

24TH ANNUAL REPORT

2013-14



STEELCO GUJARAT LIMITED



COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. R. S. Mamak	Executive Vice Chairman (w.e.f. 14-08-2014)
Mr. N. M. Mohnot	Managing Director (upto 14-08-2014)
Mr. R. P. Chandaria	Director (upto 13-10-2013)
Mr. Rashmi Chandaria	Director
Mr. Vimal Chandaria	Additional Director (w.e.f. 15-11-2013)
Mr. J. Mehra	Director
Mr. Mahendra Lodha	Director
Mr. S. S. Ranjan	Director (w.e.f. 22-05-2013)
Mr. Jiban Goswami	Nominee Director (w.e.f. 16-08-2013)

Jt. GENERAL MANAGER (FINANCE)

Mr. Sunil Singhvi

FINANCIAL CONTROLLER & ASST. COMPANY SECRETARY

Mr. Arvind Tambi

REGISTERED OFFICE & WORKS

Plot No. 2, G.I.D.C. Estate,
National Highway No. 8,
Palej - 392 220,
Dist. Bharuch, Gujarat.
CIN : L27110GJ1989PLC011748
Phone : 91-2642-277 479 / 480 / 481
Fax : 91-2642-277 307
E-mail : sgl@steelcojaguarat.com
Website : www.steelcojaguarat.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited
Unit : Steelco Gujarat Limited
B-102 & 103, 1st Floor, Shangrila Complex,
Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota,
Vadodara - 390 020.
Phone : 91-265-2356573 / 2356794
Fax : 91-265-2356791
Email : vadodara@linkintime.co.in

BANKERS

State Bank of India
Bank of India
Canara Bank
State Bank of Mysore
State Bank of Travancore
State Bank of Hyderabad
The Federal Bank Limited

STATUTORY AUDITORS

M/s. Mukesh M. Shah & Co.
Chartered Accountants, Ahmedabad

INTERNAL AUDITORS

M/s. Deloitte Haskins & Sells,
Chartered Accountants, Mumbai

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NOTICE

NOTICE is hereby given that **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Members of **STEELCO GUJARAT LIMITED** will be held on Friday, the 26th September, 2014 at 03:30 P.M. at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint M/s. Mukesh M. Shah & Co., Chartered Accountants (Registration No. 106625W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. VIMAL CHANDARIA (DIN: 01375549) AS A RETIRING DIRECTOR OF THE COMPANY.

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

“**RESOLVED THAT** Mr. Vimal Chandaria (DIN: 01375549), who was appointed as an Additional Director of the Company pursuant to section 161 of the Companies Act, 2013 to hold office up to the ensuing Annual General Meeting and in respect of whom requisite notice under section 160 of the Companies Act, 2013 has been received, be and is, hereby appointed as a Director liable to retire by rotation.”

4. APPOINTMENT OF MR. JIBAN GOSWAMI (DIN: 00734636) AS NOMINEE DIRECTOR OF THE COMPANY.

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

“**RESOLVED THAT** Mr. Jiban Goswami (DIN: 00734636), who was appointed as a Nominee Director of the company pursuant to clause 47 of the Articles of Association and section 161 of the Companies Act, 2013 to hold office up to ensuing Annual General Meeting and in respect of whom requisite notice under section 160 of the Companies Act, 2013 has been received, be and is, hereby appointed as Nominee Director liable to retire by rotation.”

5. APPOINTMENT OF MR. MAHENDRA LODHA (DIN: 00012920) AS AN INDEPENDENT DIRECTOR OF THE COMPANY UNDER THE COMPANIES ACT, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and clause 49 of the Listing Agreement, Mr. Mahendra Lodha (DIN: 00012920) , who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is, hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2019.”

6. APPOINTMENT OF MR. J. MEHRA (DIN: 00042789) AS AN INDEPENDENT DIRECTOR OF THE COMPANY UNDER THE COMPANIES ACT, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and clause 49 of the Listing Agreement, Mr. J. Mehra (DIN: 00042789), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is, hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2019.”

7. APPOINTMENT OF MR. S. S. RANJAN (DIN: 03151850) AS AN INDEPENDENT DIRECTOR OF THE COMPANY UNDER THE COMPANIES ACT, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and clause 49 of the Listing Agreement, Mr. S. S. Ranjan (DIN: 03151850), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is, hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2019.”

8. APPOINTMENT OF AND FIXATION OF REMUNERATION PAYABLE TO DR. R. S. MAMAK (DIN: 2261758), AS EXECUTIVE VICE CHAIRMAN OF THE COMPANY.



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

“RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and subject to requisite approvals including approval of Members of the Company and the Central Government, if any, approval, be and is, hereby accorded to the appointment of Dr. R. S. Mamak (DIN: 2261758) as Executive Vice Chairman of the Company for a period of one year effective from 14th August, 2014 to 13th August, 2015 on the major terms and conditions of appointment including remuneration payable as set out in the explanatory statement with liberty to the Board of Directors to alter and / or to vary the terms and conditions of the appointment, including the terms of remuneration, as may be agreed to, between the Board of Directors and Dr. R. S. Mamak.

“RESOLVED FURTHER THAT Dr. R. S. Mamak (DIN: 2261758) shall not be paid any sitting fee for attending meetings of the Board of Directors or its committees till the time he holds the office as Executive Vice Chairman of the Company.”

9. REAPPOINTMENT OF AND FIXATION OF REMUNERATION PAYABLE TO MR. N. M. MOHNOT (DIN: 1127504) AS MANAGING DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and subject to requisite approvals including approval of Members of the Company and the Central Government, if any, approval, be and is, hereby accorded to the re-appointment of Mr. N. M. Mohnot (DIN: 1127504) as a Managing Director of the Company for a period from 15th June 2014 to 14th August, 2014 on the major terms and conditions of re-appointment including remuneration payable as set out in the explanatory statement with liberty to the Board of Directors to alter and / or to vary the terms and conditions of the re-appointment, including the terms of remuneration, as may be agreed to, between the Board of Directors and Mr. N. M. Mohnot.

“RESOLVED FURTHER THAT Mr. N. M. Mohnot (DIN: 1127504) shall not be paid any sitting fee for attending meetings of the Board of Directors or its committees from the date of his re-appointment till the time he holds the office as Managing Director of the Company.”

10. AUTHORITY TO BOARD OF DIRECTORS TO BORROW UP TO Rs. 400 CRORES IN EXCESS OF AGGREGATE OF PAID UP CAPITAL AND FREE RESERVES.

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

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to borrow from time

to time any sum or sums of monies, including monies that may be borrowed by issue of debentures, which together with the monies already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not, at any time, exceed a limit of Rs. 400 Crores (Rupees four hundred Crores only).”

11. AUTHORITY TO THE BOARD OF DIRECTORS TO LEASE/MORTGAGE OR OTHERWISE DISPOSE OFF THE UNDERTAKING OF THE COMPANY (OTHER THAN SALE).

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

“RESOLVED THAT pursuant to section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and subject to such other permissions, consents and approvals, if any, required from concerned authorities, bodies and agencies as well as subject to such conditions as may be prescribed by them and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’), the consent, authority and approval of the Company, be and is, hereby granted to the Board on arm’s length basis to lease or mortgage or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company (other than sale) on such terms and conditions and with effect from such date(s) as may be decided by the Board and to finalize and execute all such documents including lease agreements and such other documents as the Board may deem necessary or required and to do all such other acts, deeds, matters and things, which are incidental and consequential thereto or which may be considered necessary by the Board.”

12. TO APPROVE CONTRACT FOR SALE/PURCHASE OF GOODS/MATERIALS / SUPPLY OR SERVICES WITH M/S GRIP STRAPPING TECHNOLOGIES PVT. LTD. PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013.

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

“RESOLVED THAT the approval, be and is, hereby accorded pursuant to section 188(3) (i) and any other provisions applicable, if any, of the Companies Act, 2013 to the Board of Directors of the Company to enter into agreement for Sales/Purchase of Goods/Materials/Supply or Services with M/s Grip Strapping Technologies Pvt. Ltd., on the terms and conditions as set out in the draft agreement with the liberty to the Board of Directors of the Company to alter/vary any term(s) of the Agreement.”

13. TO APPORVE THE REMUNERATION OF COST AUDITORS’ FOR THE FINANCIAL YEAR ENDING ON MARCH 31, 2015.

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



“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Audit & Auditors) Rules, 2014 (the rules), [including any statutory modification(s) or re-enactment thereof, for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2015, be paid the remuneration as set out in the statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is, hereby authorized to do all the acts and deeds necessary and expedient in compliance of the Act and the Rules.”

For and on behalf of the Board,
For Steelco Gujarat Ltd.,

Place : Mumbai
Date : 14th August, 2014

Dr. R. S. Mamak
Executive Vice Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members desiring to seek any information pertaining to Annual Accounts and operations of the Company are requested to write their questions/ queries to the Secretary of the Company so as to reach at least seven days before the date of the Annual General Meeting to enable the Company to keep the information available to the best extent possible.
4. Members are requested to intimate changes, if any, in their registered addresses to the Share Transfer Agent for shares held in physical form and to their respective Depository Participants for shares held in electronic form, quoting their Registered Folio Number in all the correspondence.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2014 to 26th September, 2014 (both days inclusive).
6. Members are requested to bring their copy of the Annual Report and the Attendance Slips at the Annual General Meeting.
7. Equity Shares of the Company are listed in the following Stock Exchanges.

(A) Vadodara Stock Exchange Ltd., Fortune Towers, Sayajigunj, Vadodara.

(B) Bombay Stock Exchange Ltd., P. J. Tower, Dalal Street, Mumbai.

8. Equity Shares of the Company are dematerialized with NSDL and CDSL.
 9. Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of item no.3 to item no.13 is annexed hereto.
- 10. E-Voting:**

Pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules framed thereunder, the Company is pleased to provide E-voting facility through Central Depository Services Limited as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 24th Annual General Meeting of the Company scheduled to be held on September 26, 2014. The Company has appointed Mr. Devesh A. Pathak, Practising Company Secretary or failing him Mr. Vimal Betai, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 22nd August, 2014. The e-voting will commence at 9.00 a.m. on 20th September, 2014 and will end at 6.00 p.m. on 22nd September, 2014. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

PROCEDURE FOR E- VOTING

A. Instructions for Demat folios:

In case a member receives an e-mail from CDSL (for members whose e-mail addresses are registered with the Company/Depositories):

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “STEELCO GUJARAT LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.



(vii) If you are a first time user, follow the steps given below:

For members holding shares in Demat / Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB/Dividend Bank Details*	Enter the date of birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the dividend bank detail as recorded with your DP/RTA. In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA those can enter Folio No. of shares held by you as on the cut off date i.e. 22.08.2014.

*Any one of the details DOB or Dividend bank details should be entered logging in to the account.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the 140818031 (EVSN) for the relevant <STEELCO GUJARAT LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and

the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 20th September, 2014 at 9.00 a.m. and ends on **22nd September, 2014 at 6.00 p.m.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

- i. The e-voting period commences on Saturday, 20th September, 2014 (9.00 a.m. IST) and ends on **Monday, 22nd September, 2014** (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form



- or in dematerialized form, as on 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August 2014.
 - iii. Mr. Devesh A Pathak, Practising Company Secretary (Membership No. FCS 4559), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.steelco Gujarat.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the twenty fourth AGM of the Company on September 26, 2014 and communicated to the stock exchanges, where the shares of the Company are listed.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013, TO THE ACCOMPANYING NOTICE DATED 14TH AUGUST 2014

Item No. 3

APPOINTMENT OF MR. VIMAL CHANDARIA (DIN : 01375549) AS A RETIRING DIRECTOR.

Your Directors at their meeting held on 15th November, 2013, have appointed Mr. Vimal Chandaria (DIN : 01375549) as an Additional Director pursuant to Section 161 of the Companies Act, 2013 to hold office up to next Annual General Meeting. He is a Graduate in Business Management having rich experience and exposure of over 30 years of managing industries worldwide.

A requisite notice, pursuant to section 160 of the Companies Act, 2013 proposing his candidature, has been received for his appointment as a Retiring Director.

Your Directors recommend and solicit your approval to the resolution, as appearing in item no.3 of the accompanying notice, by way of Ordinary Resolution.

Except Mr. Vimal Chandaria, neither any of the Directors / Key Managerial Personnel nor their relatives, shall be deemed to be interested or concerned financially or otherwise in the resolution.

Item No.4.

APPOINTMENT OF MR. JIBAN GOSWAMI (DIN: 00734636) AS NOMINEE DIRECTOR LIABLE TO RETIRE BY ROTATION.

Your Directors at their meeting held on 16th August, 2013, have appointed Mr. Jiban Goswami (DIN : 00734636) as an Additional Director pursuant to Section 161 of the Companies Act, 2013 to hold office up to next Annual General Meeting. He has a bright

academic career and rich experience of about 40 years in the field of banking, investment and finance to his credit.

A requisite notice, pursuant to section 160 of the Companies Act, 2013 proposing his candidature, has been received for his appointment as a retiring Director.

Your Directors recommend and solicit your approval to the resolution, as appearing in item no.4 of the accompanying notice, by way of Ordinary Resolution.

Except Mr. Jiban Goswami, neither any of the Directors / Key Managerial Personnel nor their relatives, shall be deemed to be interested or concerned financially or otherwise in the resolution.

Item Nos. 5, 6 & 7.

APPOINTMENT OF MR. MAHENDRA LODHA, MR. J. MEHRA AND MR. S. S. RANJAN AS INDEPENDENT DIRECTORS.

Mr. Mahendra Lodha (DIN: 00012920) and Mr. J. Mehra (DIN: 00042789) retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The Board of Directors of the Company at its meeting held on 14th August, 2014 has formed opinion that Mr. Mahendra Lodha (DIN : 00012920), Mr. J. Mehra (DIN : 00042789) and Mr. S. S. Ranjan (DIN : 03151850), proposed to be appointed as Independent Directors pursuant to section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (The Act) and schedule IV of the Act, fulfils the conditions specified in the Act and the Rules made thereunder and that they are independent of the Management.

Accordingly, they are proposed to be appointed to hold office as Independent Directors for five consecutive years pursuant to section 149 and other applicable provisions, if any, of the Act. A requisite notice pursuant to Section 160 proposing candidature of each of the aforesaid Directors has been received as Independent Directors pursuant to the provisions of the Companies Act, 2013.

Your Directors recommend and solicit your approval by way of Ordinary Resolutions as appearing in item 5,6 and 7 of the accompanying notice.

Except Mr. Mahendra Lodha (DIN : 00012920), Mr. J. Mehra (DIN : 00042789) and Mr. S. S. Ranjan (DIN : 03151850), in their respective resolution, no other Director/ Key Managerial Personnel or their relatives, shall be deemed to be interested or concerned, financially or otherwise in the resolutions.

