



25th ANNUAL REPORT 2014-15



STEELCO GUJARAT LIMITED



COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. R. S. Mamak	Executive Vice Chairman (w.e.f. 14-08-2014)
Mr. Mitesh Shah	Managing Director (w.e.f. 14-11-2014)
Mr. N. M. Mohnot	Managing Director (upto 14-08-2014)
Mr. Rashmi Chandaria	Director
Mr. Vimal Chandaria	Director
Mr. J. Mehra	Director
Mr. Mahendra Lodha	Director
Mr. S. S. Ranjan	Director
Mr. Jiban Goswami	Nominee Director
Ms. Ameeta Trehan	Additional Director (w.e.f. 16.05.2015)

CHIEF FINANCIAL OFFICER (CFO)

Mr. Sunil Singhvi

COMPANY SECRETARY

Mr. Arvind Tambi (upto 28th August, 2015)
Mr. Achal Thakkar (w.e.f. 29th August, 2015)

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

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 / 481
Fax : 91-2642-277 307
E-mail : sgl@steelcogujarat.com
Website : www.steelcogujarat.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

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

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NOTICE

NOTICE is hereby given that **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of **STEELCO GUJARAT LIMITED** will be held on Wednesday, the 30th September, 2015 at 02:30 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 consider & adopt:

- The Audited Financial Statement of the Company for the financial year ended on 31st March, 2015 and the Profit and Loss Account for the year ended on that date together with Report of Board and the Auditors thereon, and
- The Audited Consolidated Financial Statement of the Company for the financial year ended on March, 2015 and the Profit and Loss Account for the year ended on that date.

- To appoint a Director in place of Mr. Rashmi Chandaria, who retires by rotation and being, eligible offers himself for reappointment.
- To appoint a Director in place of Dr. R.S Mamak, who retires by rotation and being, eligible offers himself for reappointment.
- To appoint M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm 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:

5. APPOINTMENT OF MS. AMEETA TREHAN (DIN: 07087510), AS AN INDEPENDENT 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 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, Ms. Ameeta Trehan (**DIN: 07087510**), who was appointed as an Additional Director of the Company to hold the office upto next 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 her candidature for the office of Director, be and is, hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five (5) consecutive years Effective from 16 May, 2015 to 15 May, 2020.

RESOLVED FURTHER THAT any Director of the Company and / or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

6. TO CONSIDER AND APPROVE THE REAPPOINTMENT AND FIXATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH, 2016.

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 other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit & Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], M/s A.G. Tulsian & Co., Cost Accountants, Ahmedabad, Membership No 19812, reappointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ended on 31st March, 2016, be paid the remuneration as set out in statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT any Director of the Company and / or the Company Secretary be and are hereby severally authorized to do all the acts and deeds necessary and expedient for the purpose.”

7. AUTHORISATION TO CONSIDER AND REPORT ON EROSION OF MORE THAN FIFTY PERCENT NETWORK:

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

RESOLVED THAT pursuant to Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the applicable provisions of the Companies Act, 1956 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, and subject to approval of audited annual accounts for the financial year 2014-15 by the members of the Company in their Annual General Meeting, the report of the Board of Directors of the Company explaining the reasons of erosion of more than 50% of the peak net worth of the Company as per the audited financial statements of the Company for the year ended 31st March, 2015 be and is hereby considered and approved.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to report such erosion to the Board for Industrial and Financial Reconstruction (BIFR) and such other State and Central Government Authorities as may be required under the laws, rules, regulations, guidelines and directives for the time being in force in India in the prescribed form(s) and to intimate such other authorities, entities, financial institutions, stock exchange(s), body(ies) corporate, association of person as may be necessary in terms of the agreement(s), security documents, undertaking(s), declaration(s) and memorandum of understanding entered into by the Company and to further execute and file plaint(s), documents, undertaking, declarations etc, as may be required (including making amendments thereto, if required).

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the power conferred herein by this resolution to any Director(s) or to any committee of Directors or to any Officer(s) of the Company to give effect to this resolution.

By order of the Board,
For Steelco Gujarat Limited

Place : Mumbai
Date : 13th August, 2015

Dr. R. S. Mamak
Executive Vice Chairman

NOTES :
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.

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.

Members desiring to seek any information pertaining to Annual Accounts and operations of the Company are requested to write their questions/ queries to the Company 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.

