		0	0	0		0
(f). Any Other		0				0			0
Sub-total (A) (1):-	2597354	7400	2604754	64.839	2677354	7400	2684754	66.831	1.992
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind	0	0	0		0	0	0		0
(b). Other Individual									
(c). Bodies Corporates	0	0	0		0	0	0		0
(d). Banks / FI	0	0	0		0	0	0		0
(e). Qualified Foreign Investor	0	0	0		0	0	0		0
(f). Any Other Specify	0	0	0		0	0	0		0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2597354	7400	2604754	64.839	2677354	7400	2684754	66.831	-1.99
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	0	0		0	0	0		0
(b). Banks / FI	0	0	0		0	0	0		0
(c). Central Govt.	0	0	0		0	0	0	0	0
(d). State Govt.	0	0	0		0	0	0		0
(e). Venture Capital Funds	0	0	0		0	0	0		0
(f). Insurance Companies	0	0	0		0	0	0		0
(g). FIs	0	0	0		0	0	0		0
(h). Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i). Others (specify)	0	0	0		0	0	0		0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	14819	0	14819	0.369	74935	0	74935	1.865	1.496
(ii). Overseas	0	0	0		0	0	0	0	0
b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	169503	52800	222303	5.534	394354	52800	447154	11.131	5.597
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1173284	0	1173284	29.206	803303	0	803303	19.996	-9.21
(c). Other (specify)	0	0	0		0	0	0	0	0
Non Resident Indians	2094	0	2094	0.052	7108	0	7108	0.177	0.125
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals		0				0			0
Clearing Members	0	0	0		0	0	0		0
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	1359700	52800	1412500	35.161	1279700	52800	1332500	33.169	-1.992
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1359700	52800	1412500	35.161	1279700	52800	1332500	33.169	1.99
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.000	0	0	0	0.000	0.00
<b>Grand Total(A+B+C)</b>	<b>3957054</b>	<b>60200</b>	<b>4017254</b>	<b>100.00</b>	<b>3957054</b>	<b>60200</b>	<b>4017254</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sl No.	Shareholder'sName	Shareholding at the beginning of the year01/04/2014			Share holding at the end of theYear31/03/2015			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	SHANTISARUP R RENIWAL	800	0.02	0	800	0.02	0	0
2	RAKESH SHANTISARUP RENIWAL	6600	0.164	0	6600	0.164	0	0
3	RAJEEV RENIWAL HUF	193900	4.827	0	193900	4.827	0	0
4	RAKESH SHANTISARUP RENIWAL	1483388	36.925	34.857	1483388	36.925	34.857	0
5	SHANTISARUP RENIWAL & SONS . HUF	12255	0.305	0	12255	0.305	0	0
6	SANJEEV RENIWAL (HUF)	186800	4.65	0.916	186800	4.65	0.916	0
7	SANJEEV S. RENIWAL	500	0.012	0	500	0.012	0	0
8	SWEETY R. RENIWAL	327745	8.158	0	407745	10.15	0	1.992
9	LALITADEVI S RENIWAL	153375	3.818	0	153375	3.818	1.568	0
10	SHANTISARUP R. RENIWAL	1865	0.046	0	1865	0.046	0	0
11	RAJEEV S. RENIWAL	237526	5.913	0	237526	5.913	0	0

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

Sl No.	Shareholder'sName	Shareholding at the beginning of the year01/04/2014			Share holding at the end of theYear31/03/2015			% of total share holding during the year
		No. of shares at the beginning Shares of the (01-04-2014)/ end of the year (31-03-2015)	% of total shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	
	SWEETY R. RENIWAL	327745	8.158	4/1/2014				
				4/4/2014	40000	Transfer	367745	9.154
				4/11/2014	40000	Transfer	407745	10.15
	-Closing Balance			3/31/2015			407745	10.15

# INDUCTO STEELS LTD.

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

Sr. No.	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	PRABHUDAS LILLADHER PVT. LTD.	200	0.005	8/1/2014				
				3/27/2015	-50	Transfer	150	0.004
	- Closing Balance			3/31/2015	25050	Transfer	25200	0.627
2	SATYA PRAKASH MITTAL (HUF)	19998	0.498	3/20/2015				
				3/27/2015	3805	Transfer	23803	0.593
	-Closing Balance			3/31/2015	2230	Transfer	26033	0.648
3	JITENDRA DALICHAND BADANI	11374	0.283	4/1/2014				
				5/30/2014	140	Transfer	11514	0.287
				6/6/2014	500	Transfer	12014	0.299
				6/13/2014	1750	Transfer	13764	0.343
				6/20/2014	146	Transfer	13910	0.346
				7/11/2014	-186	Transfer	13724	0.342
				9/12/2014	100	Transfer	13824	0.344
				9/30/2014	2000	Transfer	15824	0.394
	-Closing Balance			3/31/2015			15824	0.394
4	ALKA RANI JAIN	100000	2.489	4/1/2014				
	-Closing Balance			3/31/2015			100000	2.489
5	SHARVARI AGRAWAL	60000	1.494	4/1/2014				
	-Closing Balance			3/31/2015			60000	1.494
6	BABITA SANDIP AGARWAL	203100	5.056	4/1/2014				
	-Closing Balance			3/31/2015			203100	5.056
7	INDIRA SHIVSHANKAR AGARWAL	62055	1.545	4/1/2014				
	-Closing Balance			3/31/2015			62055	1.545
8	JAYSHREEDEVI TRILOKCHAND AGARWAL	188400	4.69	4/1/2014				
	-Closing Balance			3/31/2015			188400	4.69
9	KAMALA SUNIL GADEKAR	37422	0.932	4/1/2014				
				4/4/2014	300	Transfer	37722	0.939
				4/18/2014	400	Transfer	38122	0.949
				4/25/2014	250	Transfer	38372	0.955
				5/2/2014	422	Transfer	38794	0.966
				5/9/2014	1306	Transfer	40100	0.998
				5/16/2014	100	Transfer	40200	1.001
				5/30/2014	100	Transfer	40300	1.003
				6/20/2014	100	Transfer	40400	1.006
				6/30/2014	100	Transfer	40500	1.008
				7/4/2014	100	Transfer	40600	1.011
				7/25/2014	300	Transfer	40900	1.018
				8/1/2014	300	Transfer	41200	1.026
				8/8/2014	200	Transfer	41400	1.031
				8/22/2014	200	Transfer	41600	1.036
				8/29/2014	400	Transfer	42000	1.045
				9/5/2014	200	Transfer	42200	1.05
				9/12/2014	800	Transfer	43000	1.07
				9/30/2014	200	Transfer	43200	1.075
				10/31/2014	25	Transfer	43225	1.076
				11/14/2014	300	Transfer	43525	1.083
				11/21/2014	1075	Transfer	44600	1.11
				11/28/2014	300	Transfer	44900	1.118
				12/5/2014	75	Transfer	44975	1.12
				12/12/2014	400	Transfer	45375	1.13
				12/19/2014	800	Transfer	46175	1.149
				2/20/2015	625	Transfer	46800	1.165
				2/27/2015	580	Transfer	47380	1.179
				3/13/2015	658	Transfer	48038	1.196
				3/20/2015	501	Transfer	48539	1.208
				3/27/2015	500	Transfer	49039	1.221
				3/31/2015	500	Transfer	49539	1.233
10	DIPAK KANAYALAL SHAH	77000	1.917	4/1/2014				
				9/30/2014	3000	Transfer	80000	1.991
				11/28/2014	693	Transfer	80693	2.009
				12/12/2014	307	Transfer	81000	2.016
				1/23/2015	500	Transfer	81500	2.029
				2/6/2015	1016	Transfer	82516	2.054
				2/27/2015	473	Transfer	82989	2.066
				3/13/2015	11	Transfer	83000	2.066
	-Closing Balance			3/31/2015			83000	2.066

(v) Shareholding of Directors and Key Managerial Personnel:

sr .no		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Rajeev Reniwal</b>				
	At the beginning of the year	237526	5.913	237526	5.913
	At the End of the year	237526	5.913	237526	5.913
	<b>Sweety Reniwal</b>				
	At the beginning of the year	327745	8.158	327745	8.158
	Increase in Shareholding on 04.04.2014	40000	0.010	367745	9.154
	Increase in Shareholding on 11.04.2014	40000	0.010	407745	10.149
	At the End of the year	407745	10.150	407745	10.149

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	UnsecuredLoans	Deposits	Total Indebtedness
<b>Indebtedness</b>				
Indebtedness at the beginning of the financial year				
i) Principal Amount	839364812	0.000	0	839364812
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	839364812	0.000	0	839364812
Change in Indebtedness during the financial year	0	0.000	0	0
• Addition	0	0	0	0
• Reduction	-6326893	0	0	-6326893
Net Change	-6326893	0	0	-6326893
Indebtedness at the end of the financial year				
i) Principal Amount	833037919	0.000	0	833037919
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not	0	0	0	0
Total (i+ii+iii)	833037919	0.000	0	833037919



# INDUCTO STEELS LTD.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.no	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		MD - Rajeev Reniwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4.	Commission		
	- as % of profit	0.00	0.00
	- others, specify...	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act	5% of the net profits of the Company	

### B. Remuneration to other directors:

Sl.no	Particulars of Remuneration	Name of Director/Manager	Total Amount
1	Independent Directors •Fee for attending board / committee meetings	0.00	0.00
	• Commission	0.00	0.00
	• Others, please specify	0.00	0.00
	Total (1)	0.00	0.00
2.	Other Non-Executive Directors •Fee for attending board / committee meetings	0.00	0.00
	• Commission	0.00	0.00
	• Others, please specify	0.00	0.00
	Total (2)	0.00	0.00
	Total (B)=(1+2)	0.00	0.00
	Total Managerial Remuneration	0.00	0.00
	Overall Ceiling as per the Act	Not applicable as no remuneration is paid	

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

	Particulars of Remuneration	Key Managerial Personnel	
		CFO*	Total
1	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission- as % of profit- others, specify...	0	0
	Others, please specify	0	0
	Total	0	0

\* Appointed w.e.f 31st March 2015.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**

Type	Section of the Companies Act	BriefDescription	Details ofPenalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Authority[RD / NCLT/ COURT]
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and enhancing investor confidence.