Item No. 8

APPOINTMENT AND FIXATION OF REMUNERATION PAYABLE TO DR. R. S. MAMAK (DIN: 2261758) AS EXECUTIVE VICE CHAIRMAN:

Dr. R. S. Mamak, was controlling all functions as Executive Vice Chairman of the Company, subject to superintendence of the Board upto 31st January 2013. Subsequently from 1st February 2013 he became Non Executive Vice Chairman of the Company. Since Mr. N. M. Mohnot was relieved from the office of the Managing Director w.e.f. 14th August, 2014, considering academic achievement and contribution of Dr. R. S. Mamak (DIN: 2261758), your directors have once again appointed him as Executive Vice Chairman of the Company, on the recommendation of Remuneration Committee, subject to the necessary statutory approval and approval of members for a period of one year w.e.f. 14th August, 2014 on the following major terms and conditions:



I. Dr. R.S. Mamak shall have the power of general conduct and management of the business and affairs of the Company.

II. REMUNERATION:

A. BASIC SALARY: Rs. 2,50,000/- per month, including dearness allowance.

B. PERQUISITES AND ALLOWANCES:

- (i) Leased air-conditioned accommodation duly furnished on rental basis, including maintenance charges,
- (ii) Gas, electricity, water, municipal and property taxes, etc. at actual,
- (iii) Personal accident and medical insurance,
- (iv) Use of car (if required) and telephone at residence,
- (v) Hospitalization reimbursement in accordance with the scheme and rules of the Company.

C. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of Dr. R.S. Mamak as Executive Vice Chairman, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above within the limits of Schedule V of the Companies Act, 2013.

III TERMINATION

The aforesaid reappointment may be terminated by either party giving at least one month's notice in writing in that behalf or notice pay in lieu thereof at the end of which termination of the contract shall take effect.

The terms and conditions of appointment of Dr. R. S. Mamak as set out above may also be treated as an abstract of the terms of the agreement to be executed between the said appointee and the Company under section 196 of the Companies Act, 2013.

Memorandum of terms and conditions of appointment of Dr. R S Mamak as Executive Vice Chairman is available for inspection to any member of the Company at the registered office of the Company between 11:00 a.m. to 01:00 p.m. on any working day up to the date of Annual General Meeting except Saturdays and Sundays.

Your Directors seek your approval by way of Special Resolution as set out in item No. 8 of the accompanying Notice. Additional information as required under Schedule V to the Companies Act, 2013, is also annexed as Annexure-I of the accompanying notice.

Except Dr. R. S. Mamak, neither any of the Directors / Key Managerial Personnel nor their relatives, shall be deemed to be interested or concerned financially or otherwise, in the resolution.

Item No. 9

RE-APPOINTMENT OF AND FIXATION OF REMUNERATION PAYABLE TO MR. N. M. MOHNOT (DIN: 1127504) AS MANAGING DIRECTOR:

Keeping in view, the prolonged services and wise counsel of Mr. N. M. Mohnot (DIN: 1127504) since 1995, your Directors at their meeting held on 27th May, 2014 have re-appointed Mr. N.M.Mohnot (DIN: 1127504) as Managing Director for the period from 15th June 2014 to 14th June 2017.

Subsequently, Mr. N. M. Mohnot (DIN: 1127504) is relieved from the position of Managing Director as well as Director on 14th August 2014. The Board of Directors at its meeting held on 14th August 2014 recommended his appointment for the period from 15.06.2014 to 14.08.2014 on the following major terms and conditions:

I. Mr. N. M. Mohnot shall have the power of general conduct and management of the business and affairs of the Company subject to the superintendence, control and direction of the Board.

II. REMUNERATION:

BASIC SALARY:

Rs. 5,25,000/- per month, including dearness allowance.

III. PERQUISITES AND ALLOWANCES

PART - A

- I. Leased air-conditioned accommodation on rental basis duly furnished including maintenance charges.
- II. Gas, electricity and water, municipal and property taxes etc., at actual,
- III. Soft furnishing at actual, maximum upto 15 days' salary per year.
- IV. Painting of the residential house at actual once in three years.
- V. Club fees (maximum of two clubs),
- VI. Personal accident and medical insurance,
- VII. Use of car (if required) and telephone at residence,
- VIII. Medical expenses incurred for self and all dependent family members subject to a ceiling of one month's basic salary per year or three months' basic salary over a period of three years,
- IX. Leave Travel Concession once in a year from the place of residence to anywhere in world by air (business class) or by train (AC first class) for self and all dependent family members, maximum upto one months' salary per year,
- X. Hospitalization reimbursement in accordance with the scheme and rules of the Company.
- XI. Uniform, Washing Books & Periodicals and Special Allowance aggregating to Rs. 37,650/- per month.

PART B

- (I) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (II) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and part thereof.
- (III) Encashment of leave at the end of the tenure.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of Mr. N. M. Mohnot as Managing Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, within the limits as may be allowable in Schedule V of the Companies Act, 1956 from time to time.

IV TERMINATION

The aforesaid reappointment may be terminated by either party giving at least six months notice in writing in that behalf or notice pay in lieu thereof at the end of which



period, termination of the contract shall take effect. The terms and conditions of appointment of Mr. N. M. Mohnot as set out above may also be treated as an abstract of the terms of the agreement to be executed between the said appointee and the Company under section 196 of the Companies Act, 2013.

Memorandum of terms and conditions of appointment of Mr. N. M. Mohnot as Managing Director is available for inspection to any member of the Company at the registered office of the Company between 11:00 a.m. to 01:00 p.m. on any working day up to the date of Annual General Meeting except Saturdays and Sundays.

Your Directors seek your approval by way of Special Resolution as set out in item No. 9 of the accompanying Notice. Additional information as required under Schedule V to the Companies Act, 2013, is also annexed as Annexure-I of the accompanying notice.

Except Mr. N. M. Mohnot, neither any of the Directors / Key Managerial Personnel nor their relatives shall be deemed to be interested or concerned financially or otherwise, in the resolution.

Item No. 10

AUTHORITY TO THE BOARD OF DIRECTORS TO BORROW UPTO Rs. 400 CRORES:

Members of the Company at their 6th Annual General Meeting had approved by way of ordinary resolution its borrowing powers to the tune of Rs. 400 Crores. Consequent upon the enactment of the New Companies Act, 2013 the company is required to obtain the approval under section 180(1) (c) by way of passing special resolution.

Your Directors recommend and seek your approval by way of Special Resolution as set out in item No. 10 of the accompanying Notice.

Neither any of the Directors nor their relatives shall be deemed to be interested or concerned, financially or otherwise, in the resolution.

Item No. 11

AUTHORITY TO THE BOARD OF DIRECTORS TO LEASE/ MORTGAGE OR OTHERWISE DISPOSE OFF THE UNDERTAKING OF THE COMPANY (OTHER THAN SALE).

In order to secure borrowings of the Company made/ to be made, your Company may be required to hypothecate/mortgage the properties of the Company from time to time.

Your Company may also lease the existing property (ies) of the Company for revenue generation. Accordingly, it is proposed to authorise the Board of Directors, to lease or otherwise, to dispose off the whole or substantially whole of the undertaking(s) of the Company, from time to time, except sale.

Your Directors recommend and seek your approval to the resolution as set out in item no. 11 of the accompanying notice by way of Special Resolution.

Neither any of the Directors/Key Managerial Personnel of the Company nor any of their relative(s) shall be deemed to be concerned or interested, financially or otherwise, in the resolution.

Item No. 12

TO APPROVE CONTRACT FOR SALE/PURCHASE OF GOODS / MATERIALS/ SUPPLY OR SERVICES WITH M/S GRIP STRAPPING TECHNOLOGIES PVT. LTD. PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013

The Company has been dealing with M/s Grip Strapping Technologies Pvt. Ltd. since about seven years for sales/purchase of Goods.

The existing Agreement with M/s Grip Strapping Technologies Pvt. Ltd. expires on 30th September, 2014.

Your Company proposes to renew the agreement with them on following major terms and conditions:

- (i) Nature of contract : Sale/Purchase of Goods / Materials/ Supply or Services.
- (ii) Monetary values : Not exceeding ` 20 Crores p.a.
- (iii) Tenure of the Contract : For a period of three years w.e.f. 1.10.2014
- (iv) Payment term : On Industry Practise Terms
- (v) Pricing : at prevailing prices on arm's length basis

Your Directors are of the opinion that recent renewal of the Agreement with M/s Grip Strapping Technologies Pvt. Ltd., would be in the best interest of the Company. In view of recent revision in the definition of 'related party', the Company is required to obtain approval of members by way of Special Resolution pursuant to section 188(3) (i) of the Companies Act, 2013.

Accordingly, your Directors recommend and seek your approval to the resolution, as appearing in item no. 12 of the accompanying notice, by way of Special Resolution. Documents referred to in the resolution will be available to the members for inspection between 11.00 a.m. to 01.00 p.m. on all working days except Saturdays and Sundays upto the date of ensuing Annual General Meeting.

Dr. R. S. Mamak shall be deemed to be interested or concerned in the resolution by virtue of his daughter being a shareholder in M/s Grip Strapping Technologies Pvt. Ltd., a contractee party. Except Dr. R. S. Mamak, no other Director/ Key Managerial Personnel or their relatives shall be deemed to be interested or concerned, financially or otherwise, in the resolution.

Item No. 13

TO APPROVE THE REMUNERATION OF COST AUDITORS' FOR THE FINANCIAL YEAR ENDING ON MARCH 31, 2015.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors M/s A. G. Tulsian & Co. Cost Accountants, Ahmedabad, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at remuneration of Rs. 2,00,000/- plus Service tax.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

Your Directors recommend and seek your approval to the resolution as set out in item no. 13 of the accompanying notice by way of Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives, shall be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item No. 13 of the Notice.

For and on behalf of the Board,
For Steelco Gujarat Ltd.,

Place : Mumbai
Date : 14th August, 2014

Dr. R. S. Mamak
Executive Vice Chairman



**Details of the Directors seeking appointment /reappointment at the forthcoming Annual General Meeting
(pursuant to Clause 49 of the Listing Agreement)**

Name of Director	Dr. R. S. Mamak	Mr. Mahendra Lodha	Mr. N. M. Mohnot	MR J. Mehra	Mr. Vimal Chandaria	Mr. Jiban Goswami	Mr. S. S. Ranjan
Date of Birth	24/09/1934	04/08/1956	15/07/1954	03/03/1939	18/08/1957	23/11/1951	07/03/1952
Date of Appointment	20/04/1995	31/07/2003	15/06/1999	23/03/1999	15/11/2013	16/08/2013	22/05/2013
Expertise	General Management	Amalgamation and Financial Reconstructing	General Management & Corporate Finance	Technocrat	Business Management	Finance & Banking	Finance & Banking
Qualifications	B.Sc., Doctorate in Electrical Engineering	LL.B. and F.C.A.	B.Sc., C.A.	Engineering Graduate	Graduate in Business Management	B.Sc. (Physics) Hons.	M.Sc.
List of Public Companies in which outside Directorship held as on 31 st March 2014\$	NIL	- Amul Exim Ltd. - Rainbow Denim Ltd. - Tulip Star Hotels Ltd. - Nitrex Chemicals India Ltd. - Rama Petrochemicals Ltd. - Kalyanpur Cement Ltd. - Parixit Industries Ltd.	- Parixit Industries Ltd	- Essar Steel India Ltd. - Essar Services India Ltd. - Microgenetic Systems Ltd. - Essar Steel Chhattisgarh Ltd. - Essar Steel Jharkhand Ltd. - Essar Power Hazira Ltd. - Essar Power (Orissa) Ltd. - Essar Mineral Resources Ltd. - Essar Power M P Ltd. - Pradeep Steel Company Ltd.	NIL	NIL	IL&S Engg. & Construction Co. Ltd.
Chairmanship / Membership of the Committees of the Board in which outside Directorship held as on 31 st March 2014	NIL	- Tulip Star Hotels Ltd. - Rama Petrochemicals Ltd. - Rainbow Denim Ltd. - Kalyanpur Cement Ltd.	NIL	NIL	NIL	NIL	NIL
No. of Shares held	4100	NIL	NIL	NIL	NIL	NIL	NIL

\$ Directorship in private companies, foreign companies and associates are excluded.

ANNEXURE – I
ADDITIONAL INFORMATION REQUIRED AS PER AMENDED SCHEDULE V TO THE COMPANIES ACT, 2013 RELATING TO ITEM NOS. 8 AND 9 OF THE NOTICE OF ANNUAL GENERAL MEETING
I. GENERAL INFORMATION
1. Nature of Industry :

The Company is engaged in the manufacturing of Cold Rolled Steel & Galvanized Steel. The Company's products are classified under steel industry.

2. Commencement of Commercial Production :

The Company's plant for manufacturing of Cold Rolled Steel and Galvanized Steel Products are already in operation.

3. Financial Performance :

(Rs. In Lacs)

Particulars	Financial Year	
	2013-14	2012-13
Effective Capital	4,747.58	4,438.72
Total Income	52,962.19	54,474.56
Profit/(Loss) before tax	(371.70)	17.03

4. Export Performance and Net Foreign Exchange Earning:

(Rs. In Lacs)

Particulars	Financial Year	
	2013-14	2012-13
Export	25,453.16	28,003.98
Net Foreign Exchange earned	24,160.19	26,191.80

5. The Company has neither made any foreign investment nor has any foreign collaboration.
II. INFORMATION ABOUT THE APPOINTEE DIRECTORS:
1. Background Details of the Managerial Personnel:

Dr. R. S. Mamak is a Science Graduate from Manchester University, England. He is also a Doctorate in Electrical Engineering. Throughout his career, Dr. R. S. Mamak has held several managerial positions and is associated with the Company since 1995 as key personnel.

Mr. N. M. Mohnot is a Science Graduate and Chartered Accountant. Right from the inception of his career spanning around more than 34 years, he has held positions at senior level at reputed business houses like Aditya Birla Group in addition to International assignment of four years. He joined the Company in 1995 as President (Finance), promoted as Director (Finance) in 1999 and re-designated as "Dy. Managing Director" of the Company in 2005 and appointed as Managing Director in 2011.

2. Past Remuneration : Per annum:

(In Rs.)

Sr. No	Particulars	Mr. N M Mohnot	Dr. R S Mamak
1	Basic Salary	60,05,546	NIL
2	Perquisites & Allowances	16,21,497	NIL
3	Retiral Benefits *	20,11,468	NIL
	Total	96,38,511	NIL

*Contributions to Provident Fund & Superannuation Fund

3. Recognition or awards : The Company has no information to offer

4. Job Profile or awards:

Dr. R. S. Mamak, was controlling all functions as Executive Vice Chairman of the Company, subject to superintendence of the Board upto 31st January 2013 Subsequently from 1st February 2013 he became non executive Vice Chairman of the Company.

Mr. N. M. Mohnot as Managing Director of the Company, is vested with substantial powers of the management of the Company, subject to the overall supervision, direction and control of the Board of Directors of the Company.

Having regard to academic and professional background and vast experience of aforesaid Executive Directors in parity with their job profile, your directors are of the opinion that Executive Directors are suitable to hold their respective position and proposed remuneration is reasonable.

5. Remuneration proposed :

Dr. R. S. Mamak as Executive Vice Chairman : Remuneration payable to Dr. R. S. Mamak w.e.f. 14th August, 2014 is Rs. 2,50,000 per month plus perquisites as per resolution passed by the Board of Directors in its meeting dated 14th August, 2014.

Mr. N. M. Mohnot as Managing Director : Remuneration payable to Mr. N. M. Mohnot w.e.f. 14th June, 2014 to 14th August, 2014 is Rs. 5,25,000 per month plus perquisites as per resolution passed by the Board of Directors in its meeting dated 14th August, 2014.