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 Participant(s) for shares held in electronic form, quoting their Registered Folio Number / DP ID No. as the case may be in all the correspondence.

The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive).

Members are requested to bring their copy of the Annual Report and the Attendance Slips at the Annual General Meeting.

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.

Equity Shares of the Company are dematerialized with NSDL and CDSL.

Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of item no.5 to item no.8 is annexed hereto.

E-Voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

PROCEDURE FOR E- VOTING
A. The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

- The e-voting period begins on 27th September, 2015 (9:00 a.m.) and ends on 29th September, 2015 (5:00 p.m.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 23rd September, 2015, may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding share as on 23rd September, 2015, may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com. The e-voting module shall be disabled by CDSL for voting after 29th September, 2015 (5.00 p.m.)

- Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- Next click on "Shareholders" tab to cast your votes.
- Now Enter your User ID
For CDSL: 16 digits beneficiary ID.
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

For members holding shares in Demat Form	
PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (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 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/ sticker affixed on back page of the Annual Report. In case the sequence 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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
dob#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enters DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or member, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iv).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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 change their login password in the new password field. Kindly note that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such 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.
- Click on the EVSN (150826042) for the Company (Steelco Gujarat Limited) on which you choose to vote.



- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non - Individual Shareholders and Custodians.
 - Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- (xviii) Mr. Devesh A Pathak, Practising Company Secretary (membership No. FCS 4559), Vadodara has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- (xix) The Scrutinizer shall, after conclusion of the voting at general meeting, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, not later than three days of the conclusion of the meeting, if any, forthwith to the Chairman of the Company.
- (xx) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.steelcoindia.com and on the website of CDSL www.evoting.cdsl.com immediately after result is declared and shall be 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 13th AUGUST, 2015

Item No. 5

APPOINTMENT OF MS. AMEETA TREHAN (DIN: 07087510) AS DIRECTOR OF THE COMPANY.

Your Directors at their meeting held on 16th May, 2015 have appointed Ms. Ameeta Trehan (DIN: 07087510) as an Additional Director of the Company pursuant to section 161 of the Companies Act, 2013 to hold office of Additional Director upto the next Annual General Meeting and propose to appoint her as an Independent Director 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. She fulfils the conditions specified in the Act and the Rules made thereunder and Independent of the Management. She is Post Graduate in Commerce, MBA (Finance), and is also Associate member of Indian Institute of Bankers.

Accordingly, she is proposed to be appointed to hold office as an Independent Director for five (5 years) from the date of appointment i.e. 16th May, 2015 to 15th May, 2020, pursuant to section 149 and other applicable provisions, if any, of the Act. A requisite notice pursuant to section 160 of the Act proposing her candidature has been received as an Independent Director.

Your Directors recommend and solicit your approval to the resolution, as appearing in item no. 5 of the accompanying notice, by way of Ordinary Resolution.

Except, Ms. Ameeta Trehan, 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 as set out at item no.5 of the notice.

Item No. 6

TO CONSIDER AND APPROVE THE REAPPOINTMENT AND FIXATION OF REMUNERATION OF COST AUDITOR FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH, 2016.

The Board, on the recommendation of the Audit Committee, has approved the reappointment, M/s A.G. Tulsian & Co., Cost Accountants, Ahmedabad (Membership No 19812), to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2016 at a remuneration of ₹ 2.00 Lakhs plus Service Tax.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 6 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending on 31st March, 2016.

Your Directors recommend and seek your approval to the resolution as set out in item no. 6 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. 6 of the notice.

Item No.7

AUTHORISATION TO CONSIDER ON EROSION OF MORE THAN FIFTY PERCENT OF NETWORTH.

The Board, on the recommendation of the Audit Committee, has approved that the accumulated losses posted by the company for the year ended 31st March, 2015 are exceeding 50% or more of its peak net worth during the immediately preceding four financial years of the Company.



Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), provides that if the accumulated losses of an industrial company, as at the end of any financial year, has resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years, that Company falls under the category of potentially sick industrial company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within a period of 60 days from the date of finalization of the duly audited accounts, i.e. the date of the Annual General Meeting.