The Company believes in adopting and carrying out best practices in the area of Corporate Governance and follows the principle of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its stakeholders. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company. Towards this, the Company has taken following steps to strengthen its belief by ensuring:

It ensures:

- Adequate disclosure and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholders interest;
- Commitment to values and ethical conduct of Business

The Company is in compliance with the requirements of the guidelines on corporate Governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

During the period under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities

### **BOARD OF DIRECTORS:**

#### **Composition of Board of Directors**

The Board consists of Four (4) Directors of which One (1) is Executive Director, One (1) Non-Executive Director and Two (2) Non- Executive & Independent Directors having vast experience in the core business activity of the Company. The Chairman of the Board is an Executive & Promoter of the Company. The composition of the Board of the Company is in accordance with the provisions of Clause 49 of the Listing Agreement.

Independent Directors are Non- Executive Directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the Independent Director is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Clause 49 of the Listing Agreement and Section 149 of the Act.

The details of the Familiarisation Programme of the Independent Directors with the Company in respect of their roles, responsibilities, rights, and related matters is put up on the website of the Company ([www.hariyanagroup.com](http://www.hariyanagroup.com)).

#### **Membership, Attendance & Other Directorships:**

**The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other Companies as on March 31, 2015 are given herein below.**

Name of Directors	Category of Directorship	*No. of other Directorships		No. of Committee Memberships##	
		Public	Private	Public	Private
Mr. Rajeev Reniwal (DIN-00034264)	Promoter, Chairman & Managing Director	Nil	3	Nil	Nil
Mrs. Sweety Reniwal (DIN- 00041853)	Promoter & Non Executive Director	Nil	4	Nil	Nil
Mr. Yogesh Thakkar (DIN-00043588)	Non-Executive & Independent Director	Nil	Nil	Nil	Nil
Mr. Bhushanlal Behl (DIN-03023697)	Non-Executive & Independent Director	Nil	Nil	Nil	Nil

\* Other Directorships do not include Directorships of Section 8 Companies and of companies incorporated outside India.

## In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, Chairmanships / Memberships of Board committees shall include only Audit Committee and Stakeholders' Relationship Committee.

Since, the Directors are not acting as a Member of any Committee across the Company; hence the question of Chairmanship in other Committee does not arise.

There are no nominees or Institutional Directors in the Company. None of the Directors have pecuniary or Business relationship with the Company other than as mentioned in the elsewhere in the Annual Report. No Director of the Company is either member in more than 10 Committees and/ or Chairman of more than 5 Committees across all Companies in which he is Director.

**Board Meetings**

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai. The Board meets at least once a quarter to review the quarterly performance and the financial results.

During the year there were in total 15 (Fifteen) Board Meetings which were held on 13/05/2014, 28/05/2014, 30/05/2014, 12/06/2014, 08/08/2014, 13/08/2014, 23/08/2014, 10/10/2014, 10/11/2014, 03/11/2014, 13/11/2014, 15/01/2015, 12/02/2015, 30/03/2015 and 31/03/2015. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board were made available to them along with detailed Agenda notes.

Name of the Director	Relationship with other Directors	No. of Board Meetings		Attended Last AGM
		Held	Attended	
Mr. Rajeev Reniwal (DIN-00034264)	Husband of Mrs. Sweety Reniwal	15	15	Yes
Mrs. Sweety Reniwal (DIN-00041853)	Wife of Mr. Rajeev Reniwal	15	15	No
Mr. Yogesh Thakkar (DIN-00043588)	##	15	2	Yes
Mr. Bhushanlal Behl (DIN-03023697)	##	15	2	No
*Mr. Prashant Agarwal DIN: 00074416	Brother in law of Mr. Rajeev Reniwal	3	1	No
*Mrs. Neela Shah DIN: 03018067	##	3	1	No

# # There is no relationship among any of the Directors.

\*Resigned w.e.f. 02.06.2014

The Board has granted leave of absence to the Directors who were absent at the respective Board Meeting(s) at their request.

Separate Board Meeting of Independent Directors was held to review the performance of Executive Directors and the Board as a whole.

## **Code of Conduct:**

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel as on 31<sup>st</sup> March 2015 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto in the Corporate Governance Report.

## **AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement entered into with the stock exchange read with Section 177 of the Act. All the members of Audit Committee possess expert knowledge in the field of accounts, audit and finance.

## **Terms of reference of the Audit Committee:**

The terms of reference of the Audit Committee are in accordance with the provisions contained in Section 177 and other provisions of the Companies Act 2013, and the Rules made there under and Clause 49 of the Listing Agreement, as amended from time to time and which inter alia include the following

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - ∅ Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013. Changes, if any, in accounting policies and practices and reasons for the same.
  - ∅ Major accounting entries involving estimates based on the exercise of judgment by management.
  - ∅ Significant adjustments made in the financial statements arising out of audit findings.
  - ∅ Compliance with listing and other legal requirements relating to financial statements.
  - ∅ Disclosure of any related party transactions.
  - ∅ Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval ;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report

- submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - To review the functioning of whistle blower mechanism.
  - Approval of appointment of CFO;
  - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
  - To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor’s Report;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - To mandatorily review the following information;
  - To define significant related party transactions;
    - ∅ Management discussion and analysis of financial condition and results of operations;
    - ∅ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - ∅ Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - ∅ Internal audit reports relating to internal control weaknesses; and

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∅ The appointment, removal and terms of remuneration of the chief internal auditor.

The previous Annual General Meeting (AGM) of the Company was held on September 30, 2014.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Designation	No of meetings Held	No. of meetings attended
1	Mr. Yogesh ThakkarDIN: 0043588	Chairman	6	6
2	Mr. Bhushanlal BehlDIN: 03023697	Member	6	6
3	Mrs. Neela ShahDIN: 03018067 (Resigned w.e.f 02.06.2014)	Member	3	2
4	Mrs. Sweety ReniwalDIN: 00041853 (Appointed w.e.f 13.08.2014)	Member	3	3

The Audit Committee of the Company was reconstituted at the Board Meeting of the Company held on 30th March 2015 and thereafter one meeting was held on 30th March 2015 which is included in the aforesaid computation.

The Committee met 6 times during the period under review. The said meetings were held on 13/04/2014, 28/05/2014, 13/08/2014, 13/11/2014, 12/02/2015, 30/03/2015 respectively. The necessary quorum was present for all the meetings.

### **NOMINATION AND REMUNERATION COMMITTEE:**

The Company constituted a Nomination and Remuneration Committee of Directors in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. This Committee was framed to carry out performance evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and accordingly reward them.

### **The broad terms of reference of the Committee consists as below:**

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

The Nomination and Remuneration Committee comprises of the Members as tabulated below:

Sr. No.	Name of Director	Position	No of meetings held	No. of meetings attended
1	Mr. Yogesh Thakkar(DIN: 00043588)	Chairman	1	1
2	Mrs. Sweety Reniwal(DIN: 00041853)	Member	1	1
3	Mr. Bhushanlal Behl(DIN:03023697)	Member	1	1

**Remuneration Policy:**

The Company adopted a Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the Listing Agreement. For details on the Remuneration Policy, kindly refer to the Annexures of the Directors' Report.

**Details of remuneration to all the Directors:**

a. Non-Executive Directors:

Name	Commission	Sitting Fees
Mrs. Sweety Rajeev Reniwal	0	0
Mr. Yogesh Anantraï Thakkar	0	0
Mr. Bhushanlal Behl	0	0

b. Managing Director and Executive Directors

Name	Salary	Benefits, perquisites and allowances	Commission
Mr. Rajeev Reniwal	0	0	0

The Company does not have any Employee Stock Option Scheme.

Additional details pertaining to remuneration is covered in Directors' Report.

**STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE:**

The Company had a Shareholders / Investors Grievance & Share Transfer Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders' Relationship Committee & Share Transfer Committee in the light of provisions of the Act and revised Clause 49 of the Listing Agreement at the Board Meeting of the Company held on 30th March, 2015.

The composition of the Committee and the details of meetings attended by its members is given below:

Sr. No.	Name of Director	Position held	No of meetings attended	No. of meetings attended
1	Mr. Prashant Agrawal(DIN: 00074416) (Resigned w.e.f 02.06.2014)	Chairman	2	2
2	Mr. Bhushanlal Behl(DIN: 03023697)	Member	5	5
3	Mr. Yogesh Thakkar(DIN: 00043588)	Member	5	5
4	Mrs. Sweety Reniwal(DIN: 00041853) (Inducted w.e.f 13.08.2014)	Member	3	3



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The Company has appointed Mr. Shantisarup Reniwal as the Compliance Officer of the Company.

The Company has also appointed Sharex Dynamic (India) Private Limited, Mumbai to act as Registrar and Share Transfer Agent of the Company. The committee also monitors redressal of investors' grievances.

Details of investor complaints received and redressed during the year 2014-15 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
Nil	Nil	Nil	Nil

### **General Body Meetings:**

Location and time, where last three Annual General Meetings were held:

Location	Date	Time
<b>Registered Office:</b> 302, Sylverton Building, 102, Wodehouse Road, Colaba, Mumbai – 400005	28.09.2012	12.30 P.M
<b>Registered Office:</b> 156 Maker Chambers Vi, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2013	10.30 A.M
	30.09.2014	9.30 A.M.