6. Dr. R. S. Mamak and Mr. N. M. Mohnot are not related to any managerial personnel of the Company.
III. OTHER INFORMATION

1. Reasons of Losses : Lower capacity utilization by 8% in terms of quantity and 3% in terms of Value due to erratic supply of H.R. Steel coils from its main supplier and non compatibility of material arranged from alternate sources.

2. Steps taken for improvement : Company aims at reduction in capital employed and at the same time reduction in cost of production by close monitoring.

IV. DISCLOSURE

Remuneration package of Dr. R. S. Mamak and Mr. N. M. Mohnot will be set out in the Corporate Governance Report for the information of shareholders.

Additional information as set out above shall be treated as requisite statement in respect of aforesaid executive directors in compliance with schedule V to the Companies Act, 2013.



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2014.

1. FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)
	Previous Year
	Ended 31.03.13
	Current Year
	Ended 31.03.14
Sales / Other Income (Net of Excise Duty)	54474.56
Profit before Depreciation & Interest	2511.36
Depreciation	473.00
Profit / (Loss) before Interest & Financial Charges	1592.06
Interest & Financial Charges	2021.33
Profit / (Loss) after Interest & Financial Charges	(371.70)
Excess Provision written back	-
Net Profit / (Loss) before Tax	(371.70)
Tax	-
Net Profit / (Loss) after Tax	(371.70)

2. DIVIDEND

Your Directors do not recommend any dividend on the equity shares of the Company in view of carried forward losses.

3. REVIEW OF OPERATIONS

During the year under review, the Company has made a net loss of Rs. 372 Lakhs on turnover of 82,176 MT Valuing Rs. 52,962 Lakhs against a net profit of Rs. 17 Lakhs on turnover of 88,901 MT valuing Rs. 54,475 Lakhs in the previous year. The Company has made a Cash Profit of Rs. 73 Lakhs for the year ended 31st March 2014 as against a Cash profit of Rs. 490 Lakhs in the previous year. This can be mainly attributed to lower capacity utilization by 8% in terms of quantity and 3% in terms of Value due to erratic supply of H.R. Steel coils from its main supplier and non compatibility of material arranged from alternate sources.

4. CORPORATE DEBT RESTRUCTURING

The Corporate Debt Restructuring (CDR) Cell vide Letter of Approval No. BY. CDR (ATR) No. 322/2012-13 dated 27-06-2012 had approved restructuring of debts and the same has been implemented except scheme of Capex, which are being reviewed. The scheme shall continue till March 2021.

5. ALLOTMENT OF PREFERENCE SHARES

During the year, your Company has allotted 7% 3486200 Cumulative Redeemable Preference Shares of Rs. 10/- each to the promoters, M/s Spica Investments Limited towards their contribution under CDR Scheme.

6. BOARD OF DIRECTORS

During the year under review, Shri R. P. Chandaria, founder director of the company, passed away on 13th October 2013. Your Board of Directors at its meeting held on 15th November, 2013 placed on record its appreciation for invaluable contributions made by him as a member of the Board.

During the year under review, the Company has appointed Shri S. S. Ranjan as an independent director, Mr. Jiban Goswami as Nominee director as required under approved CDR Scheme and Mr. Vimal Chandaria, promoter director as Additional Director in view of sad demise of Mr. R. P. Chandaria.

Mr. N. M. Mohnot, Managing Director of your Company has been relieved from his services on 14th August, 2014 and Dr. R. S. Mamak, Non Executive Vice Chairman has been appointed as Executive Vice Chairman from 14th August, 2014.

Your directors Mr. M. Lodha, Mr. J. Mehra & Mr. S. S. Ranjan, fulfils the condition for their appointment as specified in the Act and the listing agreement. Hence, the Board recommends appointment of aforesaid existing Directors as Independent Directors in terms of Section 149 and 152 of the Companies Act, 2013.

7. AUDITORS

M/s. Mukesh M. Shah & Co., Chartered Accountants, Ahmedabad, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a written certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limit under section 141 of the Companies Act, 2013.

8. AUDITORS OBSERVATION

Note No. 35 relating to preparation of financial statements on Going Concern Basis, in spite of substantial erosion of net worth, is self explanatory as regards the observation made by the auditors in their report.



9. COST AUDITORS

Your Directors have appointed M/s. A. G. Tulsian & Co., Cost Accountants, Ahmedabad, as Cost Auditors in compliance with the Companies (Cost Accounting Records) Rules, 2011. The Cost Auditors has filed the cost audit reports for the financial year ended on March 31, 2013 on August 16, 2013 within the due date .

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm: -

- i. That in the preparation of the annual accounts, applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii. That the Directors have 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 year and of the profit of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared annual accounts on a going concern basis.

11. PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 217 (2A) of the Companies Act, 1956. read with the Companies (Particulars of Employees) Rules, 1975 are set out below:

S. No.	Name	Age (Yrs)	Designation	Remuneration (Rs.)	Qualification	Date of Commencement of employment	Experience (Yrs.)	Last Employment held	Designation
1	Mr. N.M. Mohnot	60	Managing Director	96,38,511/-	B.Sc., C.A.	29.09.1995	34	Indian Rayon Corporation Ltd. (Unit: Jayshree Insulators)	Vice President

Notes:

- (1) Remuneration includes Salary, Allowances, and Contribution to retiral benefits and monetary value of perquisites at cost to the company.
- (2) Aforesaid Director does not hold by himself or along with his spouse and dependent children, or through any company, any share of the company.
- (3) Aforesaid Director's services are of contractual nature.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A', forming part of this report.

13. CORPORATE GOVERNANCE

Your Company is compliant of all mandatory requirements pursuant to Clause 49 of Listing Agreement. A separate report on Corporate Governance compliance and a Management Discussion and Analysis Report as stipulated by the clause 49 of the Listing Agreement forms part of the Annual Report along with the required certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by the revised clause 49 of the Listing Agreement. The detailed Operational Performance of the Company has been comprehensively discussed in the Management Discussion and Analysis Report, which forms part of Directors' Report.

14. DAMAGES DUE TO FLOOD

During the year, operations at your Palej works were affected for 10 days due to flood in September 2013. Since your company was fully insured with insurers, there was no adverse effect because of flood including loss of profits. The surveyors have assessed the losses of material damage and loss of profits and these have been considered into accounts. The claim amount is been received by the Company.

15. MINIMUM PUBLIC SHAREHOLDING

The company had received notice from SEBI for non compliance of the requirement of clause 40A regarding minimum public shareholding. In terms of CDR requirement, the promoters' shareholding was fully pledged with the consortium members of the bank hence it could be de-pledged in April 2014. Subsequent to that the promoters have fully liquidated the excess Equity Shares by way of sale under OFS Scheme on 30th June, 2014 and 6th August, 2014, as per the prescribed SEBI guidelines.

16. ACKNOWLEDGEMENT

Your directors take this opportunity to express their appreciation for the co-operation and assistance received from the Government of India, Government of Gujarat, Financial Institutions, the Company's Bankers, Electricity Companies, Palej Gram-Panchayat, other Government Agencies, Customers, Suppliers and Investors. Your Directors express gratitude to the investors for their confidence reposed in the Company and co-operation, and especially to the employees for their dedicated service and support.

For and behalf of the Board of Directors

Place : Mumbai

Date : 14th August 2014

Dr. R.S. Mamak
Executive Vice Chairman



ANNEXURE 'A' TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

I. CONSERVATION OF ENERGY

Energy Conservation & Pollution Control measures taken:

The Energy optimization scheme and pollution control measures are being continuously reviewed and improved as an ongoing exercise. During the period, various industrial pollution controlling measures were taken. Existing ETP Tanks were shifted as per GPCB recommendations. New acid circulation tank was commissioned as Pollution control measures.

The Company is also meeting the requirements of local Pollution Control Board.

FORM A : The required data with respect to total energy consumption and energy consumption per unit of production is furnished below:

A. Power and Fuel Consumption -

	Current Year ended 31.03.2014	Previous Year ended 31.03.2013
1 ELECTRICITY		
(a) Purchased (Units in '000 KWH)	25,212.06	26,002.13
Total Amount (Rs. in Lacs)	1499.49	1602.70
Rate/Unit (Rs.)	5.95	6.16
(b) Own generation (through Diesel Generator)		
Units (KWH)	-	-
Units per Ltr. of Fuel	-	-
Cost/Unit (Rs.)	-	-
2 LIGHT DIESEL OIL / HIGH SPEED DIESEL		
Quantity (Ltrs.)	48,612	1,01,310
Total Cost (Rs. in Lacs)	29.42	51.46
Rate / Unit per Ltr (Rs.)	60.52	50.79
3 CNG		
Quantity (SCM)	29,36,707	32,10,787
Total (Rs. in Lacs)	1191.21	1,040.55
Rate / Unit (Rs.)	40.56	32.41

B. Consumption per Unit of Production –

PRODUCT	Current Year ended 31.03.2014	Previous Year ended 31.03.2013
Cold Rolled (Steel) Coils / Sheets & GP/GC Coils / Sheets		
ELECTRICITY (Units/P.M.T.)		
CR Coils / Sheets (Average Thickness - C.Y 0.190 mm / P. 0.186 n)	293.10	283.63
GP / GC Coils / Sheets (Average Thickness - C.Y 0.143 mm / P.Y 0.140 mm)	38.89	40.11
Total (LDO+FO+CNG) (Ltrs/P.M.T.)		
CR Coils / Sheets	21.48	20.91
GP / GC Coils / Sheets	28.40	31.26

II TECHNOLOGY ABSORPTION

Research & Development :

The Company does not have any-in-house Research and Development Department.

Technology absorption, adaptation and innovation :

During the year, the Company has continued improvisation in producing high strength narrow steel for steel strapping and other industries.

III FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to Exports, Initiatives to increase exports, Development of new Export Markets for Products and Services and Export Plans:

The Company is exporting a large quantity of its Cold Rolled and Galvanized Products and has achieved a significant presence in the Global market as its products have been well accepted.

2. Total Foreign Exchange Earned and Expended:

	(Rs. in Lacs)	
	Current Year ended 31.03.2014	Previous Year ended 31.03.2013
a. Earnings	24,160.19	26,191.80
b. Expenditure	5,225.85	7,248.20

For and behalf of the Board of Directors

Place : Mumbai
Date : 14th August 2014

Dr. R.S. Mamak
Executive Vice-Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES AND OUTLOOK

International demand of steel products has grown by 2.9% during the year 2013-14, mainly on account of improvement in US economy and quick address of Euro crisis. However slow growth in Brazil, India and China did not lead to much improvement in utilization of steel capacity World over.

Stagnation of Indian economy including steel sector during the last two years for the various reasons has not given much impetus to the growth of Steel Sector and its consumption in India.

In 2014-15 with more stable Government at centre, the steel demand is expected to accelerate further in view of various expected reform measures.

Infrastructure development of the country coupled with high targeted spending in core sector as indicated by the new Government will boost the economy and accelerate the domestic demand of steel. The development of ports and infrastructural of roads and bridges are expected to accelerate steel demand and your company is also poised to take benefit of the same.

THREATS, RISKS AND CONCERN

In India, the per capita consumption of steel is very low in comparison to global average as well as in comparison to various other Asian economies. Eventually India has a long way to go in the consumption of steel which is ensuring long term growth and good prospects for the steel sector.

Main hurdles in Indian Steel Industry are high cost of power and fuel and non availability of metallurgical coke, which are expected to be addressed by new Government in due course of time. Continuous capacity expansion of integrated steel manufacturer for processing value added products are resulting into increase in their market share at the cost of secondary manufactures. To stay ahead your company continues to develop more and more value added specialized products to ensure its own growth.

In order to mitigate the hardship created by steep increase in the cost of gas, your Company is exploring the possibilities of necessary approval from GPCB to have the facility of Coal Gasifier.

Your company is having high exposure to forex due to significant export and import. The volatility of currency contributes to high risk and to minimize the impact of the same a prudent policy of necessary hedging / forward sales has been adopted to draw the balance between the forex asset and liabilities.

The Board of Directors is being informed periodically in respect of risk assessment and steps being taken by the company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has made net loss of Rs. 372 Lakhs on turnover of 82176 MT valuing Rs. 52,962 Lacs against net profit of Rs. 17 Lacs on turnover of 88,901 MT. Valuing Rs. 54,475 Lacs in the previous year.

INTERNAL CONTROL SYSTEM AND THEIR EFFICACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses executing transaction with proper authorization and ensure compliance of corporate policies.

Internal Audit is conducted at regular intervals covering the key area of operations. It is an independent assurance and functions responsible for evaluating and improving the effectiveness of risk management control and governance processes.

An Audit Committee consisting of three Independent Directors is in place. The Internal Audit Reports are placed before the Audit Committee. The Audit Committee deliberates and advises the Management on improvements/compliance.

STATUTORY COMPLIANCES

After obtaining confirmation from the various departments of the Company in respect of compliance with all the statutory requirements, a declaration regarding compliance of the provisions of various statutes is made by the Managing Director at each Board Meeting and deviations, if any, are brought to the notice of Directors with reasons and remedial measures taken to comply the same. The Asst. Company Secretary, as a Compliance Officer, ensures compliance of the SEBI Regulations and provisions of the Listing Agreement.

**QUALITY:**

In today's global competition and open economy, quality plays a vital role in marketing the products and in staying ahead of others. Therefore more emphasis is being given to manufacturing of products that meets high standards of quality in the global market and customers' satisfaction. Proactive efforts are directed towards determining customers' requirements and achieving all-round customer satisfaction. This is primarily achieved through automated systems, high attention to complaint resolution, online communication and information exchange, at various levels.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Industrial and employee relations with the company remain cordial throughout the year. It has been with the fulfillment of our market commitments, prompt communications, and participation in social activities and to provide challenging and safe environment in the company, where every employee can develop its own strength and deliver its best expertise in the company's interest.

Board of Directors on record conveys thanks to all the employees for their valuable contribution towards the improvements in the company.

SGL encourages employees to go beyond their scope of work, undertake voluntary projects enabling them to learn and contribute innovative ideas in line with the goals of the company.

CAUTIONARY STATEMENT:

Any Statement made in this Management Discussions and Analysis report relating to Company's objectives, expectations, estimates, projections etc. may be considered as "forward looking statement" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climate conditions, market price in the domestic and overseas markets, change in Government regulations and tax laws, economic conditions affecting demand and supply and other environmental factors upon which the Company does not have any control.



CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management.

Your Company believes that for its sustained success, it must maintain global standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The Company has always focused on good corporate governance, which is a key drive of sustainable corporate growth and long-term value creation for its shareholders.

Above all, corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability and transparency are key drives to improve decision-making and rationale behind such decisions, which in turn improves confidence of all stakeholders.

II BOARD OF DIRECTORS

Composition :

The Board has optimum combination of Executive and Non-Executive Directors. The composition of the Board as on 31st March, 2014 was as under. The Board consists of eight directors:.