The peak net worth of the company for present as well as proceeding four financial years is as follows:

(` In Lakhs)

Financial Year/ Net Worth Components	2014-15	2013-14	2012-13	2011-12	2010-11
Paid up Equity Share Capital	4,256.18	4,256.18	4,254.95	4,254.95	4,254.95
Paid up Preference Share Capital	3,630.63	3,630.63	3,630.64	3,282.00	3,282.00
Free Reserves	489.68	489.68	489.68	489.68	489.68
General Reserve	-	-	-	-	-
Securities Premium A/c	-	-	-	-	-
Total (1-5)					
Profit & Loss A/c	(8,321.07)	(8,007.72)	(7,636.02)	(7,653.05)	(4,782.46)
Total (6-7)	55.42	368.77	739.25	373.58	3,244.17

- Accumulated losses for the year ended 31.03.2015 (Relevant financial year) are ` 8321.07 Lakhs.
- Peak Net Worth as per above is ` 8376.49 Lakhs.
- Accumulated losses as percentage of peak net worth: 99.34% (beyond 50%).

In view of erosion of net worth beyond 50 %, the Company is categorized as potentially sick under the BIFR.

Causes for Net worth erosion:

- The main reason for Net worth erosion was workers strike in year 2011-12. Consequently lower capacity utilisation till such time normalcy was restored.
- Market constraints which has squeezed margin in the steel industry.
- Discontinuance of Open Access Power trading by GETCO

Corrective actions taken by the Company:

- The Company got its debts restructured with the Financial Institutions and banks under Corporate Debt Restructuring (CDR) mechanism in June 2012.
- The restructuring of debt has enabled the Company to significantly enhance its liquidity position enabling the Company to take proper care of its financial needs and take full advantage of opportunities.
- The Company proposes to seek review/renewal of the Capex which was considered under the CDR scheme, which could not be implemented at that given point in time due to sluggish market conditions.
- The development of Niche products/Markets continues to remain a major thrust for the Company for critical end applications and import substitution, which gives higher realization. More focus and attention will be given towards product development to firmly establish Company's presence in the aforesaid sector.
- The Company has also made change in management by inducting experienced professional.
- The Company has taken steps to reduce its cash losses by asset monetization plan.

With the total restructuring of its financial and operational requirements, Company's overheads have been significantly reduced in the second half of the financial year 2014-15 and its products have become further competitive giving Company an opportunity to make better capacity utilization of its facilities in future.

In view of the above, your directors recommend approval of the shareholders by a special 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. 7 of the notice.

By order of the Board,
For Steelco Gujarat Limited

Place : Mumbai
Date : 13th August, 2015

Dr. R. S. Mamak
Executive Vice Chairman

**BOARD'S REPORT**

To
The Members,

Yours Directors are pleased to present the Twenty Fifth Annual Report of your Company together with the Audited Financial Statement for the year ended on 31st March, 2015.

1. FINANCIAL HIGHLIGHTS

	(` in Lacs)	
	Current Year	Previous Year
	Ended on	Ended on
	31.03.15	31.03.14
Sales / Other Income (Net of Excise Duty)	57,421.51	53,582.92
Profit before Depreciation & Interest	1,256.62	2,036.78
Less :Depreciation	(299.14)	(444.72)
Profit / (Loss) before Interest & Financial Charges	957.48	1,592.06
Less :Interst & financial charges	(2,139.68)	(1,963.76)
Profit / (Loss) after Interest & Financial Charges	(1,182.20)	(371.70)
Add :Excess provision written back	868.85	-
Net Profit / (Loss) before Tax	(313.35)	(371.70)
Tax	-	-
Net Profit / (Loss) after Tax	(313.35)	(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 ` 313 Lakhs on turnover of 88,293 MT valuing ` 57,422 Lakhs against a net loss of ` 372 Lakhs on turnover of 82,176 MT valuing ` 53,583 Lakhs in the previous year. The Company has made cash loss of Rs. 883 Lakhs for the year ended on 31st March, 2015 as against a cash profit of ` 73 Lakhs in the previous year. Essentially the cash Loss arose due to:

- Failure of the Mill Motor
- Problem in procuring Raw material from domestic suppliers
- The supplies shortage was alleviated by the company procuring imported material on credits. As a consequence together with seasonal factors in the second half the cash loss was reduced. However the market continues to be extremely fluid.