Special resolutions passed at last three Annual General Meetings (AGM):

- a) 24<sup>th</sup> AGM held on 28<sup>th</sup> September 2012:
  - a. Increase in borrowing limits.
  - b. For appointment of Managing Director and Payment of Remuneration to Mr. Rajeev Reniwal.
  - c. For Payment of Remuneration to other Non-Executive Directors
- b) 25<sup>th</sup> AGM held on 30<sup>th</sup> September 2013: NONE
- c) 26<sup>th</sup> AGM held on 30<sup>th</sup> September 2014:
  1. To re-appoint Mr. Yogesh Thakkar(DIN 00043588) as an Independent Director.
  2. To re-appoint Mr. Bhushanlal Behl (DIN 03023697) as an Independent Director.
  3. To re-appoint Mr. Rajeev Reniwal (DIN 00034264) as Managing Director.
  4. To borrow monies in excess of its paid up Share Capital and Reserves, to the extent of Rs. 500crores
  5. Adoption of new Articles of Association of the Company containing regulation with the Companies Act, 2013

### **Postal Ballot:**

Members' approval was sought vide the following Postal Ballot Notices under Section 110 of the Act, details of which are relayed below:

- A. Postal Ballot Notice dated August 22, 2014 pertaining to the following matters:-

Sr. No.	Special Resolutions	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
1.	Resolution under section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of charge on assets	26,84,742	99.99	33	0.0001
2.	Resolution under section 186 of the Companies Act, 2013, authorizing the Board of Directors for inter-corporate loans & deposits over and above the limits which should not exceed Rs. 500 crores.	26,84,742	99.99	33	0.0001
3.	Resolution under section 13 of the Companies Act, 2013, to alter the Main objects of the company.	26,84,742	99.99	33	0.0001

**Appointment of Scrutinizer:** Mr. Dilip Bharadiya, Practicing Company Secretary, Mumbai

**Cut-off Record Date for reckoning Members eligible to receive Notice and vote:** 23<sup>rd</sup> August, 2014

**Cut-off date and time for voting:** October 1, 2014

**Date of declaration of result:** October 6, 2014

*\*Result of Postal Ballot was not reported.*

**Proposed Postal Ballot:**

Following resolutions are proposed to be passed at the Postal Ballot:

1. Resolution under section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of charge on assets.
2. Resolution under section 186 of the Companies Act, 2013, authorizing the Board of Directors for inter-corporate loans & deposits over and above the limits which should not exceed Rs.600 Crore.
3. Resolution under section 13 of the Companies Act, 2013, to alter the Main Object of the Company.

**Procedure for Postal Ballot:**

In compliance with the Section 110 and other applicable provisions of the Act, read with related Rules, the Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members / the List of beneficiaries as on a cut-off date. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in the names of Members as on the cut-off date. Members desiring to exercise their votes are requested to return the forms duly completed and signed to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting. The Scrutinizer submits his/her report to the Chairman after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorised officer.

## Extraordinary General Meetings:

No Extraordinary General Meeting was held during the past three years

## DISCLOSURES:

### a) Related party transactions

During tDuring the year, there were no materially significant transactions with related parties, as per the Policy adopted by the Company that have potential conflict with the interests of the Company at large. CompanyAll the transactions with Related Party are after obtaining prior approval of Audit Committee. Details of the same are covered under Directors' Report.

The policy is also available on the website of the Company.

### b) Cases of Non-Compliance:

There has been no instance of non-compliance by the Company on any matter related to capital markets. No penalties or strictures have been imposed on the Company.

### c) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:

The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy at its meeting held on 31<sup>st</sup> March 2015 which provides a formal mechanism for all the Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

A copy of the policy is also uploaded on the website of the Company. The Company affirms that during the year under review, no report has been registered by any Director or Employee of the Company. Also, no Director or Employee of the Company has been denied access to the Audit Committee.

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

- **Shareholder Rights:**

Details are given under the heading "Means of Communications"

- **Audit Qualifications:**

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

- **Reporting of Internal Auditor:**

The Chief Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

## Subsidiary Companies:

The Company does not have any Subsidiary.

## **MEANS OF COMMUNICATION**

The Company publishes its results through the leading newspapers, The Free Press Journal and Navshakti. The results are also displayed on the website. No presentations have been made to institutional investors or to the analysts.

### **Green Initiative:**

Your Company encourages the shareholders to register their email addresses with the Company or its Registrar & Transfer Agents, Sharex Dynamic (India) Pvt. Ltd., by sending a letter signed by the Shareholders and intimate changes in the email ids from time to time.

Those shareholders who have not opted for receiving the Annual Report in physical form, we look forward to receiving your full support in our endeavour to contribute towards greener environment and request you to join us in this noble initiative and look forward to your consent to receive Annual Report from now onwards in electronic form.

## **GENERAL SHAREHOLDERS INFORMATION**

### **i. 27<sup>th</sup> Annual General Meeting:**

**Date:** 30<sup>th</sup> September 2015

**Day :** Wednesday

**Time:** 10.00 a.m.

**Venue:** 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, M u m b a i - 400021.

As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchange, particulars of Director seeking appointment / re-appointment at the forthcoming AGM is given in the Annexure to the notice of the AGM to be held on 30<sup>th</sup> September 2015.

### **ii. Financial Year:** 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015

### **iii. Date of Book Closure:**

Thursday, 24<sup>nd</sup> September 2015 to Wednesday, 30<sup>th</sup> September 2015 (both days inclusive).

### **iv. Dividend Payment Date:**

The Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March 2015.

### **v. Listing on stock exchange:**

BSE Limited (BSE)

25<sup>th</sup> Floor, P.J. Towers, Dalal Street,

Mumbai – 400001.

### **vi. Stock Code:**

Security Code (BSE) : 532001

ISIN NO. : **INE146H01018**

Listing Fees as applicable have been paid.

### **vii. Market Price data, high, low during each month in the last financial year and Performance in comparison to broad-based indices such as BSE Sensex is as under:**

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### Market Price data, high, low data:

Month	High Price	Low Price
Apr-14	36.95	32.55
May-14	37.50	30.95
Jun-14	39.05	33.60
Jul-14	39.90	34.00
Aug-14	43.05	35.00
Sep-14	41.30	34.50
Oct-14	39.00	30.40
Nov-14	36.00	23.05
Dec-14	34.60	26.30
Jan-15	31.90	25.70
Feb-15	30.90	21.55
Mar-15	25.95	18.95

### viii. Registrar and Share Transfer Agents:

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

Sharex Dynamic (India) Pvt Ltd 17/B, Dena Bank Bldg, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai 400 001 Ph: 22702485, 22641376 Fax: 22641349 Email: sharexindia@vsnl.com

### ix Share Transfer Systems:

98.5% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

As regards transfer of shares held in physical form the transfer documents can be lodged with the R&TA at any of the above mentioned addresses. Transfer of shares in physical form is processed within fifteen days from the date of receipt, if the documents are complete in all respects. The Shareholders'/Investors Grievance & Transfer Committee (now Stakeholders' Relationship & Share Transfer Committee) periodically take note of transfers

### x. Distribution of shareholding as on 31st March 2015:

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES/DEBS -As On :31-Mar-2015				
SHARES	NUMBER OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SH
UPTO TO 100	237	30.54	10828	0.27
101 TO 200	95	12.24	17221	0.43
201 TO 500	215	27.71	94429	2.35
501 TO 1000	99	12.76	82560	2.06
1001 TO 5000	93	11.98	194451	4.84
5001 TO 10000	15	1.93	102253	2.55
10001 TO 100000	15	1.93	734551	18.28
100001 TO ABOVE	7	0.90	2780961	69.23
<b>TOTAL</b>	<b>776</b>	<b>100.00</b>	<b>4017254</b>	

xi **Details of Shares held by Directors as on 31st March 2015**

<b>Name of Directors</b>	<b>No. of Equity shares Held</b>
Mr. Rajeev Shantisarup Reniwal IN: 00034264	237526
Mrs. Sweety Reniwal DIN: 00041853	407745
Mr. Yogesh Anantraï Thakkar DIN: 00043588	NIL
Mr. Bhushanlal Behl DIN: 03023697	NIL

xii. **Details of Shareholding pattern as on 31st March 2015:**

Detailed information about Shareholding Pattern is covered under extract of Annual Return forming part of Directors' Report.

xiii. **Dematerialization of Shares and Liquidity:**

As on 31<sup>st</sup> March 2015, 98.5% of the total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form, traded on BSE Limited.

xiv. **Outstanding GDRs / ADRs / Warrants / Convertible instruments and their impact on Equity:**

The Company has not issued any GDRs/ADRs/Warrants/Convertible instruments in the past and hence as on 31<sup>st</sup> March 2015 does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

xv. **The Plant of the company is situated at:****BHAVNAGAR OFFICE:**

Hariyana House, 2165/A-2, 2<sup>nd</sup> Floor, Sanskar Mandal Chowk, Bhavnagar – 364002

**SHIP BREAKING YARD:**

Plot No.45, Ship Breaking Yard, Alang, District Bhavnagar.

xvi. **Address for correspondence:**

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

E-Mail: [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com)

Web Site: - [www.hariyanagroup.com](http://www.hariyanagroup.com)

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

Declaration affirming compliance with the Code of Conduct

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2015.

By order of the Board

For **INDUCTO STEELS LIMITED**

Sd/-

Place: Mumbai

ShantiSarup Reniwal

Date: 25<sup>th</sup> August 2015

Compliance Officer

**COMPLIANCE CERTIFICATE**

To

The Members

Inducto Steels Limited

Mumbai

We have examined the compliance of conditions of Corporate Governance by Inducto Steels Limited (the Company) for the financial year ended on 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended on March 31, 2015, no investor grievances are received or pending against the Company.

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

For P.D. Goplani & Associates.,

Chartered Accountants(Firm Reg. No. 118023W)

Sd/-

**Prem Goplani**

Partner

Membership No.103765

Place : Mumbai

Date : 25/08/2015

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

To  
The Board of Directors  
Inducto Steels Limited  
156, Maker Chamber VI,  
220, Jamnalal Bajaj Marg,  
Nariman Point,  
Mumbai 400021.

We hereby certify that for the financial year, ending 31<sup>st</sup> March 2015 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and a fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control systems of the Company and we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
  - a. There have been no significant changes in internal control during the year;
  - b. There have been no significant changes in accounting policies during the year;
  - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Sd/-**

**Rajeev Shantisarup Reniwal**

Managing Director

**Sd/-**

**Rakesh Shantisarup Reniwal**

Chief Financial Officer

Place : Mumbai  
Date : 25/08/2015



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

To,  
The Members,  
Inducto Steels Limited  
Mumbai.