Category of Directors	No. of Directors
Promoters, Non-Executive	2
Non-Promoter Executive	1
Non-Promoter - Non Executive	1
Non-Executive Independent	3
Nominee	1

Meetings and Attendance:

During the year from 1st April 2013 to 31st March 2014, the Board met 4 (four) times i.e., 22nd May, 2013, 16th August, 2013, 15th November, 2013 and 21st February, 2014. Attendance of Directors at the Meeting of the Board of Directors (BOD) held during the financial year 2013-2014 and Annual General Meeting (AGM) held on 17th August, 2013 are as follows:

Category	Name of Directors	No. of Board Meetings attended	Whether attended AGM held on 17.08.2013	*No. of Directorships in other Companies		**No. of Committee Memberships in other Companies	
				Chairman of the Board/MD	Board Members	Chairman of the Committee	Member
Promoter:							
- Executive Director	—	—	—	—	—	—	—
- Non-Executive Director	Mr. R.P.Chandaria\$ Mr. Rashmi Chandaria Mr. Vimal Chandaria#	— 2 2	No No No	— — —	— 1 —	— — —	— — —
Non Promoter Executive/ Non- Executive Director(s)							
- Executive Vice Chairman@@	Dr. R.S. Mamak	4	Yes	—	—	—	—
- Managing Director@@@	Mr. N.M. Mohnot	4	Yes	—	1	—	—
Independent Non-Executive Director(s):	Mr. J. Mehra Mr. Mahendra Lodha Mr. S. S. Ranjan##	4 4 4	No No No	— — —	11 7 1	— 2 —	1 3 —
Nominee Director(s):	Mr. Jiban Goswami@	3	No	—	—	—	—

\$ Passed away on 13th October 2013.

appointed as additional director on 15th November, 2013. Previously he was alternate to Promoter Director Mr. R. P. Chandaria.

appointed as independent director w.e.f. 22nd May 2013.

@ appointed as nominee director w.e.f. 16th August 2013.

* Directorship in private companies, foreign companies and associates are excluded.

** Represents Membership / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee only.

@@ appointed as Executive Vice Chairman w.e.f. 14th August 2014.

@@@ Relieved from Directorship w.e.f. 14th August 2014.



III AUDIT COMMITTEE

Terms of reference :

To deal with all the matters as contemplated in Section 292A of the Companies Act, 1956 read with clause 49 of the Listing Agreement and any other matter as may be referred by the Board of Directors from time to time.

The terms of reference of the Audit Committee are broadly as under:

- a) Review of Quarterly and Annual statement and Auditors' Report before submission to the Board.
- b) Reviewing with the management, performance of Statutory and Internal Auditors, the adequacy of internal control system.
- c) Discussion with internal auditors regarding any significant findings and follow up thereon.
- d) Reviewing the findings of any internal investigations by 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.
- e) Review of reports on Treasury Management of the Company.
- f) Changes in accounting policies and practices, if any.
- g) Qualifications, if any, in the draft Audit Reports.
- h) Risk management policies and practices.
- i) Status of repayment of term loans and overdues of FI's, if any.
- j) Any other item considered appropriate or necessary to have effective oversight of financial reporting.

Composition and Attendance :

The Audit Committee consists of three Non Executive Independent Directors as under:

Name of Director	Composition as on 31 st March, 2014	No. of Meetings held	No. of Meetings attended
Mr. Mahendra Lodha	Chairman	4	4
Mr. J. Mehra	Member	4	4
Dr. R S Mamak	Member	4	4

All the members of the Audit Committee are having financial and accounting knowledge. The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Vice-Chairman and Managing Director also attended the Audit committee meeting. The Assistant Company Secretary acts as the Secretary to the Audit Committee.

IV REMUNERATION COMMITTEE

Terms of reference and Remuneration Policy

Pursuant to Clause 49 of the Listing Agreement and Schedule XIII to the Companies Act, 1956, the terms of reference of the Remuneration Committee is to determine Company's policy on specific remuneration packages to Executive Directors including pension rights and any compensation payments and also to approve payment of remuneration to Managing Directors or Whole Time Directors.

Composition and Attendance:

During the financial year 2013-2014 no meeting of Remuneration Committee was held.

Name of Director	Composition as on 31 st March , 2014
Mr. Mahendra Lodha	Chairman
Mr. J.Mehra	Member

Both the members of the Remuneration Committee are Non-Executive Independent Directors.

Remuneration to Executive Directors

The break-up of the remuneration paid to the Executive Directors during the period ended on 31st March 2014 is as under:

(Amount in Rs.)

Particulars	Mr. N.M. Mohnot Managing Director
Salary (`)	60,05,546
Retiral Benefits*	16,21,497
Other Benefits & Allowances	20,11,468

* Besides Salary and Perks, the Managing Director is also entitled to the Company's Contributions to Provident Fund & Superannuation Fund, Gratuity, and Encashment of Leave at the end of tenure.



Remuneration to Non-Executive Directors

Your Directors at their meeting held on 16th August, 2013 and subsequently members of the Company at their Annual General Meeting held on 17th August, 2013 had resolved to pay remuneration to all Non Executive non promoter Directors not exceeding in aggregate one percent of net profits of the year as computed under sections 198, 349 and 350 of the Companies Act, 1956 or Rs. 5 Lakhs per year, whichever is higher, to each of the Non Executive non promoter Directors, for a period of 5 years effective from the date of appointment of respective directors, subject to approval of the Central Government. Application in respect of Dr. R. S. Mamak, Mr. S. S. Ranjan and Mr. Jiban Goswami have been rejected and closed by the Central Government and the Company is pursuing for its reconsideration. The Company has made application to the Central Government for payment of remuneration of Rs. 5 Lakhs each to the Non Executive non promoter directors for a period of four years. The details of the sitting fees and remuneration during the financial year 2013-14 are given below:

	Name of the Non-Executive Directors	Sitting Fees (Rs.)	Remuneration (Rs.)
1	Mr. R. P. Chandaria # \$	NIL	NIL
2	Mr. Rashmi Chandaria #	40,000	NIL
3	Mr. J. Mehra	1,60,000	*2,00,000
4	Mr. Mahendra Lodha	1,80,000	*2,00,000
5	Mr. Vimal Chandaria # @ @ @	40,000	NIL
6	Dr. R. S. Mamak ##	1,72,000	2,00,000
7	Mr. S. S. Ranjan @	80,000	1,75,000
8	Mr. Jiban Goswami @ @	60,000	1,25,000
	Total	7,32,0000	9,00,0000

Non-Executive Promoter Directors or Alternate Director

Appointed as Executive Vice Chairman on 14-08-2014.

\$ Passed away on 13-10-2013.

@ appointed on 22-05-2013.

@ @ appointed on 16-08-2013.

@ @ @ appointed on 15-11-2013.

* Approval with respect to Mr. J. Mehra and Mr. Mahendra Lodha has already been received.

Information of Directors' Shareholding as on 31st March, 2014:

Name of Director	Designation	No. of Shares Held
Dr. R.S.Mamak	Non-Executive Vice Chairman#	4100

Appointed as Executive Vice Chairman on 14-08-2014.

V SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the financial year 2013-2014, 4 (four) meetings of Shareholders' / Investors' Grievance Committee was held:

Composition and Attendance:

Name of Director	Composition as on 31st March, 2014	No. of Meetings held	No. of Meetings attended
Mr. Mahendra Lodha	Chairman	4	4
Dr. R.S.Mamak	Member	4	4
Mr. N. M. Mohnot	Member	4	4

Terms of Reference :

The Committee is looking after the Shareholders' / Investors' Grievance and redressal of investors' / shareholders' complaints related to transfer of shares, non-receipt of balance sheets, non-receipt of dividends etc.

Based on the report received from the Company's Registrars, the number of complaints received from shareholders comprises of correspondence identified as complaints i.e. letter received through statutory / regulatory bodies.

The committee was reconstituted and re-named as Stakeholders Relationship / Shareholders Grievances Committee w.e.f. 27th May 2014.

Status of Investor Complaints as on 31st March, 2014 required under Clause 41 of the Listing Agreement are as under:

During the year the Company has received 19 complaints and all the complaints have been resolved and no complaints are pending as on 31st March, 2014.

Disclosure regarding Directors appointment & re-appointment

Disclosure in respect of details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting pursuant to clause 49 of the Listing Agreement is attached with the notice of the Annual General Meeting.



VI GENERAL BODY MEETINGS

The last three Annual General Meetings (AGMs) of the Company were held at the Registered Office of the Company at Plot No. 2, GIDC Estate, Palej – 392 220, Dist Bharuch, as detailed below:

Financial Year	Date	Day	Time	Special Resolution
2010 - 2011	29 th September, 2011	Thursday	3:30 P.M.	5
2011 - 2012	29 th September, 2012	Saturday	3:30 P.M.	6
2012 - 2013	17 th August, 2013	Saturday	3:30 P.M.	2

All the resolutions, including special resolutions set out in the respective notice were passed by the shareholders. No resolution was passed through Postal Ballot at the meeting held during the year under review.

At the forthcoming AGM, there is no item on the agenda that needs approval by Postal Ballot.

VII DISCLOSURES

- a. There are no materially significant related party transactions having potential conflict with the interest of the Company at large.
- b. The Company is in compliance with the various requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to Capital Markets during last three years.
- c. The Code of Conduct applicable to all Directors and senior management personnel of the Company has been complied with and they have confirmed their adherence to the provisions of the said code.
- d. It is confirmed that no personnel has been denied access to the Audit Committee.
- e. It is confirmed that the mandatory requirements are complied with and the non-mandatory provisions are adopted wherever necessary.

VIII MEANS OF COMMUNICATION

The quarterly financial results of the Company are forwarded to the Stock Exchanges immediately on approval by the Board of Directors and are also published in widely circulated national English Daily and local Gujarati Daily.

The financial results and official news releases are also displayed on the Company’s website www.steelcogujarat.com.

Management Discussion and Analysis forms part of the Annual Report.

IX GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM) :

The 24th Annual General Meeting of the Company is scheduled to be held on:

- Date & time : 26th September, 2014 at 3:30 P.M.
- Venue : Plot No.2, GIDC Estate, Palej – 392 220, Dist. Bharuch
- Book Closure Date : 24.09.2014 to 26.09.2014 (both inclusive)
- E-voting Date : 20.09.2014 to 22.09.2014 (both inclusive)
- Cut off Date : 22.08.2014
- Dividend : — Nil —

Financial Calendar : 1st April 2014 to 31st March, 2015

Indicative Calendar of events for the Financial Year 2014-15 as under:

Audited Annual Results for the year ended March 31, 2014	On 27 th May, 2014
Unaudited First Quarter Results	By 14 th August, 2014
Unaudited Second Quarter Results	By 14 th November, 2014
Unaudited Third Quarter Results	By 14 th February, 2015
Audited Annual Results	By 30 th May, 2015

Listing of Securities of the Company:

The Company’s securities are listed at the Vadodara Stock Exchange Ltd. (VSE), a regional Stock Exchange and Bombay Stock Exchange Limited (BSE). In view of, BSE having a nationwide and extensive networking of centers across the country, the investors have access to online dealings in the Company’s Equity Shares. Moreover, the Company’s Equity Shares are required to be traded only in demat form by all investors.

Stock Code Allotted by the BSE - STEGUDM : 500399

ISIN - INE629B01024

The Company has paid the Annual Listing fees for the year 2014 –2015 to all the Stock Exchanges where Equity Shares of the Company are listed.



STEELCO GUJARAT LIMITED

Stock Market Price Data :

Monthwise High and Low stock market price of the Company's equity shares traded on Bombay Stock Exchange Ltd. (BSE) during the last financial year was as follows:

Month	High (Rs.)	Low (Rs.)
April - 2013	4.50	3.00
May - 2013	3.88	3.00
Jun - 2013	4.60	3.45
Jul - 2013	3.99	2.81
Aug - 2013	3.79	2.95
Sep - 2013	3.61	2.70
Oct - 2013	3.73	2.57
Nov - 2013	3.65	2.95
Dec - 2013	4.09	2.88
Jan - 2014	3.99	3.11
Feb - 2014	4.17	3.13
Mar - 2014	4.10	3.07

Registrar and Share Transfer Agent :

Share Transfer and all other Investor's/Shareholder's related activities are attended and processed by our Registrars and Transfer Agent (R&T). For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact our Registrar and Transfer Agent at following address:

M/s. LINK INTIME INDIA PVT. LTD., (Unit: Steelco Gujarat Limited),
B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta Akota, Vadodara - 390020.
Telephone No: 0265-2356573, 2356794 Fax : 0265-2356791, E-mail ID: vadodara@linkintime.co.in

Dematerialization of Shares & Liquidity :

The process of conversion of Shares from physical form to electronic form is known as dematerialization. For dematerialization of shares, the shareholders have to open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized and an electronic credit of shares is given in the account of the shareholder.

Distribution of Share Holding as on 31st March 2014 :

No. of Equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 - 500	132742	98.66	2878383	6.76
501 - 1000	26	0.62	716771	1.68
1001 - 2000	431	0.32	685766	1.61
2001 - 3000	187	0.14	489162	1.15
3001 - 4000	82	0.06	293573	0.69
4001 - 5000	72	0.05	344470	0.81
5001 - 10000	111	0.08	819509	1.93
10001 & Above	92	0.07	36334188	85.37
Total	134543	100.00	42561822	100.00

Category of Shareholders as on 31st March,2014:

Category of Shareholders	Total Holding	Percentage
Promoter (SPICA INVESTMENTS LTD.)	3,33,08,398	78.26
Institutional Investors		
a. Mutual Funds	19,290	0.05
b. Banks, FI's, Insurance Companies	6,25,642	1.47
Private Corporate Bodies	8,67,094	2.03
NRIs / OCBs (other than Promoter Group)	27,708	0.07
Indian Public	77,13,690	18.12
Total	4,25,61,822	100.00

**X PLANT LOCATION OF THE COMPANY:**

Plot No. 2, G.I.D.C. Estate, Palej – 392220, Dist. – Bharuch, Gujarat

XI COMPLIANCE

In compliance with listing agreement executed with the Stock Exchanges, the Company has obtained the certificate regarding compliance of conditions of Corporate Governance from M/s. Devesh Vimal & Co., Practising Company Secretaries, Vadodara, which appears as a part of the Annual Report of the Company.

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned above. The Shareholders having securities in a dematerialized form should give instructions relating to change of address, nomination and / or power of attorney executed by the Shareholders directly to their respective Depository Participants. Alternatively shareholders may contact us at following email address: secretarial@steelcogujarat.com

XII DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT PURSUANT TO REVISED CLAUSE 49 OF THE LISTING AGREEMENT:

This is to confirm that all Board Members and Senior Management Personnel of the Company have complied with the code of conduct for Directors & Senior Management Personnel (i.e. D & S Code) during the year ended on 31st March, 2014.

For and on behalf of the Board of Directors
For **Steelco Gujarat Limited**

Place : Mumbai
Date : 14th August, 2014

Dr. R. S. Mamak
Executive Vice-Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Steelco Gujarat Limited,
Palej.