4. PERFORMANCE OF SUBSIDIARY COMPANY

The Company has its wholly owned subsidiary Company viz, Steelco Colors Coating Ltd., ('SCCL') vide (CIN No. U27310GJ2015PLC082627), which was incorporated in March 2015. SSCL has not yet commenced its operations.

5. CONSOLIDATED ACCOUNTS

The consolidated financial statements of the Company are prepared in accordance with the relevant accounting standard viz. AS-21; AS-23 & AS-27 issued by the Institute of Chartered Accountants of India and forms a part of this Annual Report.

6. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under section 92 of the Companies Act, 2013 is included in this Report as Annexure – A and forms as intergal part of this report.

7. BOARD OF DIRECTORS

During the year under review, Mr. N M Mohnot, Managing Director of the company was relieved from his services on 14th August, 2014 and Dr. R S Mamak, was appointed as Executive Vice Chairman of the Company for a period of one year from 14th August, 2014.

During the year under review Mr. Mitesh H Shah was inducted as Managing Director of the Company w.e.f. 14th November 2014. He is an Engineer in Metallurgy having an experience of 24 years in steel industry.

Ms. Ameeta Trehan has been appointed as Additional Director of the Company w.e.f. 16th May 2015 to hold the office upto the next Annual General Meeting.

8. KEY MANAGERIAL PERSONNEL

During the year under review, the Company has appointed following persons as Key Managerial Personnel

Sr. No	Name of person	Designation
1	Mr. Mitesh H Shah	Managing Director (w.e.f 14.11.2014)
2.	Mr. N M Mohnot	Managing Director (upto 14.08.2014)
3	Dr. R S Mamak	Executive Vice Chairman (w.e.f. 14.08.2014)
4	Mr. Sunil Singhvi	Chief Financial Officer(w.e.f. 26.09.2014)
5	Mr. Arvind Tambi	Company Secretay(w.e.f. 26.09.2014 & upto 28.08.2015)

9. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the listing agreement, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

10. NUMBER OF MEETINGS OF THE BOARD

Five meeting of the Board of Directors of the Company were held during the year under review.

11. WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on website of the Company.

12. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy, which lays down a framework in relation to remuneration of directors, key managerial personnel and senior management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy have been elaborated in the Corporate Governance Report.

13. CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate

from the Company's Auditors confirming compliance forms an integral part of the report.

14. RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arms length basis and in ordinary course of business and that the provision of Section 188 of the Companies Act, 2013 are not attracted. Thus, the disclosure in Form AOC-2 is not required. Further, there are no material related party transaction during the year under review with the promoters, directors or key managerial personnel.

All related party transactions are placed before the Board for approval.

15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(4)(c) of the Companies Act, 2013 :

- i. That in preparation of the annual accounts for the year ended on 31st March, 2015, the applicable accounting standards read with requirements set out under Schedule III have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the loss of the Company for the year ended on that date;
- 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other regularities;
- iv. The annual accounts have been prepared on a 'Going Concern' basis;
- v. That the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- vi. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

16. 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 consent and a 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.

17. AUDITORS' OBSERVATION

Note 36 relating to preparation of financial statement 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.

18. POTENTIAL SICK COMPANY

As on 31st March, 2015, there is erosion of more than 50 % of its peak net worth, during the immediately preceding four financial

years, the Company within the meaning of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) is termed as Potentially sick and accordingly the same is to be reported to the Board for Industrial and Financial Reconstruction -BIFR. The Board of Directors at its meeting held on 28th May, 2015, has decided to report the same if approved by the members of the Company.

19. 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 have filed the Cost Audit Report for the financial year ended on 31st March, 2014 on September 27, 2014 within the due date.

20. SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Devesh Vimal & Co., Practising Company Secretary Vadodara to undertake the secretarial audit of the Company. The secretarial audit report is included as Annexure –B and forms an integral part of this report.

21. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable weakness in the design or operation was observed.

22. ENVIRONMENT & SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned compliances environmental requirement regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its Redressal is placed on the company's website for the benefit of employees. During the year under review, no complaints were reported to the Board.

23. HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

The Company has structured induction process and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff.

The company is committed to nurturing, enhancing and retaining top talent through superior learning & organizational development.