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

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on March 31, 2015, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **NOT APPLICABLE**
  - (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; **NOT APPLICABLE**
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is as follows:

- (i) Gujarat Maritime Board Act, 1981;
- (ii) The Factories Act, 1948;
- (iii) The Contract Labour Act, 1970;
- (iv) The Hazardous Wastes (Management & Handling) Rules, 1989 under Gujarat Pollution Control Board.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards as mentioned above, except

- a. *the appointment of the Company Secretary is pending till the date of this report.*
- b. *the results of the postal ballot carried out in the last Annual General Meeting was not reported.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions/decisions at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee.

I further report that 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 except as mentioned above.

I further report that during the audit year there were no instances of:

- (i) Public / Rights issue of Equity Shares & Equity Warrants / Debentures / Sweat Equity
- (ii) Redemption / Buy-back of securities
- (iii) Merger / Amalgamation / Reconstruction, etc.
- (iv) Foreign Technical Collaborations

Place : Mumbai

Sd/-

Date : August 13, 2015

**DILIP BHARADIYA**

**Proprietor**

**DILIP BHARADIYA & ASSOCIATES FCS No.: 7956, C P No.: 6740**

## ANNEXURE - I

### **List of documents verified:**

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended 31<sup>st</sup> March 2014
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee along with Attendance Register held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013
8. Intimations received from Directors under the Prohibition of Insider Trading Code
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.

**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP  
AND SENIOR MANAGEMENT**

**Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as 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 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.

**Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**Retirement**

The Director, 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, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:****General:**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration

payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **Remuneration to Managing Director, KMP and Senior Management Personnel:**

**a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **Remuneration to Non- Executive / Independent Director:**

**a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

For and on Behalf of the Board of Directors

**Sd/-**

**Rajeev Reniwal**  
Managing Director  
(DIN 00034264)

**Sd/-**

**Sweety Reniwal**  
Director  
(DIN 00041853)

Place: Mumbai

Date: 25<sup>th</sup> August 2015

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a) Overview**

The Company is now a diversified Company with the continuation of its ship breaking activities and trading in ferrous and non ferrous metals, coal, aluminum foil etc.

During the year 2014-15, witnessed frequent fluctuation in the prices of old ship in the international market and also heavy dollar exchange rate fluctuations. This has adversely affected the sales turnover of the company. However, the prices in Iron and steel industry are gradually getting stabilized, but the company has trade liabilities in foreign currency and depreciation in value of Indian Rupee vis-à-vis US Dollar remains a concerning area for the company even in the current year. The management is exercising caution in purchase of ships for breaking to optimize the profit margin and minimize the possibilities of losses, if so happens.

Whenever, there is no immediate payment liability against old ship purchased for breaking, the surplus funds available with the Company are given as loan on short term basis and also invested in the market for earning interest/short term capital gain. The Company is hopeful that the Company can earn reasonable return on this loans/investment. Surplus funds are also invested in new avenues of earnings in the form of partnership with other entities like in Real Estate and Redeveloping firms. At present, the Company has partnership with M/s. Calvin Divine Enterprises with 20% share, Jai Maa Durge Associates with 50% share and M/s. Shree Balaji Associates with 5% share. The management is hopeful that the Company can earn reasonable return on this investment.

**b) Segmental Review**

During the financial year 2014-15, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old ships, Iron and Steel products coupled with depreciation in value of Indian Rupee vis-à-vis US Dollar during the year, the net profit margins of this segment has been affected. The trading unit of the company has not performed well during the year. However, the management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

**1. Ship breaking:**

As has been stated in the out-look, due to fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. During the year Company has achieved sales turnover of Rs. 8,790.35 Lacs as against 10,172.99 Lacs last year. During the financial year 2014-15, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with depreciation in value of Indian Rupee vis-à-vis US Dollar during the year, the sales turnover of this segment has been affected. Though the year under review saw fluctuation in the international market of old ships coming for breaking, the management was very cautious and purchased ships at proper time and built a good level of inventories to earn better profits in coming years. Now the market has stabilized and taking into account the inventory level of the company as at the year end, it is hoped that the turnover and the profitability will show a an increase in the coming years.

## 2. Trading:

During the financial year 2014-15, the trading unit has not performed well due to steep decrease in prices of Iron and steel products and volatile market conditions. The trading segment has achieved sales turnover of Rs. 12,128.92 Lacs as against Rs. 25,563.45 Lacs last year. The management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

Particulars	Trading Unit	Ship-Breaking	Total
a) External Sales/Revenue	13,635.47	9,045.94	22681.41
Inter segment Sales/Revenue	(447.13)	447.13	-
Total Revenue	13,188.34	9,493.07	22,681.41
b) Segment Results Before Interest and Taxes	1,294.98	(61.08)	1,233.89
c) Segment results as a % of total	104.95%	-4.95%	100.00%
d) Segment Assets	21,484.85	2,284.13	23,768.98
e) Segment Liabilities	11,428.33	8,421.33	19,849.66

### d) Review of Operations

As has been stated in the out-look, due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions the company has not been able to perform well in ship breaking unit as well as in trading unit. However, the company has been able to improve the net profit margins of the company for the financial year 2014-15 due to its cautious approach. The management is of the view that, in the coming years the ship breaking industry as well as Iron and Steel sector will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

### e) Financial Review and Analysis

Performance	2014-15	2013-14
Revenue from Operations	20,919.27	35,736.44
Other income	1,762.14	1,973.39
Total Expenditure	22,681.41	37,709.83
Operating Profit (PBIDT)	1249.45	1165.91
Interest	755.19	542.25
Gross Profit (PBDT)	494.25	623.66
Depreciation	15.55	10.09
Profit before tax	478.70	613.57
Provision for current Tax	154.79	202.92
Deferred tax	(0.37)	5.96
Net Profit after Tax	324.28	404.69

f) **Cash Flow Analysis**

Particulars	2014-15	2013-14
- Operating Profit before changes in Working Capital	1,233.47	1,165.91
- (Increase)/Decrease in Net Working Capital	6,323.17	(3,805.14)
- Net Cash Flow from Operating Activities	7,401.85	(2,842.16)
- Cash Outflow from Investing Activities-	(6,569.41)	(219.11)
Cash Outflow from Financing Activities-	(818.46)	3,071.13
Net Cash Inform/(Outflow)	13.98	9.86

g) **Risk Management**

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. The Company is adopting policy of full hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary.

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

Likewise the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any up and down in the price of the iron and steel will affect the profitability of the Company. However taking into account, the price fluctuations already affected during the year 2014-15, further major down / upward trend in the price of iron and steel is not expected.

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



**P. D. GOPLANI & ASSOCIATES**  
Chartered Accountants

A-104/105, Leela Efcee,  
Waghawadi Road, Bhavnagar -364001.

## **INDEPENDENT AUDITOR'S REPORT**

To

**The Members,**

**INDUCTO STEELS LIMITED**

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

We have audited the accompanying financial statements of **INDUCTO STEELS LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **except for non provision for gratuity and long term employee benefits a per AS – 15**, 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

**Other Matter**

We have not audited the financial statements of Mumbai Division (HO), whose financial statements reflect total assets (net) of Rs. 15,347.64 Lacs as at March 31, 2015, total revenue of Rs. 13,635.47 Lacs financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.31 to the financial statements;
    - ii. the Company did not any long term contracts including derivative contracts for which there were any material foreseeable losses and
    - iii. There has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For P.D. Goplani & Associates,  
Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

CA Prem Goplani  
Partner  
Membership No.103765

Place: Mumbai  
Date: May 29, 2015

## **Annexure to Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i) a) The Company has maintained proper records showing the full particulars, including the quantitative details and situation of its fixed assets.
- b) All the assets have not been physically verified by the management during the year, but as per the information and explanations provided to us, there is a regular programme of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of the inventory and according to the information given to us. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The company has granted unsecured loans to one company covered in the register maintained under section 189 of the Companies Act, 2013.
- b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- c) There are no overdue amounts of more than rupees one lac in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and purchase of fixed assets and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v) According to the information and explanations given to us, the company has not invited any deposits as per the provisions of section 73 to 76 or any other relevant provisions of companies act and the rules framed there under.
- vi) We have broadly reviewed the books of account relating to material, wages and other items of cost maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of section 148 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Value Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no material dues of Wealth Tax, Custom Duty, Excise Duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of dispute (A mere representation to the concerned Department shall not constitute a dispute) except:

<b>Pending with</b>	<b>Related period</b>	<b>Nature</b>	<b>Amount (Rs.)</b>
Hon. ACIT, Central Circle – 41, Mumbai	AY: 2006-07	Income Tax	Rs. 9,62,810
Hon. ACIT, Central Circle – 41, Mumbai	AY: 2009-10	Income Tax	Rs. 3,79,808
ITAT, Mumbai	AY: 2010-11	Income Tax	Rs. 30,89,730
Hon. ACIT, Central Circle – 38, Mumbai	AY: 2011-12	Income Tax	Rs. 14,51,040
Hon. CIT (Appeal – 8), Mumbai	AY: 2012-13	Income Tax	Rs. 12,56,760

- c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders.
- x. In our opinion and according to the information and the explanations given to us, the Company has given corporate guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and as per the information and explanation given to us the company has not applied or availed any term loan during the year.
- xii. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P.D. Goplani & Associates,  
Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

CA Prem Goplani  
Partner  
Membership No.103765

Place: Mumbai  
Date: May 29, 2015

# INDUCTO STEELS LTD.

## BALANCE SHEET AS ON 31ST MARCH, 2015

PARTICULARS	Note no.	CURRENT YEAR 31/03/2015	PREVIOUS YEAR 31/03/2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	2.1	47,584,540	47,584,540
(b) Reserves & Surplus	2.2	344,346,883	311,918,377
<b>2 SHARE APPLICATION MONEY PENDING</b>			
<b>3 NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	2.3	1,353,627	2,409,239
(b) Deferred Tax Liabilities (Net)	2.4	1,485,349	1,522,753
(c) Other Long Term Liabilities	2.5	7,500	88,108
<b>4 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	2.6	831,684,292	836,955,573
(b) Trade Payables	2.7	1,064,257,395	1,143,117,150
(c) Other Current Liabilities	2.8	85,173,620	126,845,868
(d) Short-Term Provisions	2.9	1,004,284	62,277
Total		2,376,897,490	2,470,503,885
<b>II. ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible assets	2.10	13,019,118	11,620,023
(ii) Capital work-in-progress			
(b) Non-Current Investments	2.11	674,089,151	18,504,856
(c) Long-Term Loans & Advances	2.12	1,799,161	1,873,148
<b>2 CURRENT ASSETS</b>			
(a) Inventories	2.13	152,692,443	49,808,475
(b) Trade Receivables	2.14	1,128,722,909	460,337,103
(c) Cash & Cash Equivalents	2.15	7,358,256	5,960,070
(d) Short-Term Loan & Advances	2.16	399,216,452	1,922,333,752
(e) Other Current Assets	2.17	-	66,458
Total		2,376,897,490	2,470,503,885