We have examined the compliance of the conditions of Corporate Governance by Steelco Gujarat Limited ("the Company"), for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 and based on the representations given by the Management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Devesh Vimal & Co.
Practising Company Secretaries

Place : Vadodara
Date : 14th August, 2014

CS Devesh A. Pathak
Partner
Membership No. FCS - 4559
CP No. - 2306



INDEPENDENT AUDITORS' REPORT

To
The Members of
Steelco Gujarat Limited

1. Report on the Financial Statements :

We have audited the accompanying financial statements of **STEELCO GUJARAT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements :

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility :

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion :

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. Emphasis of Matter :

Attention of the members is invited to Note No. 35 regarding the financial statements of the Company having been prepared on a going concern basis, notwithstanding the fact that its net worth is substantially eroded. The appropriateness of the said basis is interalia dependent upon the fulfillment of terms and conditions of approved Corporate Debt Restructuring ["CDR"] package by Corporate Debt Restructuring Cell of Reserve Bank of India vide its approval letter dtd. June 27, 2012 and company's ability to raise requisite finance and/or generate cash flows in future to meet its commitment of future revival plans and for continuing operations.

6. Report on Other Legal and Regulatory Requirements :

- i. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 106625W

PARTNER

Chandresh S. Shah

Membership No. 42132

Place : Ahmedabad.
Date : 27th May, 2014



Annexure to Independent Auditors' Report

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the company and taking into consideration, the information and explanation given to us in the normal course of audit, we report that:

1. (a) The Company has maintained proper records to show the particulars including quantitative details and situation in respect of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. (a) The inventory has been physically verified by management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of inventory. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventory.
3. (a) The Company has not taken unsecured loan from the company, in which directors are interested, listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not granted any loan, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, requirements of clauses (iii-b), (iii-c) and (iii-d) of paragraph 4 of the order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, and according to the information and explanations given to us, during the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. In our opinion, the transactions that need to be entered into the register maintained under section 301 have been so entered. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits from the Public within the meaning of the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder. Further, we are informed that no order has been passed by the Company Law Board.
7. The Company has an internal audit system which, in our opinion is commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of the cost records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance dues, Income-tax, Sales-tax, Wealth tax, Service Tax, Customs duty, Excise duty, cess and any other dues during the year with the appropriate authorities. There are no cases of non-deposit of any undisputed statutory dues outstanding for a year of more than six months as at 31st March, 2014 from the date they became payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales tax, income-tax, customs duty, wealth tax, excise duty and cess except the following:

Financial year to which it relates	Act	Nature of dues	Forum where dispute is pending	Amount (Rs. in Lacs)
2008 – 2009	Customs Act	Customs Duty	CESTAT, Ahmedabad	32.66
1991 – 1992	Income Tax Act, 1961	Income Tax	H'nable Gujarat High Court	24.45
1992 – 1993	Income Tax Act, 1961	Income Tax	H'nable Gujarat High Court	26.03
1993 – 1994	Income Tax Act, 1961	Income Tax	H'nable Gujarat High Court	61.55
2011- 2012	Income Tax Act, 1961	Income Tax	CIT(A) Vadodara, Gujarat	439.49



STEELCO GUJARAT LIMITED

10. **The accumulated losses at the end of the financial year are more than 50% of its net worth. The Company has not incurred cash losses in the financial year** as well as in the immediately preceding financial year.
11. **The company has made delays at times in repayment of dues to financial institutions or banks.**
12. The company had not granted any loans on the basis of security by way of pledge of shares, debentures or other securities.
13. The company is not a chit fund/nidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantees or provided any security in respect of borrowings taken by others from banks and financial institutions.
16. Term loans obtained by the Company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash-flow statement and other records, we report that no funds raised on short term basis have prima facie, been used during the year for long term investment and vice versa.
18. The company has not made any preferential allotment to any parties, firms and/or companies covered in the register maintained under section 301 of the Companies Act, 1956. Hence, there does not arise any question of an enquiry of the price of the issue to ascertain whether the same is, prima facie, prejudicial to the interest of the Company.
19. The Company has not issued any debentures hence; question of creating securities does not arise.
20. The company has not raised any money by public issues during the year.
21. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 106625W

Place : Ahmedabad.
Date : 27th May, 2014

PARTNER
Chandresh S. Shah
Membership No. 42132



BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	INR - LACS	
		Figures as at end of March 31,	
		2014	2013
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	7,886.79	7,536.95
Reserves and Surplus	2	(38.88)	902.28
		<u>7,847.91</u>	<u>8,439.23</u>
Share Application Money Pending Allotment:	1-D	0.01	348.64
		<u>7,847.92</u>	<u>8,787.87</u>
Non-Current Liabilities:			
Long Term Borrowings	3	4,378.83	4,048.11
Other Long Term Liabilities	4	5.45	16.10
Long Term Provisions	5	233.19	206.69
		<u>4,617.47</u>	<u>4,270.90</u>
Current Liabilities:			
Short Term Borrowings	6	6,561.05	5,491.73
Trade Payables	7	14,275.56	12,724.67
Other Current Liabilities	8	1,288.81	1,145.88
Short Term Provisions	9	128.28	125.59
		<u>22,253.70</u>	<u>19,487.87</u>
Total		<u>34,719.09</u>	<u>32,546.64</u>
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	10	11,554.97	12,505.14
Intangible Assets	10	8.41	6.21
Capital work-in-progress		104.98	92.60
		<u>11,668.36</u>	<u>12,603.95</u>
Deferred Tax Asset [Net]	11	-	-
Long Term Loans and Advances	12	1,230.37	1,068.82
		<u>12,898.73</u>	<u>13,672.77</u>
Current Assets:			
Inventories	13	8,855.33	6,550.55
Trade Receivables	14	7,760.34	8,104.47
Cash and Bank Balances	15	859.05	630.70
Short Term Loans and Advances	16	2,188.41	1,863.72
Other Current Assets	17	2,157.24	1,724.43
		<u>21,820.36</u>	<u>18,873.87</u>
Total		<u>34,719.09</u>	<u>32,546.64</u>

Significant Accounting Policies
Notes to the Financial Statements

1 to 37

As per our report of even date

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Chandresh S. Shah
Partner
Membership No: 42132

Place : Ahmedabad
Date : 27th May, 2014

For and on behalf of the Board

Dr. R.S.Mamak
Vice Chairman

Sunil Singhvi
Joint General Manager (Finance)

Place : Mumbai
Date : 27th May, 2014

N.M. Mohnot
Managing Director

Arvind Tambi
Financial Controller &
Asst. Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	INR - LACS	
		Figures for the year ended on March 31,	
		2014	2013
REVENUE:			
Revenue from Operations:	19		
Sale of Products [Gross]		53,565.69	54,548.52
Less : Excise Duty		2,502.42	2,461.10
Sale of Products [Net]		51,063.27	52,087.42
Other Operating Revenues		1,530.30	2,064.03
Net Revenue from Operations		52,593.57	54,151.45
Other Income	20	368.62	323.11
Total Revenue		52,962.19	54,474.56
EXPENSES:			
Cost of Materials Consumed	21	41,761.88	42,467.84
Purchase of Traded goods	22	597.80	-
Changes in Inventories of Finished goods and Work-in-progress	23	(840.97)	(19.15)
Employee Benefits Expense	24	1,186.43	1,091.66
Finance Costs	25	1,963.76	2,021.33
Depreciation and Amortisation Expenses	10	1,014.19	1,072.14
Less : Transferred from Revaluation Reserve (Refer Note. No.10)		(569.47)	(599.14)
Net Depreciation and Amortisation Expenses		444.72	473.00
Other Expenses	26	8,220.27	8,422.85
Total Expenses		53,333.89	54,457.53
Profit/(Loss) before Tax		(371.70)	17.03
Less/[Add]: Tax Expense:			
Current Tax		-	-
Deferred Tax	11	-	-
		-	-
Profit/(Loss) for the Year		(371.70)	17.03
Basic & Diluted Earning per Equity Share [EPS] [in Rs.]	27	(1.84)	(0.92)
Significant Accounting Policies			
Notes to the Financial Statements	1 to 37		

As per our report of even date

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Chandresh S. Shah
Partner
Membership No: 42132

Place : Ahmedabad
Date : 27th May, 2014

For and on behalf of the Board

Dr. R.S.Mamak
Vice Chairman

Sunil Singhvi
Joint General Manager (Finance)

Place : Mumbai
Date : 27th May, 2014

N.M. Mohnot
Managing Director

Arvind Tambi
Financial Controller &
Asst. Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

INR - LACS

Particulars	Figures for the year ended on March 31,	
	2014	2013
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation and extraordinary items	(371.70)	17.03
Adjustments for:		
Depreciation [Net]	444.72	473.00
[Profit]/Loss on sale of assets [Net]	11.12	(10.52)
Interest income	(78.38)	(110.28)
Interest expenses	1,963.76	2,021.33
Bad debts written off	20.77	25.74
Provision for doubtful debts written back	70.00	(33.81)
Exchange (Gain)/Loss - Unrealised	488.75	(258.65)
Provisions for employee benefits	47.99	39.06
Total	<u>2,968.73</u>	<u>2,145.87</u>
Operating profit before working capital changes	2,597.03	2,162.90
Adjustments for:		
[Increase]/Decrease in trade receivables	(180.86)	(1,332.90)
[Increase]/Decrease in inventories	(2,304.78)	2,045.43
[Increase]/Decrease in short term advances	(356.63)	(757.15)
[Increase]/Decrease in long term advances	(197.26)	(88.00)
[Increase]/Decrease in other current assets	(424.43)	(122.35)
Increase/[Decrease] in trade payables	1,421.34	(3,391.27)
Increase/[Decrease] in other current liabilities	(81.64)	(207.06)
Increase/[Decrease] in other long term liabilities	(10.66)	(1.69)
Increase/[Decrease] in long term Provisions	(21.49)	(37.85)
Increase/[Decrease] in short term Provisions	2.46	0.20
Total	<u>(2,153.95)</u>	<u>(3,892.64)</u>
Cash generated from operations	443.08	(1,729.74)
Less : Direct taxes paid [Net of refunds]	35.94	(8.62)
Cash flow before extraordinary items	479.02	(1,738.36)
Less : Extraordinary items	-	-
Net cash from operating activities	<u>479.02</u>	<u>(1,738.36)</u>
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(93.43)	(33.32)
Proceeds from sale of fixed assets	3.71	14.15
Interest received	70.00	86.86
Net cash from investing activities	(19.72)	67.69
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital	1.21	348.64
Repayment of Long Term Borrowings	640.11	3,590.64
Short Term Borrowings [Net]	1,102.82	(571.74)
Interest paid	(1,975.10)	(1,982.74)
Net cash used in financing activities	(230.95)	1,384.80
Net increase/(decrease) in cash and cash equivalents	228.35	(285.87)
Cash and cash equivalents at the beginning of the year	630.70	916.57
Cash and cash equivalents at the close of the year	859.05	630.70

Notes to the cash flow statement

1 All figures in brackets are outflow.

2 Previous year's figures have been regrouped wherever necessary.

As per our report of even date

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Chandresh S. Shah
Partner
Membership No: 42132

Place : Ahmedabad
Date : 27th May, 2014

For and on behalf of the Board

Dr. R.S.Mamak
Vice Chairman
Sunil Singhvi
Joint General Manager (Finance)

Place : Mumbai
Date : 27th May, 2014

N.M. Mohnot
Managing Director
Arvind Tambi
Financial Controller &
Asst. Company Secretary

Significant Accounting Policies**1 Basis of Accounting:**

The financial statements are prepared under “historical cost convention” on a going concern assumption (as detailed in note no.35) except in case of certain revalued fixed assets, on “Accrual Concept” of accountancy in accordance with the accounting principles generally accepted in India and comply with Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 1956 and the provisions of the Companies Act, 2013, which are made effective from 12th September, 2013. The company has consistently applied the Accounting Policies in preparation and presentation of the financial statements.

2 Use of Estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amount of income and expenses during the Year.

Actual results/outcome could differ from these estimates. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the year in which such estimates are actually materialized.

3 Fixed Assets and Depreciation:

A All Fixed Assets are valued at cost less depreciation / amortization. Cost [net of Cenvat credit available] comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Financing costs directly attributable to the construction of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready for their intended use.

Cost of addition or extension to an existing asset, which is of a capital nature and/or which becomes an integral part of the existing asset is capitalised and added to the gross book value of that asset.

Certain assets were revalued as on 31st March, 2011 and resultant surplus has been added to the cost of the assets with a corresponding credit to Revaluation Reserve Account. [Refer Note No. 10 (1) to the financial statements.]

B Leasehold Land is being amortised over the life of the lease.

C Depreciation on Buildings & Electrical Installations, Furniture, Fixtures, Office Equipment and Vehicles has been provided on Written Down Value Method, as per Section 205(2) (a) of the Companies Act, 1956 at the rates prescribed in Schedule XIV thereto.

D Depreciation on all other assets has been provided on Straight Line Method, as per Section 205(2)(b) of the Companies Act, 1956, at the rates prescribed in Schedule XIV thereto.

For determining the appropriate depreciation rates, plant and machinery falling under the category of continuous process plant has been identified on the basis of technical opinion obtained.

E Depreciation on additions to and disposals of the Fixed Assets during the period has been provided on pro-rata basis, according to the period each such asset was used during the period except in case of low value items not exceeding Rs. 10,000/-, which are depreciated fully in the period of addition.

F Depreciation on addition or extension to the existing Fixed Asset, which becomes integral part of that asset is provided on pro-rata basis according to the remaining useful life of the existing asset.

4 Impairment of Assets:

A The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates recoverable amount of the asset, being higher of the net selling price and value in use.

Value in use is determined from the present value of estimated future cash flows from continuing use of such assets discounted at weighted average cost of capital.

B If recoverable amount of such asset or the recoverable amount of the cash generating unit to which such asset belong is found to be lower than its carrying amount, then carrying amount of such asset is reduced to the extent of its recoverable amount.

Such reduction is treated as impairment loss and is charged to the statement of Profit and Loss.

C After impairment of an asset, the depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

D At a balance sheet date, if there is an indication that a previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount and previously recognised impairment loss is reversed.

**5 Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition/construction of qualifying Fixed Assets are capitalized as a part of the cost of the respective asset upto the date when such assets are ready for their intended use and borrowing costs other than these costs are charged to Profit and Loss Account.

6 Expenditure during the Construction Period:

The expenditure incidental to the expansion / new projects is carried forward as "Pre-operative and Project expenditure pending allocation/capitalization" and are allocated to Fixed Assets in the period of commencement of the commercial production / respective assets being put to use.

7 Inventories:

- A** Inventories consisting of Raw Materials, Work-in-Process and Finished Goods are valued at lower of cost and net realizable value.
- B** For this purpose, the cost of raw material is determined using quarterly moving average cost method (net of Cenvat credit availed).
- C** Cost of finished goods and Work-in-process is determined by taking quarterly moving average material costs (net of Cenvat credit availed) and other appropriate and relevant manufacturing overheads.
- D** Inventories consisting of Stores, Consumables, Spare Parts, and Packing Materials etc. are valued at lower of cost and net realizable value. For this purpose direct costs, and appropriate relevant overheads are apportioned using the FIFO method.