24. CREDIT RATING

During the year under review, the Company was rated for the first time by an independent credit rating agency M/s Brickwork Ratings India Pvt. Ltd., and the ratings awarded were BWR 'B' in respect of long term debts and BWR 'A4' in respect of Short term Debts.

25. STATUTORY INFORMATION

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section



134 (3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure –C to this report.

26. CORPORATE SOCIAL RESPONSIBILITY

As on date, the Company does not fall within the purview of CSR requirements.

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Act read with Rules 5(1), 5(2) and Rules 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement/details showing the names and other particulars of the employees as set out in the said rules are separately provided in the Annual report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full annual report excluding the aforesaid information is being sent electronically to all those members who have registered their email address(es) and is available on the Company's website.

27. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act
- Details of remained, unpaid or unclaimed dividend at the end of year
- Issue of equity shares with differential right as to dividend, voting or otherwise.

- Issue of shares (including Sweat Equity Shares) to employees of the Company under any scheme.
- Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

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

29. 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 Institution, 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.

30. CAUTIONARY STATEMENT

Statement in the Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'Forward Looking Statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that may make difference to the Company's operations include raw material availability and its prices, cyclic demand and the pricing in the Company's principal markets, changes in government policies, regulations, tax regimes, economic developments within India and countries in which the Company conducts business.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 13th August, 2015

Dr. R. S. Mamak
Executive Vice Chairman

ANNEXURE- A TO THE BOARDS' REPORT
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31-03-2015
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS:

i) CIN	: L27110GJ1989PLC011748
ii) Registration Date	: 09/01/1989
iii) Name of the Company	: STEELCO GUJARAT LIMITED
iv) Category / Sub-Category of the Company	: Engineering Industry dealing in Steel
v) Address of the Registered office and contact details	: Plot No.2, GIDC Estate, Palej, Distt. Bharuch- 392 220 Gujarat
vi) Whether listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	: M/s. Link Intime India Private Limited Unit : Steelco Gujarat Limited B-102 & 103, 1 st Floor, Shangrila Complex, Opp. HDFC Bank, Nr. Radha Krishna Char Rasta, Akota, Vadodara – 390020, Phone – 91 – 265 – 2356573 / 2356794.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing of CR coils/Sheets	7209	44%
2	Manufacturing of Galvanized Coils/ Sheet	7210	66%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY –

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN	SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Spica Investments Limited C/o. Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Kouis, Mauritius	Not Applicable	Holding	75%	Section 2(87)
2	Steelco Colour Coating Limited Plot No. 2, G.I.D.C. Estate, National Highway No. 8, Palej - 392 220, Dist. Bharuch, Gujarat.	U27310GJ2015PLC082627	Subsidiary	100%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other (Person Acting in Concert)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	33308398	0	33308398	78.26	31921366	0	31921366	75.00	-3.26
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	33308398	0	33308398	78.26	31921366	0	31921366	75.00	-3.26
Total Shareholding of Promoter(A)=(A)(1)+(A)(2)	33308398	0	33308398	78.26	31921366	0	31921366	75.00	-3.26



STEELCO GUJARAT LIMITED

B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds/ UTI	4980	14310	19290	0.00	4980	14310	19290	0.05	0.05
b) Banks/FI	625402	240	625642	0.00	625402	240	625642	1.47	1.47
c) Cenntral govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Foreign Co.)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Invest-Corp					0	0	0	0.00	0.00
SUB TOTAL (B)(1):	630382	14550	644932	1.52	630382	14550	644932	1.52	0.00
(2) Non Institutions									
a) Bodies corporates	736415	29260	765675	1.80	755783	29240	785023	1.84	0.05
i) Indian	736415	29260	765675	1.80	755783	29240	785023	1.84	0.05
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	4185624	1754663	5940287	13.96	4358788	1747223	6106011	14.35	0.39
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1773403	0	1773403	4.17	2949387	0	2949387	6.93	2.76
c) Others (specify)									
c.1 Independent Director	0	0	0	0.00	0	0	0	0.00	0.00
c.2 Clearing Members	97894	0	97894	0.23	54797	0	54797	0.13	-0.10
c.3 NON RESIDENT INDIA (REPAT)	26928	0	26928	0.06	96141	0	96141	0.23	0.16
c.4 NON RESIDENT INDIA (NON REPAT)	780	0	780	0.00	640	0	640	0.00	0.00
c.5 Directors & their Relatives									
Trust	3525	0	3525	0.01	3525	0	3525	0.01	0.00
SUB TOTAL (B)(2):	6824569	1783923	8608492	20.23	8219061	1776463	9995524	23.48	3.26
Total Public Shareholding (B)= (B)(1)+(B)(2)	7454951	1798473	9253424	21.74	8849443	1791013	10640456	25.00	3.26
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	40763349	1798473	42561822	100.00	40770809	1791013	42561822	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	SPICA INVESTMENTS LTD.	33308398	78.26	78.26	31921366	75.00	75.00	(3.26)
	Total	33308398	78.26	78.26	31921366	75.00	75.00	(3.26)