See accompanying Notes to Financial Statements  
As per our Audit Report of even date

**For P. D. Goplani & Associates**

Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

**CA Prem Goplani**

Partner  
M. No. 103765

Place : Mumbai  
Date : 29/05/2015

For and on behalf of the Board

**INDUCTO STEELS LIMITED**

Sd/-

Rajeev Reniwal  
Managing Director  
(DIN 00034264)

Sd/-

Rakesh Reniwal  
CFO

Sd/-

Sweety Reniwal  
Director  
(DIN 00041853)

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015

PARTICULARS	NOTE NO.	CURRENT YEAR 31/03/2015	PREVIOUS YEAR 31/03/2014
<b>INCOME :</b>			
a) Revenue From Operations	2.18	2,091,926,866	3,573,644,272
b) Other Income	2.19	176,214,057	197,339,424
<b>Total Revenue</b>		<b>2,268,140,923</b>	<b>3,770,983,696</b>
<b>EXPENSES :</b>			
a) Cost of Raw Materials Consumed	2.20	915,287,443	1,040,340,350
b) Change in Inventories		(41,163,393)	-
c) Purchase Of Stock-In-Trade	2.21	1,187,911,620	2,477,306,442
d) Manufacturing & Operating Costs	2.22	17,387,077	18,608,037
e) Employee Benefits Expenses	2.23	9,208,118	10,062,495
f) Finance Costs	2.24	75,519,383	54,225,221
g) Depreciation & Amortization Expenses	2.10	1,555,238	1,008,538
h) Other Expenses	2.25	54,565,336	108,075,584
<b>Total Expenses</b>		<b>2,220,270,822</b>	<b>3,709,626,667</b>
PROFIT/(LOSS) BEFORE TAXES		47,870,101	61,357,029
<b>TAX EXPENSES :</b>			
(1) Current tax	2.26	15,479,000	20,291,758
(2) Deferred tax		(37,404)	596,332
(3) Taxes of earlier years		-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>32,428,505</b>	<b>40,468,939</b>
<b>EARNINGS PER EQUITY SHARES :</b>			
[Nominal value per share Rs.10 : previous year Rs.10]	2.28		
(1) Basic		8.07	10.07
(2) Diluted		8.07	10.07
Weighted average number of shares outstanding		4,017,254	4,017,254

See accompanying Notes to Financial Statements

As per our Audit Report of even date

**For P. D. Goplani & Associates**Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

**CA Prem Goplani**

Partner

M. No. 103765

Place : Mumbai

Date : 29/05/2015

For and on behalf of the Board

**INDUCTO STEELS LIMITED**

Sd/-

Rajeev Reniwal  
Managing Director  
(DIN 00034264)

Sd/-

Rakesh Reniwal  
CFO

Sd/-

Sweety Reniwal  
Director  
(DIN 00041853)

# INDUCTO STEELS LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	CURRENT YEAR 31/03/2015	PREVIOUS YEAR 31/03/2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY</b>	47,870,101	61,357,029
- Adjustment for :		
Interset on FD	(1,598,084)	-
Interest & Finance Costs	75,519,383	54,225,221
Depreciation	1,555,238	1,008,538
<b>Operating Profit before Working Capital Changes</b>	123,346,638	116,590,788
- Adjustments for :		
Trade Receivables	(668,385,806)	(75,079,061)
Other Receivables	1,523,257,745	(1,274,439,154)
Inventories	(102,883,968)	55,422,525
Trade Payable & Other current Liabilities	(119,670,604)	913,580,916
<b>Cash Flow from operation</b>	755,664,005	(263,923,986)
Income Tax Paid	15,479,000	20,291,758
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	740,185,005	(284,215,744)
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>		
- Purchase of Fixed Assets	(2,954,332)	(4,159,292)
- Sale of Fixed Assets	-	742,031
- Purchase of Investments	(655,584,295)	(18,493,856)
- Sale of Investments	-	-
- Interest on FD	1,598,084	-
<b>Net Cash Inflow / (Outflow) in the course of Investing Activities</b>	(656,940,543)	(21,911,117)
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>		
- Proceeds from Long Tem Borrowings	(1,055,612)	2,409,239
- Proceeds from Short Term Borrowings	(5,271,281)	358,928,732
- Interest & Finance Costs	(75,519,383)	(54,225,221)
- Dividend Proposed	-	-
<b>Net Cash (Outflow) in the course of Financing Activities</b>	(81,846,276)	307,112,750
<b>Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)</b>	1,398,186	985,889
<b>Add: Balance at the beginning of the year</b>	5,960,070	4,974,181
<b>Cash and Cash Equivalents at the close of the year</b> (Refer Note 2.15)	7,358,256	5,960,070

Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard - 3 'Cash Flow Statement' as notified under the Companies (Accounting standard) Rules, 2006.

As per our Audited Report of even date.

**For P. D. Goplani & Associates**

Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

**CA Prem Goplani**

Partner

M. No. 103765

Place : Mumbai

Date : 29/05/2015

For and on behalf of the Board

**INDUCTO STEELS LIMITED**

Sd/-

Rajeev Reniwal

Director

(DIN 00034264)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

**INDUCTO STEELS LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015****1 COMPANY OVERVIEW :**

Inducto Steels Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listing on BSE LIMITED in India.

During the year, the Company was engaged in the ship breaking business and trading activities in metal scrap, coals, aluminium foil & other inputs. However, as and when any surplus funds are available, the same is given on interest to other parties and also invested in the shares and securities to earn short term and long term capital gains.

**SIGNIFICANT ACCOUNTING POLICIES :****a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.

**b) USE OF ESTIMATES :**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialize.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**c) FIXED ASSETS :**

Fixed Assets are stated at cost, less accumulated depreciation (other than 'Freehold Land' where no depreciation is charged) and impairment loss, if any. Cost comprises the purchase price, including duties and other non-refundable taxes or levies any directly attributable cost of bringing the asset to its working condition and indirect costs specifically attributable to construction of a project or to the acquisition of a fixed asset.

In the event of the same having been revalued, they are stated at the revalued figures. Expenditures relating to fixed assets is added to costs only when the same involved modification work whereby it increases the life of the assets.



**d) DEPRECIATION/ AMORTIZATION :**

- I. In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortization is charged on a straight line basis so as to write off the cost of the assets over the useful lives as per the Companies Act, 2013 and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life estimated by management as per the Companies Act, 2013 on the basis of evaluation.
- II. Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

**e) IMPAIRMENT OF ASSETS :**

The management reviews periodically the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized as income in the statement of profit and loss.

**f) BORROWING COSTS :**

Borrowing costs are recognized in the Statement of Profit and Loss except interest incurred on borrowings, specifically raised for projects are capitalized to the cost of the asset until such time that the asset is ready to be put to use for its intended purpose.

**g) INVESTMENTS :**

Investments are either classified as current or long term based on Management's intentions:

- I) Current investment are carried at the lower of cost and fair market value.
- II) Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of investments.

**h) VALUATION OF INVENTORIES :**

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

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

As regards to consumable stores and spares, the same is treated as having been consumed in the year of purchase.

The inventory is valued at cost.

**i) REVENUE RECOGNITION :**

Revenue is recognized to the extent that it is probable that the economic benefits will

flow to the Company and the revenue can be reliably measured. Turnover include sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net) , Value Added Tax and gain/loss corresponding hedge contracts.

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

**j) FOREIGN CURRENCY TRANSACTIONS :**

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

**k) TAXATION:**

**Current Taxes**

Provision for current tax is made in accordance with the provisions of Income Tax Act, 1961.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and TDS/TCS receivables.

**Deferred Taxes**

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**Minimum Alternative Tax (MAT)**

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**l) RETIREMENT BENEFITS TO EMPLOYEES :**

The management is of the opinion that since none of the employees of the Company were in continuous service of more than five years, requirement of provision of gratuity does not arise. The Management is also of the opinion that the payment of pension Act, is not applicable to the Company.

**m) EARNING PER SHARE :**

Basic earnings per share is computed by dividing the Net Profit after Tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**n) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**o) CASH & CASH EQUIVALENTS :**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**p) CASH FLOW STATEMENTS :**

Cash flows are reported using the Indirect Method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

- a) Deferred tax has been accounted in accordance with the requirement of accounting standard on “ Taxes on Income” (AS-22) taking into account the present earning of the company, the anticipated earning, etc are subject to adjustment on year to year.

The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31st March 2015, are as under:

<b>Particulars</b>	<b>March 31,2015</b>	<b>March 31,2014</b>
<i>Deferred Tax Liability</i>		
- On account of Depreciation	1,485,349	1,522,753
<i>Deferred Tax Assets</i>	-	-
Net deferred tax liability at the year end	1,485,349	1,522,753

- b) The Company has taken lease right of the Ship Breaking plot No. 45 Alang Ship breaking yard. The consideration paid to GMB and party for which such plot has been taken over is treated as deferred revenue expenses and written off over the balance lease period.
- c) In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provision have been made in the accounts for all the known.
- d) The Balance of Sundry Creditors, Sundry Debtors, Loans & Advances are unsecured, considered goods and subject to confirmation.
- e) Previous years figures have been regrouped/rearranged wherever necessary so as to make them comparable with current years figures.