8 Revenue Recognition:

- A** Revenue is recognised to the extent it is possible that economic benefits will flow to the company and the revenue can be reliably measured and there is a reasonable certainty regarding ultimate collection.
- B** Revenue from sale of products is recognised on transfer of all significant risks and rewards of ownership of the goods to the customers, which generally coincides with the dispatch of goods. Sales are stated exclusive of Sales Tax / VAT, trade discounts and sales returns.
- C** Export benefits / incentives are accounted on accrual basis in accordance with various government schemes in respect thereof and are shown under "Other Operating Revenue".
- D** Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.
- E** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

9 Foreign Currency Transactions:

- A** The transactions in foreign currencies are converted into Indian Rupees at the rates of exchange prevailing on the date of transactions.
- B** The Company is exposed to the risks of foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rates fluctuations by using various risk mitigation alternatives available. The company enters into forward contracts where the counter parties are banks. The gain/loss on the contracts settled during the year is recognised in the Profit and Loss Account. The outstanding forward contracts meant for hedging the receivable / payable outstanding as at balance sheet date are marked to market and resultant loss / gain is recognised in Profit and Loss Account. However, the gain or loss on forward contracts outstanding as at the Balance Sheet date meant for hedging the currency fluctuation risks in respect of the forecasted cash flows resulting from sales expected during the subsequent period based on the orders on hand as on the Balance Sheet date is computed taking the difference between contracted rate and the spot rate on the balance sheet date. Such gain/loss will be recognised in the statement of the Profit and Loss Account of the period during which such hedged transaction are actually crystallized. Such loss/gain would be contra set off by the corresponding effect on actual sales realisation.
- C** The balances in Current Assets and Current Liabilities in foreign currencies at the date of Balance Sheet have been converted into Indian Rupees at the rate of exchange prevalent on that date. The resultant net gain/loss arising out of such foreign exchange translations is taken to Profit and Loss Account except in respect of such differences related to acquisition of fixed assets from a country outside India which are capitalized as a part of cost of respective fixed asset.



10 Excise Duty:

Excise Duty is accounted gross of Cenvat benefit availed on inputs, fixed assets and eligible services.

11 Employee Benefits:

A Defined Contribution Plans:

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits, all of which are administered by the respective Government authorities, and it has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

B Defined Benefit Plans:

The Superannuation scheme is administered through the Life Insurance Corporation of India (LIC). The liability for the defined benefit plan is funded by way of payment of premium as determined by the LIC of India and the same is administered by LIC and the Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

The Company administers the gratuity scheme being unfunded liability. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses, which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Profit and Loss Account.

C Leave Entitlements (Long Term Employee Benefit):

The employees of the company are entitled to leave as per the leave policy of the Company. The unfunded liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary, which is calculated using projected unit credit method as at the year end and charged to the Profit and Loss Account.

12 Provision for Bad and Doubtful Debts/Advances:

Provision is made for Bad & Doubtful Debts / Advances which in the opinion of the management is considered doubtful of recovery.

13 Taxes on Income:

A Tax expenses comprise of current and deferred tax.

B Current tax is measured at the amount expected to be paid on the basis of relief and deductions available in accordance with the provisions of Indian Income Tax Act, 1961 and includes Minimum Alternate Tax ("MAT") paid by the company on book profits in accordance with the provisions of the Income Tax Act, 1961.

C MAT credit is recognised 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 and will be able to set off such MAT credit entitlement.

D Deferred income tax reflects the impact of the current year reversible timing differences between the taxable income and accounting income for the Year and reversal of timing differences of the earlier Year.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

14 Leases:

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the whole ownership of the leased assets. Operating lease payments are recognized as expenses in the statement of Profit and Loss as and when paid.

15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed for:

A Possible obligations which will be confirmed by future events not wholly within the control of the Company, or

B Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.



Notes to the Financial Statements

	INR - LACS	
	Figures as at end of March 31,	
	2014	2013
NOTE: 1-SHARE CAPITAL:		
Authorised:		
7,50,00,000 [as at 31-03-13 : 7,50,00,000] Equity Shares of Rs. 10/- each	7,500.00	7,500.00
7,50,00,000 [as at 31-03-13 : 7,50,00,000] Preference Shares of Rs. 10/- each	7,500.00	7,500.00
	<u>15,000.00</u>	<u>15,000.00</u>
Issued, Subscribed and Paid-up:		
4,25,61,822 [as at 31-03-13 : 4,25,61,822] Equity Shares of Rs. 10/- each, fully paid up	4,256.18	4,256.18
Less : Calls in arrears - Due from others	-	(1.23)
3,28,20,000 [as at 31-03-13 : 3,28,20,000] 12.50% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each, fully paid up	3,282.00	3,282.00
34,86,200 [as at 31-03-13 : Nil] 7.00% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each, fully paid up	348.62	-
Total	<u>7,886.79</u>	<u>7,536.95</u>

A The reconciliation of the number of Shares outstanding is as under:

Particulars	Equity shares		Preference Shares	
	As at end of March 31,		As at end of March 31,	
	2014	2013	2014	2013
Number of shares at the beginning	42,561,822	42,561,822	32,820,000	32,820,000
Add: issued during the year	-	-	3,486,200	-
Number of shares at the end	42,561,822	42,561,822	36,306,200	32,820,000

B The equity shares rank parri passu and carry equal rights with respect to voting and dividend.

In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

C 12.50% Cumulative Redeemable Non-Convertible Preference Shares are redeemable after a period of 18 years from the date of its issues i.e. 29-09-2008.

The said shares do not carry any voting rights nor do they participate in the profits of the Company, except that they carry preferential right in respect of cumulative arrears of unpaid dividend. In the event of liquidation of the Company, the preference shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all other preferential amounts but before distribution to the equity shareholders.

D 7.00 % Cumulative Redeemable Non-Convertible Preference Shares are redeemable after a period of 15 years from the date of its issues i.e.21-02-2014.

The said shares do not carry any voting rights nor do they participate in the profits of the Company, except that they carry preferential right in respect of cumulative arrears of unpaid dividend. In the event of liquidation of the Company, the preference shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all other preferential amounts but before distribution to the equity shareholders.

	INR - LACS	
	Figures as at end of March 31,	
	2014	2013
E Details of Share Holders holding more than 5% of Share Capital :		
Spica Investments Limited (Holding Company), Mauritius, which is a subsidiary of Spica Business Corp., Panama		
Number of Equity Shares	33,308,398	33,308,398
% to total share holding	78.26	78.26
Number of Preference Shares	36,306,200	32,820,000
% to total share holding	100.00	100.00
F Equity shares allotted without payment being received in cash	Nil	Nil
G Preference shares allotted without payment being received in cash	Nil	Nil
H Equity Shares allotted as fully paid up shares by way of Bonus Shares	Nil	Nil



INR - LACS
Figures as at end of March 31,
2014 2013

NOTE: 2-RESERVES AND SURPLUS:

Capital Reserve:

Balance at the beginning and at the end of the year	489.68	489.68
	489.68	489.68

Revaluation Reserve: [Refer Note No. 10 (1)]

Balance as at the beginning of the year	8,048.63	8,647.76
Less : Transfer to statement of Profit and Loss to the extent of Depreciation provided on Revalued amount	(569.47)	(599.14)
	7,479.16	8,048.62

Surplus in statement of Profit and Loss:

Balance as at the beginning of the year	(7,636.02)	(7,653.05)
Add: (Loss)/Profit for the year	(371.70)	17.03
Balance as at the end of the year	(8,007.72)	(7,636.02)
Total	(38.88)	902.28

NOTE: 3-LONG TERM BORROWINGS:

INR - LACS

	Non-current portion		Current Maturities	
	Figures as at end of March 31,			
	2014	2013	2014	2013
A Term Loans from Banks:				
Term Loan [Secured]	4,173.50	3,832.11	514.49	201.75
B Finance Lease obligations [Unsecured]:				
From Banks	5.33	16.00	10.66	14.01
C From Others [Unsecured] / Inter corporate deposits	200.00	200.00	-	-
Total	4,378.83	4,048.11	525.15	215.76
The above amount includes:				
Secured borrowings	4,173.50	3,832.11	514.49	201.75
Unsecured borrowings	205.33	216.00	10.66	14.01
Amount disclosed under the head "Other Current Liabilities" [Note-8]	-	-	(525.15)	(215.76)
Net amount	4,378.83	4,048.11	-	-

A Securities and Terms of Repayment for Secured Long Term Borrowings:

Rupee Term Loans:

Rupee Term Loan of Rs. 4687.99 Lacs is secured by way of joint mortgage of immovable properties of the company situated at Plot No.2, GIDC Estate, Palej, Dist. Bahruch, Gujarat (India) both present and future, and by way of hypothecation of whole of immovable property of the Company, including plant and machinery and other movables, both present and future (Save and except inventories and book debts) whether installed or not, or in the course of transit by way of first charge to the lenders subject to the first charge on specified movable assets created in favour of banks providing Working capital finance) to rank on "pari-passu basis.

The secured borrowings are further secured by way of pledge of 3,33,08,398 Equity Shares held by the promoters in favour of the Consortium of Bankers and corporate guarantee of Spica Business Corp., Panama, the holding company of Spica Investments Ltd.,Mauritius.

The loans are rescheduled in terms of Corporate Debts Restructuring Scheme as is approved by the Corporate Debt Restructuring Cell vide its approval letter dtd June 27, 2012. Accordingly the loans are now repayable in stepped-up quarterly 30 instalments commencing from December 2013 as detailed hereunder.

Sr No	Financial year	% of Principal to be repaid	Sr No	Financial year	% of Principal to be repaid	Sr No	Financial year	% of Principal to be repaid
1	2013-14	5%	4	2016-17	15%	7	2019-20	15%
2	2014-15	10%	5	2017-18	15%	8	2020-21	15%
3	2015-16	10%	6	2018-19	15%			

Rate of Interest is linked to SBI PLR Rate + 1%. Presently 10% (SBI PLR) + 1% = 11%

B Default in repayment of monthly Interest and Term Loan Instalments:

During the year the company has made delays in payment of interest on long term borrowings in the range of 1 to 60 days. Interest accrued & due as at 31st March 2014 has been paid subsequent to the date of financial statement. During the year the company has made delays in repayment of principal value of long term borrowings in the range of 2 to 64 days. Moreover, the company has not paid instalment of Rs. 30,53,876/- which was due on 31-03-2014 till the date of financial statement which has been paid subsequent to the date of financial statement.

C Terms of Repayment for Unsecured Long Term Borrowings:

Finance obligations of Rs. 52.07 Lacs is taken against Hypothecation of respective vehicles and it is repayable as per the repayment schedule ranging 36 to 48 equal monthly instalments alongwith interest for the year. The outstanding amount as at 31st March 2014 is Rs. 16.00 Lacs. [As at 31-03-2013: Rs. 30.01 Lacs]. There is no default by the company in repayment of such loan during the year.



Figures as at end of March 31,

	2014	2013
NOTE :4-OTHER LONG TERM LIABILITIES:		
Others : Security deposits from customers	5.44	16.10
Total	5.44	16.10

NOTE: 5-LONG TERM PROVISIONS:

Provision for Employee Benefits	233.19	206.69
Total	233.19	206.69

Disclosure pursuant to Accounting Standard-15 [Revised] “Employee Benefits” : Defined benefit plan and long term employment benefit

A General description:

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more, gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The gratuity scheme is administered by the company, being unfunded liability.

Leave wages [Long term employment benefit]:

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method. The Leave encashment obligation is administered by the company, being unfunded liability.

	Figures as at end of March 31,			
	2014		2013	
	Gratuity	Pre. Leave	Gratuity	Pre. Leave
B Change in the present value of the defined benefit obligation:				
Opening defined benefit obligation	172.32	68.80	171.33	68.38
Interest cost	13.79	5.50	13.70	5.47
Current service cost	19.81	13.62	17.65	14.12
Benefits paid	(12.29)	(6.74)	(20.62)	(15.98)
Actuarial [gain]/losses on obligation	10.60	(15.33)	(9.74)	(3.19)
Closing defined benefit obligation	204.22	65.86	172.32	68.80
C Change in the fair value of plan assets:				
Opening fair value of plan assets	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gains/[losses]	-	-	-	-
Closing fair value of plan assets	-	-	-	-
Total actuarial gain [loss] to be recognized	-	-	-	-
D Actual return on plan assets:				
Expected return on plan assets	-	-	-	-
Actuarial gain/[loss] on plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
E Amount recognised in the balance sheet:				
[Assets]/Liability at the end of the Year	204.22	65.86	172.32	68.80
Fair value of plan Assets at the end of the year	-	-	-	-
Difference	204.22	65.86	172.32	68.80
Unrecognised past Service cost	-	-	-	-
[Assets]/Liability recognised in the Balance Sheet	204.22	65.86	172.32	68.80



INR - LACS

	Figures as at end of March 31,			
	2014		2013	
	Gratuity	Pre. Leave	Gratuity	Pre. Leave
F [Income]/Expenses recognised in the Statement of Profit and Loss :				
Current service cost	19.81	13.62	17.65	14.12
Interest cost on benefit obligation	13.79	5.50	13.70	5.47
Expected return on plan assets	-	-	-	-
Net actuarial [gain]/loss in the year	10.60	(15.33)	(9.74)	(3.19)
Net [benefit]/expense	44.20	3.80	21.61	16.40
G Movement in net liability recognised in Balance Sheet:				
Opening net liability	172.32	68.80	171.33	68.38
Expenses as above [P & L Charge]	44.20	3.80	21.61	16.40
Employer's contribution	(12.29)	(6.74)	(20.62)	(15.98)
[Assets]/Liability recognised in the Balance Sheet	204.22	65.86	172.32	68.80
H Principal actuarial assumptions as at Balance sheet date:				
Discount rate	8.00%	8.00%	8.00%	8.00%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]				
Expected rate of return on plan Assets	N.A.	N.A.	N.A.	N.A.
[The expected rate of return assumed by the Insurance company is generally based on their Investment patterns as stipulated by the Government of India]				
Annual increase in salary cost	5.00%	5.00%	5.00%	5.00%
[The estimates of future salary increases considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]				
I The categories of plan assets as a % of total plan assets are:				
Insurance Company	N.A.	N.A.	N.A.	N.A.

INR - LACS

Figures as at end of March 31,

	2014	2013
NOTE: 6-SHORT TERM BORROWINGS:		
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured] [*]	6,561.05	5,491.73
Total	6,561.05	5,491.73
The above amount includes:		
Secured borrowings	6,561.05	5,491.73
Unsecured borrowings	-	-
Net amount	6,561.05	5,491.73

[*] Working Loan comprising Cash Credit(CC), Packing Credit Foreign Currency(PCFC), Export Packing Credit (EPC), Bills discounted and Demand Loan (DL) is repayable on demand from Banks, are secured by way of hypothecation of the Company's entire current assets including stock of goods, including raw material, work-in-process, finished goods, stores, consumables, spares, goods in transit etc.and book-debts,both present and future, to rank on "pari-passu" basis.These facilities are also secured by way of first charge over the entire fixed assets including Equitable mortgage over leasehold right over the factory land of the Company situated at Plot No.2, GIDC estate, Palej, Dist. Bharuch, Gujarat (India) both present and future. Interest for borrowing in Indian Currency through CC, EPC and DL is 11% p.a. and for borrowing in foreign currency through PCFC is in the range of Libor + 2.25% p.a. to Libor + 2.50% p.a.