As per our separate report of even date

**For P. D. Goplani & Associates**

Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

**CA Prem Goplani**

Partner

M. No. 103765

Place : Mumbai

Date : 29/05/2015

For and on behalf of the Board

**INDUCTO STEELS LIMITED**

Sd/-

Rajeev Reniwal

Director

(DIN 00034264)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

## INDUCTO STEELS LTD.

### 2.1 SHARE CAPITAL

#### A. SHARE CAPITAL

PARTICULAR	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
<b>AUTHORISED SHARE CAPITAL</b>				
Equity Shares of Rs. 10/- each	5,500,000	55,000,000	5,500,000	55,000,000
	5,500,000	55,000,000	5,500,000	55,000,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>				
Equity Shares of Rs. 10/- each fully paid	4,017,254	40,172,540	4,017,254	40,172,540
Amount received on forfeitted shares	741,200	7,412,000	741,200	7,412,000
	4,758,454	47,584,540	4,758,454	47,584,540

Note: The issued and paid-up capital includes :

1 24,17,856 Equity Shares allotted as fully paid up bonus shares in the year 1994-95 by capitalisation of revaluation reserve of Rs.1,38,65,528/-, capital subsidy of Rs.21,01,687/- and surplus in Profit and Loss account of Rs.82,11,344/-.

2 4,99,078 Equity Sshares allotted to the shareholders of Inducto Technocastings Private Limited and Hariyana Industrial Gases Private Limited, which were merged with the Company w.e.f. 01.04.2005.

**B.** Reconciliation of the number of outstanding shares as at the beginning and at the end of the reporting period.

EQUITY SHARES OF	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	4,017,254	40,172,540	4,017,254	40,172,540
Forfeited shares	741,200	7,412,000	741,200	7,412,000
Add: Issue of Bonus Shares during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,758,454	47,584,540	4,758,454	47,584,540

#### C. Terms/rights attached to equity shares

The Company has one class of Equity Shares having par value of Rs. 10/- each. Each shareholder of the equity shares is entitled to one vote per share entitled to receive dividend as declared from time to time. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend recognized as distributions to equity share holders was Rs. Nil (31st March 2014: Nil).

In the event of liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**D. The details of shareholder holding more than 5% shares as at 31st March, 2015 and 31st March 2014 is set out below:**

NAME OF SHAREHOLDER	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Rakesh S Reniwal	1,483,388	36.93%	1,483,388	36.93%
2 Babita S Agarwal	203,100	5.06%	203,100	5.06%
3 Rajeev S Reniwal	237,526	5.91	237,526	5.91%
4 Sweety R Reniwal	407,745	10.15%	327,745	8.16%

As per records of the Company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**2. 2 RESERVES & SURPLUS**

Particulars	As at	
	31st March, 2015	31st March, 2014
<b>A CAPITAL RESERVES</b>		
<b>Balance as per the last Financial Statements</b>	96,509,895	96,509,895
Amalgamation Reserve	-	-
Capital Subsidy From State Government	-	-
<b>Closing Balance (A)</b>	96,509,895	96,509,895
<b>B GENERAL RESERVES</b>		
<b>Balance as per the last Financial Statements</b>	12,740,877	12,740,877
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Closing Balance (B)</b>	12,740,877	12,740,877
<b>C SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
<b>Balance as per the last Financial Statements</b>	202,667,606	162,198,666
Net Profit/(Net Loss) For the current year	32,428,505	40,468,939
<b>Less: Appropriations</b>		
Transfer to general reserve	-	-
Proposed final equity dividend (amount per share Rs.Nil)	-	-
Tax on proposed equity dividend	-	-
Total Appropriations	-	-
<b>Net Surplus in the Statement of Profit &amp; Loss( C)</b>	235,096,111	202,667,605
<b>Total Reserve &amp; Surrplus (A+B+C)</b>	344,346,883	311,918,377

## INDUCTO STEELS LTD.

### 2.3 LONG TERM BORROWINGS

Particulars	As at	
	31st March 2015	31st March 2014
<b>SECURED</b>		
<b>A LOANS</b>		
I. Term Loan	1,353,627	2,409,239
Total	1,353,627	2,409,239
<i>Notes:</i> Details of the secured Long-Term Borrowings:		
<b>ICICI Car Loan</b> (Secured by way of Hypothecation charge on Car. Car Loan of Rs. 32,50,000 is repayable in 36 equal monthly installment of Rs. 1,03,386, inclusive of interest.)	1,353,627	2,409,239
	1,353,627	2,409,239

### 2.4 DEFERRED TAX LIABILITIES

Particulars	As at	
	31st March 2015	31st March 2014
<b>Deferred Tax Liabilities</b>		
- Impact of difference between tax depreciation and depreciation charged for the financial reporting	1,485,349	1,522,753
Total	1,485,349	1,522,753

Deferred tax has been accounted in accordance with the requirement of accounting standard on "Taxes on Income" (AS-22) taking into account the present earning of the Company, the anticipated earning etc. and are subject to adjustment on year to year.

### 2.5 OTHER LONG TERM BORROWINGS

Particulars	As at	
	31st March, 2015	31st March, 2014
(A) Trade Payables (Including Acceptance)	7,500	88,108
Total	7,500	88,108

### 2.6 SHORT TERM BORROWINGS

Particulars	As at	
	31st March 2014	31st March 2013
<b>SECURED</b>		
(a) LOANS REPAYABLE ON DEMAND		
<b>I Cash Credit facility from Banks</b>		
(Secured by the first parri passu charge on Immovable Assets)	840,232	(1,878,509)
<b>II Overdraft from Bank</b>		
(Secured)	25,142	6,838,350
<b>III Foreign Letter of Credits</b>		
(Secured)	830,818,918	831,995,732
Total	831,684,292	836,955,573

Notes:

Details of the Secured Short-term borrowings:

	As at	
	31st March 2015	31st March 2014
From Banks		
Indian Overseas Bank CC-2567	840,232	(2,195,515)
Punjab National Bank OD-8742	25,142	6,838,350
Indian Overseas Bank - CC 7983	-	317,006
<b>Total</b>	<b>865,374</b>	<b>4,959,841</b>

Cash Credit facilities with Indian Overseas Bank is secured by way of hypothecation of stocks & book debts of the Company as primary security and equitable mortgage of immovable company property of the & associated concern as collateral security

Clean Overdraft - 8742 with Indian Overseas Bank is collaterally secured by Land Plots and Residential Properties of Directors' relatives. The same is also secured by personal guarantee of two directors and their two relatives. The overdraft is repayable on demand and carries interest @ 14.25% p.a.

**2.7 TRADE PAYABLES**

Particulars	As at	
	31st March 2015	31st March 2014
Trade Payables ( Including Acceptances)		
Ship Creditors against Letter of Credit	-	-
Other Creditors	1,064,257,395	1,143,117,150
<b>Total</b>	<b>1,064,257,395</b>	<b>1,143,117,150</b>

Note: Trade payables are recognised at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

The company has no information as to whether any of its suppliers constitute micro, small and medium enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 and therefore the amount due to such suppliers has not been identified.



## INDUCTO STEELS LTD.

### 2.8 OTHER CURRENT LIABILITIES

Particulars	As at	
	31st March 2015	31st March 2014
Statutory Dues	7,648,948	4,721,113
Other Payables	63,202	63,202
Expense payable	67,573	82,466
TDS Payable	7,393,897	1,979,087
Margin Money from customers	70,000,000	120,000,000
<b>Total</b>	<b>85,173,620</b>	<b>126,845,868</b>

### 2.9 SHORT- TERM PROVISIONS

Particulars	As at	
	31st March 2015	31st March 2014
<b>Provision for Employee Benefits</b>		
Contribution to Provident Funds	134,572	5,233
ESIC Payable	47,064	57,044
<b>Others Provisions</b>		
Salary & Incentives	822,648	-
<b>Total</b>	<b>1,004,284</b>	<b>62,277</b>

2.10 - TANGIBLE ASSETS

ASSETS	GROSS BLOCK		TOTAL 31.03.2015	DEPRECIATION			NET BLOCK	
	AS ON 01.04.14	ADDITION DURING THE PERIOD		DEDUCTIONS AS ON 31.03.2015	AS ON 01.04.14	DEP FOR THE PERIOD	DEDUCTION/ ADJUSTMENT/ WRITE BACK	TOTAL AS ON 31.03.2015
Land	166,257	-	-	-	-	-	166,257	166,257
Factory Shed & Building	3,272,838	-	-	1,799,039	96,876	-	1,895,915	1,473,799
Bore-well	82,026	-	-	52,975	24,950	-	77,925	29,051
Plant & Machinery	799,232	-	-	367,060	73,609	-	440,669	432,172
Weigh Bridge	209,450	765,326	-	116,053	67,852	-	183,905	93,397
Wind	651,380	851,200	-	371,581	128,422	-	500,003	279,799
Wire Rope	700,203	1,337,807	-	76,747	118,071	-	194,818	623,456
Crane	5,746,391	-	-	1,161,592	399,949	-	1,561,541	4,584,799
Office Equipments	277,857	-	-	145,278	118,686	-	263,964	132,579
Furniture & Fixtures	22,045	-	-	17,701	3,241	-	20,942	4,344
Car	4,100,039	-	-	463,785	490,365	-	954,150	3,636,254
Vehicle	192,262	-	-	74,325	18,265	-	92,590	117,937
Metal Detector	51,111	-	-	18,607	3,864	-	22,471	32,504
Computer	51,750	-	-	38,075	11,088	-	49,163	13,675
<b>T O T A L</b>	<b>16,322,841</b>	<b>2,954,333</b>	<b>-</b>	<b>4,702,818</b>	<b>1,555,238</b>	<b>-</b>	<b>6,258,056</b>	<b>11,620,023</b>
<b>PREVIOUS YEAR</b>	<b>13,855,329</b>	<b>4,159,292</b>	<b>1,691,780</b>	<b>4,644,029</b>	<b>1,008,538</b>	<b>949,749</b>	<b>4,702,818</b>	<b>9,211,300</b>

## INDUCTO STEELS LTD.

### 2. 11 NON CURRENT INVESTMENTS

Particulars	As at	
	31st March 2015	31st March 2014
<b>TRADE INVESTMENTS</b>		
<i>(Valued at cost unless otherwise stated )</i>		
Investment In Partnership Firm *	674,088,440	18,504,856
<b>Investment in Shares (Quoted)</b>		
Hariyana Ship Breakers Ltd		
10 (PY Nil) Equity Shares of Rs 10/- each	711	-
<b>Total</b>	<b>674,089,151</b>	<b>18,504,856</b>

\* Details Of Investment in Partnership Firms

		As at	
		31st March 2015	31st March 2014
<b>Share in Profit/ (Loss)</b>			
<b>Fixed Capital</b>			
Calvin Divine Enterprise	20.00%	10,000	10,000
Jai Maa Durge Associates	50.00%	-	13,936
Shree Balaji Associates	5.00%	25,000	-
<b>Current A/c</b>			
Shree Balaji Associates	5.00%	654,580,972	-
Jai Maa Durge Associates	50.00%	(26,064)	-
Calvin Divine Enterprise	20.00%	19,498,532	18,480,920
<b>Total</b>		<b>674,088,440</b>	<b>18,504,856</b>

### 2. 12 LONG TERM LOANS & ADVANCES

	As at	
	31st March 2015	31st March 2014
<b>SECURITY DEPOSITS</b>		
Secured, Considered Good)		
- Security Deposits	179,955	253,942
Sub Total	179,955	253,942
<b>Loans &amp; Advances</b>		
(Unsecured, Considered Good)		
- Balance with Revenue Authority	1,619,206	1,619,206
Sub Total	1,619,206	1,619,206
<b>Total</b>	<b>1,799,161</b>	<b>1,873,148</b>

### 2. 13 INVENTORIES

Uncut Ship Stock	111,529,050	49,808,475
Semi Finished / Work in Progress Items	41,163,393	-
<b>Total</b>	<b>152,692,443</b>	<b>49,808,475</b>

**2.14 TRADE RECEIVABLES**

Particulars	As at	
	31st March 2015	31st March 2014
Trade receivables outstanding For a period less than six months from the date they are due for payment Considered good	773,514,030	104,511,519
<b>Total</b>	<b>773,514,030</b>	<b>104,511,519</b>
Trade receivables outstanding For a period exceeding six months from the date they are due for payment Considered good	355,208,879	355,825,584
<b>(B)</b>	<b>355,208,879</b>	<b>355,825,584</b>
<b>Total (A+B)</b>	<b>1,128,722,909</b>	<b>460,337,103</b>

The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

**2. 15 CASH & BANK BALANCES**

Particulars	As at	
	31st March 2015	31st March 2014
<b>a) Cash &amp; cash Equivalents</b>		
Balances With Banks		
- On Current Accounts	6,062,067	5,602,683
Cash on hand	1,296,189	357,387
<b>Total</b>	<b>7,358,256</b>	<b>5,960,070</b>

The details of balances as on Balance Sheet dates with banks are as follows:

- State Bank Of India	90,461	41,283
- Indian Overseas Bank - CC 7983	812	-
- Punjab National Bank - 38888	17,896	5,546,150
Punjab National Bank (Bhavnagar - 4540)	5,952,898	15,250
<b>Total</b>	<b>6,062,067</b>	<b>5,602,683</b>

## INDUCTO STEELS LTD.

### 2. 16 SHORT TERM LOANS & ADVANCES

	As at	
	31st March 2015	31st March 2014
(Unsecured, considered good)		
Security Deposits	25,000	25,000
Advance to Suppliers	1,955,154	896,730,891
Balances with Statutory Department	6,213,676	2,238,791
Advance income taxes (Net of provisions)	1,580,862	1,120,054
Loans & Advances To		
- Related Parties	-	437,383,074
- Others	389,441,760	584,835,942
<b>Total</b>	<b>399,216,452</b>	<b>1,922,333,752</b>

### 2. 17 OTHER CURRENT ASSETS

Prepaid Expenses	-	66,458
<b>Total</b>	<b>-</b>	<b>66,458</b>

### 2. 18 REVENUE FROM OPERATIONS

Sale of Material Derived From Ship Breaking (Gross)	881,368,343	1,033,938,908
Traded Goods		
- High Seas Sales	1,212,891,549	1,080,101,622
- OMS Sales	-	158,797,811
- Local Sales	-	1,317,445,413
Gross Sales	2,094,259,892	3,590,283,754
Less: Excise Duty paid	2,333,026	16,639,482
<b>Total</b>	<b>2,091,926,866</b>	<b>3,573,644,272</b>

### 2. 19 OTHER INCOME

<b>Interest Income On</b>		
From Other Parties	45,312,416	99,875,148
On Late Payment	103,398,419	98,606,222
On Fixed Deposit	1,598,084	-
Brokerage Income	25,120,887	-
Share of Profit/ (Loss) from Partnership Firm	346,053	(1,160,544)
Other Non Operating Income	3,000	18,598
Rebate and Discount	122,881	-
Custom Duty Refundable	312,317	-
<b>Total</b>	<b>176,214,057</b>	<b>197,339,424</b>

### 2. 20 COST OF RAW MATERIAL CONSUMED

Inventory at the Beginning of the Year	49,808,475	105,231,000
Add: Ship Purchase for Recycling	977,008,018	984,917,825
	1,026,816,493	1,090,148,825
Inventory at the end of the Year	111,529,050	49,808,475
<b>Cost of Raw Materials Consumed</b>	<b>915,287,443</b>	<b>1,040,340,350</b>

**2. 21 PURCHASE OF STOCK - IN - TRADE**

	As at	
	31st March, 2015	31st March, 2014
Local Purchases	-	1,260,563,429
OMS Purchases	-	151,878,554
Highseas Purchases	1,187,911,620	1,064,864,459
<b>Total</b>	<b>1,187,911,620</b>	<b>2,477,306,442</b>

**2. 22 MANUFACTURING COSTS**

Gases & Carbide	14,669,384	16,440,207
Consumable Expenses	970,943	981,720
Custom Duty	333,545	43,061
Plot Rent & Development Charges	693,487	683,372
Repair & Maintenance	35,441	52,232
Power & fuel expenses	215,902	205,658
Pollution Control Expenses	137,091	109,895
Other Manufacturing Expenses	331,284	91,892
<b>Total</b>	<b>17,387,077</b>	<b>18,608,037</b>

**2. 23 EMPLOYEE BENEFIT EXPENSES**

Salaries & Wages	7,136,765	7,930,649
Bonus Expenses	1,094,147	1,505,390
Contribution to Provident Funds	475,774	46,345
Contribution to ESIC	322,902	354,236
Staff Welfare Expenses	122,408	33,048
Workmen Compensation	56,122	192,827
<b>Total</b>	<b>9,208,118</b>	<b>10,062,495</b>

**2. 24 FINANCE COSTS**

<b>FINANCE CHARGES</b>		
Bank Commission & Charges	2,575,573	2,375,991
LC Charges	426,280	27,073,355
<b>INTEREST PAID TO :</b>		
Other Parties	71,151,416	19,718,656
Borrowing from Bank	167,143	4,845,947
HDFC Car Loan	185,020	193,099
Late payment of Statutory Dues	1,013,951	18,173
<b>Total</b>	<b>75,519,383</b>	<b>54,225,221</b>

## INDUCTO STEELS LTD.

### 2. 25 OTHER EXPESNSES

Particulars	As at	
	31st March, 2015	31st March, 2014
<b>ADMINISTRATIVE EXPENSES</b>		
Accounting Charges	132,000	120,000
Advertisement	5,184	25,318
Computer Charges	10,013	16,150
Donation	29,596	33,167
Excise Duty on Closing Inventory	4,573,710	-
Filing Fees	48,000	23,500
Fees & Subscription	124,507	104,335
Insurance	6,271	4,740
Legal & Professional Expenses	798,072	1,745,171
Loss due to Goods stolen	374,332	-
Loss on Sales of Car	-	121,031
Net Loss on Foreign Currency Transaction	15,722,368	67,137,485
Office Expenses	185,390	103,935
* Payment to Auditors	103,933	87,079
Printing & Stationery	72,043	56,414
Professional Tax	2,000	2,000
Postage & Courier	33,532	23,230
Security Charges	63,275	-
Share Demat Charges	1,124	1,144
Telephone Expenses	105,166	78,137
Travelling Expenses	770,368	531,196
Vehicle Running & Maintenance	119,267	39,428
<b>Sub Total</b>	<b>23,280,151</b>	<b>70,253,460</b>

### SELLING EXPENSES

Business Promotion	23,556	108,834
Brokerage & Commission Expenses	957,316	494,920
Sales Tax Expense	30,304,313	37,218,370
<b>Sub Total</b>	<b>31,285,185</b>	<b>37,822,124</b>
<b>Total</b>	<b>54,565,336</b>	<b>108,075,584</b>

### \* PAYMENT TO AUDITORS

<b>AS AUDITOR:</b>		
Audit Fees	47,191	64,045
Tax Audit Fees	26,405	9,551
Others	13,483	13,483
<b>Total</b>	<b>87,079</b>	<b>87,079</b>

**2. 26 TAX EXPENSES**

Particulars	As at	
	31st March 2015	31st March 2014
Current tax:		
- Income taxes	15,479,000	20,291,758
Deferred taxes	(37,404)	596,332
Taxes of earlier years	-	-
<b>Total</b>	<b>15,441,596</b>	<b>20,888,090</b>

**2. 27 INFORMATION ABOUT QUANTITY & VALUES**

**1 Particulars of Finished Goods**

(InLacs)

	Quantity MT		Value Rs.	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
<b>(a) Ship Breaking Division</b>				
Opening Stock	Nil	Nil	Nil	Nil
Sales	26,901.730	31,362.612	8,813.68	10,339.39
Closing Stock	Nil	Nil	Nil	Nil
<b>b) High Seas Sales</b>				
Opening Stock	Nil	Nil	Nil	Nil
Trading Sales	115142.045	194922.141	12128.92	25563.45
Closing Stock	Nil	Nil	Nil	Nil
<b>2 Value of Imported and indigenous Raw Materials consumed</b>				
Indigenous	115,142.05	194,922.14	11,879.12	24,773.06
Imported - Old Ships	27,311.200	35,731.002	9,152.87	10,403.40
	142,453.245	230,653.142	21,031.99	35,176.47
<b>3 CIF Value of Imports</b>				
Raw Material Ship Purchases	29,596.200	33,166.800	8,171.69	8,298.51
	29,596.200	33,166.800	8,171.69	8,298.51



## INDUCTO STEELS LTD.

### 2. 28 EARNING PER SHARES

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

Particulars	As at	
	31st March 2015	31st March 2014
Profit after tax as per statement of Profit & Loss accounts	32,428,505	40,468,939
Add: Prior Period Adjustments	-	-
Less :Dividend on Preference Shares including dividend Tax	-	-
Net profit for calculation of earning per shares	32,428,505	40,468,939
Weighted average No. of shares outstanding during the year	4,017,254	4,017,254
Weighted average No. of shares including to be issued	4,017,254	4,017,254
Basic Earning per shares	8.07	10.07
Diluted earnings per share	8.07	10.07

### 2. 29 SEGMENT INFORMATION

The business of the Company is divided into two segments: Trading and Ship Recycling activities and separate set of books of accounts are maintained. The principal activities of these segments are as under.