The secured borrowings are further secured by way of pledge of 3,33,08,398 Equity Shares held by the promoters in favour of the Consortium of Bankers.

During the year the company has drawn the working capital financing facility in excess of sanctioned limits. As at March 31, 2014, total overdrawn amount is Rs. 1110.68 lacs, which have been paid subsequent to the date of financial statement.



INR - LACS

Figures as at end of March 31,

	2014	2013
NOTE: 7-TRADE PAYABLES:		
Micro, Small and Medium Enterprises [*]	4.70	7.83
Acceptances	9,998.58	8,090.56
Other Trade Payables	4,272.28	4,626.28
Total	14,275.56	12,724.67

[*] Disclosure in respect of Micro, Small and Medium Enterprises:

A Principal amount remaining unpaid to any supplier as at the Year	4.70	7.83
B Interest due thereon	0.19	-
C Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
D Amount of interest due and payable for the period of delay in making payment [which have been paid but beyond the appointed day during the Year] but without adding the interest specified under the MSMED.	0.26	0.04
E Amount of interest accrued and remaining unpaid at the end of the accounting year	0.45	0.04
F The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure u/s 23.	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.

NOTE: 8-OTHER CURRENT LIABILITIES:

Current Maturities of Long Term Debt [Refer Note No. 3]	525.15	215.76
Interest accrued and due on borrowings	30.41	42.05
Interest accrued but not due on borrowings	6.74	6.44
Advances from Customers	268.86	342.33
Others:		
Book Overdraft	-	13.62
Provision for Expenses	435.67	499.39
Payable to Statutory Authorities	21.96	26.29
Total	1,288.81	1,145.88

NOTE: 9-SHORT TERM PROVISIONS:

Provision for Employee Benefits	36.89	34.43
Others:		
Provision for Taxation	91.39	91.16
[Net of advance payment of taxes of Rs. 78.61 Lacs {as at 31-03-13: Rs. 78.61 Lacs}.]		
Total	128.28	125.59



STEELCO GUJARAT LIMITED

NOTE: 10-FIXED ASSETS:

INR - IN LACS

	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
A Tangible Assets:							
Gross Block:							
As at March 31, 2013	1,630.77	5,740.11	29,065.67	106.33	163.64	181.45	36,887.99
Additions	-	2.36	37.93	8.25	17.94	8.24	74.72
Disposals	-	-	(83.17)	-	(29.47)	(0.71)	(113.35)
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2014	1,630.77	5,742.47	29,020.43	114.58	152.11	188.98	36,849.36
Depreciation:							
As at March 31, 2013	51.08	2,624.50	21,399.85	50.77	113.85	142.76	24,382.82
Charge for the Year	16.47	281.44	670.95	13.38	17.49	10.37	1,010.09
Disposals	-	-	(70.60)	-	(27.24)	(0.68)	(98.52)
As at March 31, 2014	67.55	2,905.94	22,000.20	64.15	104.10	152.45	25,294.39
Net Block:							
As at March 31, 2013	1,579.69	3,115.61	7,665.82	55.56	49.79	38.69	12,505.17
As at March 31, 2014	1,563.22	2,836.53	7,020.23	50.43	48.01	36.53	11,554.97

B Intangible Assets:

	Computer Software	Total
Gross Block:		
As at March 31, 2013	19.10	19.09
Additions	6.33	6.33
Disposals	-	-
Other adjustments	-	-
As at March 31, 2014	25.43	25.42
Depreciation:		
As at March 31, 2013	12.91	12.91
Charge for the Year	4.10	4.10
Disposals	-	-
As at March 31, 2014	17.01	17.01
Net Block:		
As at March 31, 2013	6.19	6.18
As at March 31, 2014	8.42	8.41

Notes :

- 1 The major items of fixed assets comprising of Leasehold Land, Buildings and Plant and machineries owned by the Company were revalued by M/s Mott MacDonald Private Limited, an independent professional technical experts and valuers as at 31st March, 2011. As per their report, the above assets with a written down value of Rs. 5740.30 lacs have been revalued at 15020.48 lacs resulting into surplus of Rs. 9280.18 lacs, which is credited to "Revaluation Reserve Account." Such assets are revalued considering:-

Current prevailing market prices/derived rates attributable to land;

Current cost of construction;

Present day cost of equivalent new plant and machinery installed and ready for production;

Estimated useful life of fixed assets and related degree of obsolescence; Depreciation thereon since acquisition at an appropriate rates following Straight Line Method.

The details of said revaluation and the resultant surplus in value are as follows:

Assets revalued	Revaluation as on	Revaluation surplus (Rs. In lacs)
Lease hold Land	March 31, 2011	1,539.80
Buildings	March 31, 2011	2,735.11
Plant and Machineries	March 31, 2011	5,005.27
Total		9,280.18

- 2 Break up of additions, disposals and other adjustments for previous Year is as under:

INR - LACS

	Tangible Assets			Intangible Assets		
	Gross Block	Depreciation	Net Block	Gross Block	Depreciation	Net Block
Opening	28,874.79	22,896.46	5,978.33	14.76	9.96	4.80
Additions	120.51	1,069.22	(948.71)	4.33	2.92	1.41
Disposals	(155.96)	(152.33)	(3.63)	-	-	-
Revaluation Surplus	8,048.62	569.47	7,479.15	-	-	-
Closing	36,887.96	24,382.82	12,505.14	19.09	12.88	6.21



NOTE: 11-DEFERRED TAX:

A The Company has worked out deferred tax liabilities / assets as at March 31, 2014. In view of unabsorbed depreciation and business losses under tax laws, net result of computation is net deferred tax assets, which are not recognised as a matter of prudence and in absence of virtual certainty as to its realization.

B Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under :

INR-LACS					
	As at 31-03-12	Charge for the previous Year	As at 31-03-13	Charge for the current Year	As at 31-03-14
Deferred Tax Liabilities:					
Depreciation	404.36	21.71	426.07	(6.30)	419.77
Total	404.36	21.71	426.07	(6.30)	419.77
Deferred Tax Assets:					
Retirement benefits and other					
statutory allowances	91.61	(4.62)	86.99	4.81	91.80
Bad debts provision	84.30	(9.54)	74.76	23.80	98.56
Unabsorbed Business losses	529.67	19.19	548.86	(0.00)	548.86
Unabsorbed depreciation (*)	4,024.36	101.23	4,125.59	(3,841.52)	284.07
Total	4,729.94	106.26	4,836.20	(3,812.92)	1,023.28
Net Deferred Tax Liability	(4,325.58)	(84.55)	(4,410.13)	3,806.61	(603.52)

Note : (*) The tax department has disputed & disallowed company's claim of brought forward unabsorbed depreciation pertaining to the Assessment Years 1995-96 to 1999-2000. However, the company has submitted detailed written representation to the tax authorities for rectification of prima facie mistakes in passing such orders. Based on the expert advice from the tax advisors of the company, the management believes that the stand of tax authorities is not tenable in view of the tax provisions applicable to the company during the relevant time period. Hence, deferred tax assets consequential to such unabsorbed depreciation allowance is considered as available for set off in future and is treated as realisable.

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Figures as at end of March 31,
2014 **2013**

NOTE: 12-LONG TERM LOANS AND ADVANCES:

[Unsecured, Considered Good unless otherwise stated]

Security Deposits	218.99	216.90
Other Loans and Advances:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	812.11	616.94
Advance payment of Tax (Net of Provision Rs. 114.50 Lacs, {Previous year Rs. 114.50 Lacs})	199.27	234.98
	1,011.38	851.92
Total	1,230.37	1,068.82

NOTE: 13-INVENTORIES:

[The Inventory is valued at lower of cost and net realisable value]

Classification of Inventories:

Raw Materials(*)	2,820.36	1,465.26
Work-in-progress(*)	2,536.22	1,700.90
Finished Goods(*)	886.28	852.05
Stores and Spares	2,093.58	2,006.50
Packing Materials	58.73	69.30
Others : Scrap	460.16	456.53
Total	8,855.33	6,550.55

(*) Change in the basis of Inventory cost working :

Hitherto, the company has been working out the cost of Raw Materials on annual moving average basis.

During the current year, the Company has changed the basis of arriving at cost from the "annual moving average cost" to the "quarterly moving average cost". Had the company followed the same basis during the year to arrive cost of Raw Materials, the closing stocks (i.e. Raw Materials, Work-In-Process and Finished Goods) would have been lower by Rs. 195.39 Lacs and the loss before tax for the year would have been higher by Rs. 195.39 Lacs.

Goods in transit included above is as under:

Raw Materials	89.09	851.16
Finished Goods	164.25	258.43

INR - LACS
Figures as at end of March 31,
2014 2013

NOTE: 14-TRADE RECEIVABLES:

[Unsecured]

Outstanding for a period exceeding six months from the date they are due for payment:

Considered good	2,822.50	2,539.24
Considered doubtful	289.95	219.95
	3,112.45	2,759.19
Less : Provision for doubtful debts	289.95	219.95
	2,822.50	2,539.24
Others-Considered good	4,937.83	5,565.23
Total	<u>7,760.34</u>	<u>8,104.47</u>

NOTE: 15-CASH AND BANK BALANCES :

Balances with Banks

In Current Accounts	31.71	21.99
In Fixed Deposits	825.27	605.36

Cash on Hand

	2.07	3.35
--	-------------	------

Total
859.05 630.70

A Earmarked balances with banks:

a Balances with Banks include balances to the extent held as margin money deposits against guarantee. Margin money are lying with the Scheduled/ Nationalised banks. Margin money is given against:

i Guarantees	14.67	12.48
ii For opening letter of credits	810.60	592.88

b Bank deposits with maturity of more than 12 months (Company keeps Fixed deposit with the Nationalised / Scheduled banks, which can be withdrawn by the Company as per its own discretion.)	-	31.34
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NOTE: 16-SHORT TERM LOANS AND ADVANCES:

[Unsecured, Considered Good]

Others :

Balances with Customs/ Central Excise/ Sales Tax Authorities	1,977.30	1,597.17
Advances to Suppliers	163.39	195.33
Other Advances : Advances recoverable in cash or in kind or for value to be received	47.72	71.22

Total
2,188.41 1,863.72
NOTE: 17-OTHER CURRENT ASSETS:

Interest Receivables	66.53	58.15
Insurance Claim Receivables (**)	364.64	-
Export Incentive Receivables	1,287.16	862.15
Prepaid Expenses	157.15	126.09
Other Receivables : Advances recoverable in cash or in kind for value to be received. (*)	281.76	678.04

Total
2,157.24 1,724.43

(*) It includes an amount of Rs. 145.15 Lacs (as at 31.03.2013 Rs. 289.70 Lacs) on accounts of refundable interest & financial charges by bank in terms of approved Corporate Debt Restructuring Scheme by CDR Cell vide letter dtd. 27 June, 2012.

() Insurance Claim Receivable :**

Due to heavy flood during the year, the company has suffered damages to the property and the materials as well as loss of profit during such period of disturbed manufacturing operations. Such damages are adequately covered under the exiting insurance policy taken by the Company. The Company has lodged its claim under the said policy with the insurance Company. The surveyor from the insurance Company has assessed such losses of assets and materials amounting to Rs. 326.98 Lacs and Rs. 33.57 Lacs on account of loss of profit.

The management is hopeful to receive the above referred claim for damages and hence, shown such amount of Rs. 360.55 Lacs as "Insurance claim receivable" under the head "Short Term Loans and Advances" in the financial statements.

An adjustment, if any, will be made to the profit and loss account upon the actual settlement of the claim.



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Figures for the year
ended on March 31,

2014 2013

NOTE: 18-CONTINGENT LIABILITIES AND COMMITMENT

[TO THE EXTENT NOT PROVIDED FOR]:

A Contingent Liabilities:

a	In respect of guarantees given by Banks and/or counter guarantees given by the Company	200.25	180.00
b	Other money for which the company is contingent liable:		
i	In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority	525.29	362.28
ii	In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts.	716.04	262.59
iii	Letters of Credit	292.04	292.04
iv	Dividend on Cumulative Preference Shares	2,260.67	1,847.81
v	Interest on Electricity Duty Deferment Loan	83.18	83.18
vi	Labour Matters	50.00	50.00
	Total	<u>4,127.47</u>	<u>3,077.90</u>

c Central Board of excise & custom ("CBEC") vide its office memorandum dated 22nd February 2011 has clarified that where the cenvat credit is availed in respect of goods exported under the duty free import authorisation("DFIA"). such credit even if the said credit without being utilised is reversed or paid back alongwith interest after the goods are cleared for export, it will be treated as if such credit is availed by the assessee. Being agrieved by issue of such memorandum in respect of benefits claimed by the company on DFIA, the company has filed a writ petition Mumbai High Court challenging the memorandum issued by CBEC, which is decided in favour the company, based on the facts of the case and prevalent legal position and Foreign Trade Policy.

However, central excise department has filed special leave petition in the supreme court challenging the above decision of the Bombay High Court, which has been admitted by Hon'ble Supreme Court. The Company has been advised by its legal advisors that the stand of the excise deptatment is not tenable, hence there would not be any financial liabilities arising on the Company.

B Commitments:

a	Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	17.48	9.51
b	Commitments under Wage Settlement agreement with the workers of the Company	15.90	18.60
	Total	<u>33.38</u>	<u>28.11</u>

c The Company has entered into a supply agreement with supplier of Zinc during the period from 1st April, 2013 to 31st March, 2014 under which it is under obligation to purchase minimum 3000 MT of Zinc during the said period with a minimum quarterly commitment of 750 MT. In case of any shortfall, the favourable pricing treatment would not be available to the Company for such shortfall quantity, the amount of which is not ascertainable.