Segment	Principal Activities
Trading Activity	Trading in Metal Scrap, Coals, Aluminium Foil & Other Industrial Inouts
Ship Breaking Activity	Dismantling / breaking of old and used ships

Segment Revenue, Segment Expenses and Segment Result include inter segment revenues / expenses between business segments. Those transfer are eliminated in total revenue/expense/ results.

### BUSINESS SEGMENTS

Particulars	Trading	Ship-Breaking	Total
a) External Sales/Revenue	13,635.47	9,045.94	22,681.41
Inter segment Sales/Revenue	(447.13)	447.13	-
Total Revenue	13,188.33	9,493.08	22,681.41
b) Segment Results Before Interest & Taxes	1,294.98	(61.08)	1,233.89
c) Segment results as % of total	104.95%	-4.95%	100.00%
d) Segment Assets	21,484.85	2,284.13	23,768.97
e) Segment Liabilities	11,428.33	8,421.33	19,849.66

**2. 30 RELATED PARTY TRANSACTIONS**

**a) Key Management personnel**

- i) Rajeev Reniwal Managing Director
- ii) Rakesh Reniwal CFO
- iii) Sweety R Reniwal Non - Executive Director

**b) Other related parties where there have been transactions:**

Enterprises commonly controlled or influenced by major Shareholder/Directors/ Relative of Directors of the Company:

- i) Hariyana Ship Breakers Limited
- ii) Hariyana Ship Demolition Private Limited
- iii) Hariyana Air Product
- iv) Hariyana International Pvt Ltd
- v) Shree Balaji Associates

**The details of transaction with related parties**

Nature of transactions	Key Management Personnel		Other related parties	
	31/03/15	31/03/14	31/03/15	31/03/14
<b>INTEREST INCOME</b>				
Shree Balaji Associates	-	-	16,104,919	-
Hariyana Ship Demolition Private Limited	-	-	20,202,825	9,895,980
	-	-	36,307,744	9,895,980
<b>HIGH SEAS PURCHASES</b>				
Hariyana International Private Limited	-	-	1,187,911,620	1,064,864,459
	-	-	1,187,911,620	1,064,864,459
<b>OXYGEN GAS PURCHASES</b>				
Hariyana Air Product	-	-	6,644,835	5,836,864
	-	-	6,644,835	5,836,864
<b>INTEREST PAID</b>				
Hariyana International Private Limited	-	-	71,151,416	19,718,656
	-	-	71,151,416	19,718,656
<b>LOAN GIVEN</b>				
Hariyana Ship Demolition Private Limited	-	-	1,665,450,000	1,552,901,000
	-	-	1,665,450,000	1,552,901,000
<b>LOAN TAKEN</b>				
Hariyana Ship Demolition Private Limited			1,209,884,384	989,876,000
	-	-	1,209,884,384	989,876,000
<b>OUTSTANDING BALANCES AS ON MARCH 31, 2015</b>				
<b>The details of transaction with related parties</b>				
<b>SUNDRY CREDITORS</b>				
Hariyana International Private Limited	-	-	1,063,860,914	891,572,440
Hariyana Air Product	-	-	396,419	1,089,952
	-	-	1,064,257,333	892,662,392
<b>LOAN &amp; ADVANCE RECEIVED</b>				
Hariyana Ship Demolition Private Limited	-	-	-	437,383,074
	-	-	-	437,383,074

## 2.31 CONTINGENT LIABILITIES

### CONTINGENT LIABILITIES & COMMITMENTS (TO EXTENT NOT PROVIDED FOR)

#### CONTINGENT LIABILITIES

(A) The Company was required to pay excise duty based on the capacity of the furnace during the year 1997-98 and the Company was paying the duty as per the capacity determined by the department based on the documents available with the Company. However subsequently the department has revised the capacity of the furnace and raised a demand of Rs.45,98,354/- on the company, which the company had disputed and the matter was pending before of the CEGAT. The Tribunal in its Judgment in July 2015, has given its verdict in favour of the Company. The company, as directed by the CEGAT, had paid an amount of Rs.10 Lacs. No provision for the demand has been made in the accounts and in case any future liability arises on this account, the same will be provided/ accounted for in the year in which such liability is raised.

(B) The Jt. Commissioner of Central Excise & Service Tax, Bhavnagar has raised a demand of Service Tax amounting to Rs. 17,63,750/- , penalty of an equal amount and interest applicable thereon in the case of matter pertaining to FY : 2005-06, vide their order dated November 30, 2011. The company has disputed the demand at the forum of appellate authorities and succeeded. and the matter is pending with appellate authorities. However, the Department of Service Tax have now taken the matter to Tribunal and the matter is pending. The company is hopeful that the matter will be decided in favour of the company , hence no provision for demand has been made in the books of accounts for the year and in case the final decision goes against the company, the same will be provided/accounted in the year in which matter is finalised by the competent authorities.

**2.32** The previous year figures have been reclassified /regrouped wherever considered necessary to confirm to this year's classification/grouping.

#### For P. D. Goplani & Associates

Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-

**CA Prem Goplani**

Partner

M. No. 103765

Place : Mumbai

Date : 29/05/2015

For and on behalf of the Board

#### INDUCTO STEELS LIMITED

Sd/-

Rajeev Reniwal

Director

(DIN 00034264)

Sd/-

Rakesh Reniwal

CFO

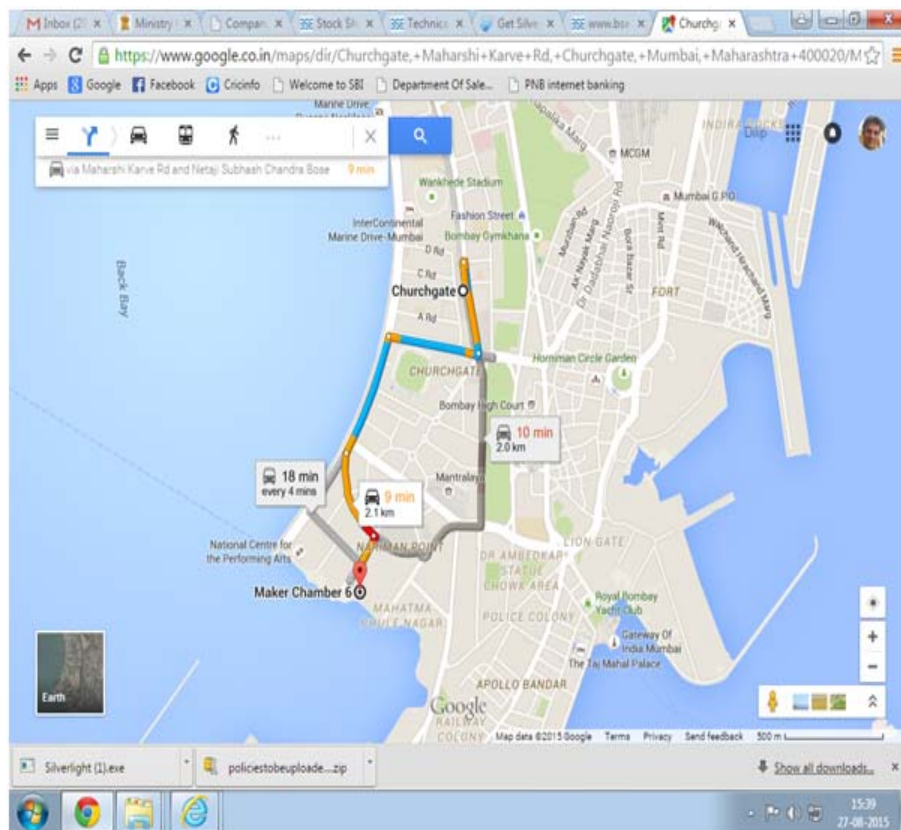
Sd/-

Sweety Reniwal

Director

(DIN 00041853)

ROUTE MAP FOR VENUE



# INDUCTO STEELS LTD.

## INDUCTO STEELS LIMITED

Reg. Off: 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai-400021.  
Tel- 022 - 22043211 Fax- 22043215 E-mail: contact@hariyanagroup.com, hsbl@vsnl.com  
CIN: L27100MH1988PLC194523

### PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, holding \_\_\_\_\_ Equity Shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the as my/our proxy to vote for me/us and on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 30th day of September, 2015 at 10.00 A.M. at 156, Maker Chamber VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021 or at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial statements for the financial year ended 31st March 2015 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rajeev Reniwal (DIN: 00034264), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider appointment of Statutory Auditor of the Company.
4. To appoint Branch Auditor
5. To ratify payment of remuneration to the Cost Auditor.

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

Affix  
Revenue  
Stamp

#### Note:

- ◆ This form in order to be effective should be duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- ◆ Those Members who have multiple folios with different joint holders may use copies of this proxy.

*If undelivered, Please return to :*

**INDUCTO STEELS LTD.**

156, Maker Chambers VI, Nariman Point, Mumbai 400 021.

Tel.: +91 22 2204 3211 | Fax : +91 22 2204 3215

Email : [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com) | Website : [www.hariyanagroup.com](http://www.hariyanagroup.com)