NOTE: 19-REVENUE FROM OPERATIONS:

Sales of Goods

Manufactured goods	52,957.32	54,548.52
Traded goods	608.37	0.00
	<u>53,565.69</u>	<u>54,548.52</u>

Other Operating Revenues:

Net Gain on foreign currency transactions and translation	15.42	-
Export Incentives	1,502.69	2,054.46
Conversion Charges (Job Work)	12.19	9.57
Total	<u>1,530.30</u>	<u>2,064.03</u>

Details of Sales of Goods [Net of Excise Duty]

Cold Rolled Coils/Sheets	22,967.53	24,134.79
Galvanised Sheets	26,765.00	27,031.71
Consumables (Chemicals) Traded	608.37	-
Others : Scrap Sales	722.37	920.92

	INR - LACS		
	Figures for the year ended on March 31,		
	2014	2013	
NOTE: 20-OTHER INCOME:			
Interest Income [Gross]	78.38	110.28	
Net Gain on Sale/Discard of Assets	-	10.52	
Other Non-operating Income			
Bad debts recovered	-	60.00	
Liabilities written back (Net)	34.34	79.01	
Insurance Claim Received [refer note no.17]	194.57	1.77	
Prior Year Income Net	13.08	0.00	
Others	48.25	61.53	
Total	368.62	323.11	
NOTE: 21-COST OF MATERIALS CONSUMED:			
Raw Materials:			
Stock at commencement	1,465.26	3,485.83	
Add : Purchases	42,631.23	39,904.65	
	44,096.49	43,390.48	
Less : Stock at close	2,820.36	1,465.26	
	41,276.13	41,925.22	
Packing Materials consumed	485.75	542.62	
Total	41,761.88	42,467.84	
Details of Raw Materials Consumed			
H R Coils	35,994.26	36,944.57	
Zinc	5,281.87	4,980.65	
NOTE: 22-PURCHASE OF TRADED GOODS:			
Purchase of Traded goods	597.80	-	
Total	597.80	-	
Consumables (Chemicals)	597.80	-	
NOTE: 23-CHANGES IN INVENTORIES:			
Stock at close:			
Work-in-progress	2,536.22	1,700.90	
Finished Goods	1,333.62	1,301.82	
	3,869.84	3,002.72	
Less: Stock at commencement:			
Work-in-progress	1,700.90	1,589.31	
Finished Goods	1,301.82	1,428.65	
	3,002.72	3,017.96	
	(867.12)	15.24	
Differential Excise Duty on Opening and Closing stock of Finished Goods	26.15	(34.39)	
Total	(840.97)	(19.15)	
Details of Inventories			
	As at 31-03-12	As at 31-03-13	As at 31-03-14
Finished Goods			
Cold Rolled Coils/Sheets	625.32	783.85	811.69
Galvanised Coils/Sheets	803.33	517.97	521.93
Work - in - progress			
Cold Rolled Coils/Sheets	1284.07	1,496.17	1,822.26
Galvanised Coils/Sheets	305.24	204.73	713.96
Traded goods			
Oil / Chemicals			



INR - LACS

Figures for the year
ended on March 31,

	2014	2013
NOTE: 24-EMPLOYEE BENEFIT EXPENSE:		
Salaries and wages	867.13	788.33
Contribution to provident and other funds	50.60	60.71
Staff welfare expenses	268.70	242.62
Total	1,186.43	1,091.66
NOTE: 25-FINANCE COST:		
Interest expense [*]	1,522.35	1,571.62
Other Borrowing Costs	98.12	89.22
Bank commission & charges	343.29	360.49
Total	1,963.76	2,021.33
[*] The break up of interest expense into major heads is given below:		
On term loans	482.73	222.81
On working capital loans	421.93	644.83
Others	617.69	703.98
	1,522.35	1,571.62
NOTE: 26-OTHER EXPENSES:		
Consumption of Stores and Spare Parts	1,853.49	1,628.79
Other Manufacturing Expenses	343.46	337.93
Power & fuel	2,724.43	2,694.70
Rent [*]	8.43	6.88
Repairs to Buildings	35.36	23.67
Repairs to Plant and Machinery	160.75	160.51
Repairs to Others	1.65	4.00
Insurance	82.80	77.25
Rates and Taxes [excluding taxes on income]	2.33	4.47
Managing Directors' Remuneration	96.39	101.89
Independent non-executive Directors remuneration [**]	9.00	4.33
Travelling Expenses	117.88	132.56
Legal and Professional Fees	69.56	129.62
Net Loss on foreign currency transactions and translation	-	1.96
Commission on sales	130.14	156.01
Freight and forwarding on sales	2,203.58	2,650.90
Other marketing expenses	67.17	90.75
Bad Debts:		
Bad debts written off	20.77	25.74
Provision for Doubtful Debts	70.00	(33.81)
	90.77	(8.07)
Less : Transferred from Provision for Doubtful Debts	-	-
	90.77	(8.07)
Directors' sitting fees	7.32	0.93
Net Loss on Fixed Assets [Net of Profit of Rs. 1.45 Lacs (Previous Year Rs. 12.03 Lacs)]	11.12	-
Donations	0.06	0.01
Prior Period Expenditure/(Income) Net	-	14.02
Miscellaneous Expenses [***]	204.58	209.74
Total	8,220.27	8,422.85

[*] Rent Expenses: The Company has taken various residential/office premises/godowns under operating lease or leave and license agreement. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. The Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments are recognised in the statement of Profit and Loss.

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ can be cancelled at the option of either of the parties. There is no escalation clause in the lease agreement. There are no sub-leases. Lease payment recognised in the statement of Profit and Loss is Rs. 8.43 lacs [Previous Year- Rs. 6.88 lacs]

[**] The Company has approached the Central Government and has filed an application for approval of remuneration payable to Non-Executive Independent Directors of the Company which is pending approval. However, in anticipation of obtaining such approval, remuneration for the current Year amounting to Rs. 2,00,000/- is provided for in the accounts.



		INR - LACS	
		Figures for the year ended on March 31,	
		2014	2013
[***] Miscellaneous Expenses include Payment to the auditors as [Excluding Service Tax]:			
a	i Auditors	8.00	8.00
	ii For Taxation Matters	2.50	2.50
	iii For Other Services	0.99	1.14
	iv Total	<u>11.49</u>	<u>11.64</u>
b	Cost Auditors' Remuneration including fees for other services & including Service Tax	<u>2.00</u>	<u>2.00</u>

NOTE: 27-CALCULATION OF EARNINGS PER EQUITY SHARE [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

A	Profit/(Loss) after tax	INR - Lacs	(371.70)	17.03
B	Dividend on cumulative Preference shares	INR - Lacs	412.86	410.25
C	Loss after tax attributable to Equity Shareholders			
	a Before Exceptional items	INR - Lacs	(784.56)	(393.22)
	b After Exceptional items	INR - Lacs	(784.56)	(393.22)
D	Basic and weighted average number of Equity shares outstanding during the year	Numbers	42,561,822	42,561,822
E	Nominal value of equity share	INR	10	10
	Basic & Diluted EPS			
	a Before Exceptional items	INR	(1.84)	(0.92)
	b After Exceptional items	INR	(1.84)	(0.92)

NOTE: 28-VALUE OF IMPORTS CALCULATED ON CIF BASIS:

Raw Materials	3,838.16	6,199.95
Spare Parts	202.15	126.82

NOTE: 29-EXPENDITURE IN FOREIGN CURRENCY:

Professional and Consultation Fees	7.24	-
Others [including Travelling, Commission, Overseas Freight etc.]	1,178.30	921.42

NOTE: 30-EARNINGS IN FOREIGN EXCHANGE:

Export of goods calculated on F.O.B. basis	24,160.19	26,191.80
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NOTE: 31-REMITTANCES MADE ON ACCOUNT OF DIVIDEND IN FOREIGN CURRENCY

Nil Nil

Figures for the year ended on March 31,
2014 2013

	INR - LACS	% to Total	INR - LACS	% to Total
NOTE: 32-RAW MATERIALS AND SPARE PARTS CONSUMED:				
Value of Raw Materials Consumed:				
Imported	3,109.12	7.53	8,559.02	20.41
Indigenous	38,167.01	92.47	33,366.20	79.59
Total	<u>41,276.13</u>	<u>100.00</u>	<u>41,925.22</u>	<u>100.00</u>
Value of Spare parts Consumed:				
Imported	258.69	13.96	198.80	12.21
Indigenous	1,594.80	86.04	1,429.99	87.79
Total	<u>1,853.49</u>	<u>100.00</u>	<u>1,628.79</u>	<u>100.00</u>



NOTE: 33-SEGMENT INFORMATION:

As the Company has identified manufacture of steel products as its sole primary business segment, the disclosure requirements of Accounting Standard 17 – “Segment Reporting”, issued by the Institute of Chartered Accountants of India are not applicable.

SECONDARY BUSINESS SEGMENT BY GEOGRAPHICAL MARKET

		INR-LACS		
		Within India	Outside India	Total
i	Sales Revenue			
	Current Year	25610.11	25453.16	51,063.27
	Previous Year	24093.01	28003.98	52,096.99
	(Sale revenue is net of excise duty.)			
ii	Carrying amount of segment assets			
	Current Year	29916.95	4802.14	34,719.09
	Previous Year	28993.46	4889.24	33,882.70
	(Assets outside India include Export receivables)			
iii	Additions to fixed assets			
	Current Year	81.06	0.00	81.06
	Previous Year	124.84	0.00	124.84

NOTE: 34-RELATED PARTY TRANSACTIONS:

A Name of the Related Party and Nature of the Related Party Relationship:

a Holding Company:

Spica Business Corp., Panama Holding Company of Spica Investments Limited
 Spica Investments Limited, Mauritius Holding Company

b Directors and their relatives:

Mr. R. P. Chandaria Non-Executive Director (upto - 13.10.2013)
 Mr. Rashmi Chandaria Non-Executive Director
 Mr. Vimal Chandaria Non-Executive Director
 Mr. Mahendra Lodha Non-Executive Independent Director
 Mr. Jatinder Mehra Non-Executive Independent Director
 Dr. R. S. Mamak Non Executive Vice Chairman
 Mr.S. S. Ranjan Non-Executive Independent Director
 Mr. Jiban Goswami Nominee Director
 Mr. N. M. Mohnot Managing Director
 Mrs. Saroj Mohnot Wife of Managing Director

c Enterprises significantly influenced by Directors and/or their relatives:

Disha Infin Advisor Pvt. Ltd.
 Ignis International Industries Pvt. Ltd.

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business :

a Details relating to parties referred to in items 33 - A

Nature of Transactions	Value of the Transactions [INR in LACS]					
	Holding Company		Directors & their Relatives		Enterprises significantly influenced by Directors and/or their relatives	
	2014	2013	2014	2013	2014	2013
Purchases:						
Ignis International Industries Pvt. Ltd.					306.25	848.29
Sales:						
Ignis International Industries Pvt. Ltd.					63.49	56.97
Services:						
Remuneration to Directors			90.39	95.89		
Mr. N. M. Mohnot						
Sitting Fees			7.32	0.93		
Mr. Rashmi Chandaria						

**STEELCO GUJARAT LIMITED**

Mr.Vimal Chandaria				
Mr. Mahendra Lodha				
Mr. Jatinder Mehra				
Dr. R. S. Mamak				
Mr.S. S. Ranjan				
Mr. Jiban Goswami				
House Rent to a relative of a Director	6.00	6.00		
Mrs. Saroj Mohnot				
Reimbursement of Travelling Expenses				1.34
Disha Infin Advisor Pvt. Ltd.				
Professional Fees			-	12.92
Amfin Finser (India) LLP				
Total	103.71	102.82	369.74	919.52
Finance:				
Guarantees Availed				
Spica Business Corp., Panama	25,372.00	25,372.00		
Issue of Preference Shares				
Spica Investment Limited, Mauritius	348.62	0.00		
Loans Taken :				
Ignis International Industries Pvt. Ltd.				
Loan Taken			0.00	90.00
Loan repaid			0.00	90.00
Balance outstanding Loan		-		
Interest Paid			0.00	0.78

NOTE: 35 - GOING CONCERN ASSUMPTION

The Networth of the company has substantially been eroded and the current liabilities are more than current assets as at the date of financial statements. However the financial statement have been prepared on a "Going Concern" basis. The company has been able to manage its operational cash flows and manufacturing/production activities during the year. Moreover, during the financial year 2012-2013, the company got the approval for Corporate Debt Restructuring Scheme ("CDR") from Corporate Debt Restructuring cell vide its approval letter dated June 27, 2012. The promoters have also infused additional funds as per the CDR scheme. As per the short term business plan, the management has projected positive cash flows so as to operate and manage normal production levels and fund requirements and operations of the Company without incurring additional capital costs. The ability of the company to continue as a "Going Concern" is dependent upon improvement in industrial and market scenario and achieve the projected profitability.

NOTE: 36

Confirmation letters have not been obtained from some of the Debtors, Creditors, and Loans & Advances. Hence the, balances of these accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

NOTE: 37

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications/ disclosure.

Signatures to Significant Accounting Policies and Notes 1 to 37 to the Financial Statements

As per our report of even date

Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Chandresh S. Shah
Partner
Membership No: 42132

Place : Ahmedabad
Date : 27th May, 2014

For and on behalf of the Board

Dr. R.S.Mamak
Vice Chairman

Sunil Singhvi
Joint General Manager (Finance)

Place : Mumbai
Date : 27th May, 2014

N.M. Mohnot
Managing Director

Arvind Tambi
Financial Controller &
Asst. Company Secretary

STEELCO GUJARAT LIMITED

Regd. Office: Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.

Phone -91-2642-277 479 / 480 / 481, Fax : 91-2642-277 307

E-mail : sgl@steelcogujarat.com Website : www.steelcogujarat.com

CIN: L27110GJ1989PLC011748

PROXY FORM

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

I/We, being the member (s) of shares of the Steelco Gujarat Limited, hereby appoint:

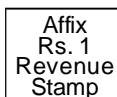
1. Name : Address :
Email Id : Signature :
2. Name : Address :
Email Id : Signature :
3. Name : Address :
Email Id : Signature :

as my/our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday, 26th September, 2014 at 3:30 P.M. and at any adjournment thereof in respect of resolutions as are indicated below:

Reso. No.	Description	Optional	
		For	Against
	ORDINARY BUSINESS:		
1.	Adoption of the Audited Statement of Profit and Loss for the financial year ended 31 st March 2014, the Balance Sheet as on that date, the Directors and Auditors report thereon.		
2.	Appointment of M/s. Mukesh M. Shah & Co., Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration.		
	SPECIAL BUSINESS:		
3.	Appointment of Mr. Vimal Chandaria (DIN: 01375549) as a Retiring Director.		
4.	Appointment of Mr. Jiban Goswami (DIN: 00734636), as Nominee Director.		
5.	Appointment of Mr. Mahendra Lodha (DIN: 00012920) as an Independent Director under the Companies Act, 2013.		
6.	Appointment of Mr. J. Mehra (DIN: 00042789) as an Independent Director under the Companies Act, 2013.		
7.	Appointment of Mr. S. S. Ranjan (DIN: 03151850) as an Independent Director under the Companies Act, 2013.		
8.	Appointment of and fixation of remuneration payable to Dr. R. S. Mamak, as Executive Vice Chairman of the Company.		
9.	Reappointment of and fixation of remuneration payable to Mr. N. M. Mohnot as Managing Director of the Company.		
10.	Authority to Board of Directors to borrow upto ` 400 crores in excess of aggregate of paid up capital and free reserves.		
11.	Authority to the Board of Directors to lease/mortgage or otherwise dispose off the undertaking of the Company (other than sale).		
12.	To approve contract for Sales/Purchase of Goods/Materials/Supply or Services with M/s Grip Strapping Technologies Pvt. Ltd. pursuant to section 188 of the Companies Act, 2013.		
13.	To approve the remuneration of cost auditors' for the financial year ending on March 31, 2015.		

Signed this on ____ day of _____, 2014

Signature of Shareholder:



Note: This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

STEELCO GUJARAT LIMITED

Regd. Office: Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.

Phone -91-2642-277 479 / 480 / 481, Fax : 91-2642-277 307

E-mail : sgl@steelcogujarat.com Website : www.steelcogujarat.com

CIN: L27110GJ1989PLC011748

ATTENDANCE SLIP

Folio No./DP Id - Client Id : _____

No. of Shares held : _____

I/We hereby record my/our presence at the 24th Annual General Meeting of Members of the Company being held at its Registered Office at Plot No. 2, GIDC Estate, Palej – 392 220, Dist. Bharuch, Gujarat, on Friday, 26th September, 2014 at 3:30 P.M.

Member's / Proxy's Name (in Block Letters)

Member's / Proxy's Signature

Notes :

A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance of meeting hall.



STEELCO GUJARAT LIMITED

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