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	33308398	78.26	33308398	78.26
2	As on 30.06.2014	(1387032)	(3.26)	31921366	75.00
3	At the end of the year	31921366	75.00	31921366	75.00



iv) Shareholding Pattern of Top ten shareholders (Other than Directors, Promoters)

Sr No	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	
		Nos. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				Nos. of Shares	% of total shares of the company
1	IDBI BANK LTD.	618570	1.45				618570	1.45
2	BAJRANG MANGAL	167913	0.39	01/04/2014				
				04/04/2014	65	Transfer	167978	0.39
		167978	0.39	31/03/2015				
3	BAJRANG MANGAL	166814	0.39				166814	0.39
4	LATA MANGAL	115280	0.27				115280	0.27
5	DELHI IRON & STEEL CO (P) LTD	91920	0.22				91920	0.22
6	PARAMJEET SINGH	58534	0.14				58534	0.14
7	ARUNKUMAR NARENDRABHAI DAVE	59143	0.14	01/04/2014				
				11/07/2014	(1250)	Transfer	57893	0.14
				07/11/2014	(7000)	Transfer	50893	0.12
		50893	0.12	31/03/2015				
8	SURESH KUMAR SEKSARIA	60000	0.14	01/04/2014				
				04/07/2014	(25000)	Transfer	35000	0.08
		35000	0.08	31/03/2015				
9	Darshan Financial Services Private Ltd	74570	0.18	01/04/2014				
				30/05/2014	(13083)	Transfer	61487	0.14
				06/06/2014	(33906)	Transfer	27581	0.06
				13/06/2014	(15000)	Transfer	12581	0.03
				20/06/2014	(7885)	Transfer	4696	0.01
				08/08/2014	(1573)	Transfer	3123	0.01
				19/09/2014	(3123)	Transfer	0	0.00
		0	0.00	31/03/2015				
10	MEHTA EQUITIES LTD	100000	0.23	01/04/2014				
				18/04/2014	(3380)	Transfer	96620	0.23
				25/04/2014	(5920)	Transfer	90700	0.21
				09/05/2014	(5700)	Transfer	85000	0.20
				25/04/2014	(8300)	Transfer	76700	0.18
				13/06/2014	(7600)	Transfer	69100	0.16
				05/09/2014	(14210)	Transfer	54890	0.13
				12/09/2014	(19890)	Transfer	35000	0.08
				19/09/2014	(1000)	Transfer	34000	0.08
				14/11/2014	(3000)	Transfer	31000	0.07
				28/11/2014	(500)	Transfer	30500	0.07
				09/01/2015	(15000)	Transfer	15500	0.04
				16/01/2015	(15500)	Transfer	0	0.00
		0	0.00	31/03/2015				


(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	4,100	0.001%	4,100	0.001%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	4,100	0.001%	4,100	0.001%

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
Rs. Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,249.04	16.00	200.00	11,465.04
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	30.41	0.00	0.00	30.41
Total (i+ii+iii)	11,279.45	16.00	200.00	11,495.45
Change in Indebtedness during the financial year				
• Addition	0.00	20.33	37.17	53.50
• Reduction	1,725.85	0.00	200.00	1,925.85
Net Change	(1,725.85)	20.33	(162.83)	(1,868.35)
Indebtedness at the end of the financial year				
i) Principal Amount	9,519.96	36.33	37.17	9,593.46
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	33.64	0.00	0.00	33.64
Total (i+ii+iii)	9,553.60	36.33	37.17	9,627.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mitesh Shah	R.S. Mamak	N.M. Mohnot	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,83,895	18,95,161	89,92,867	1,12,71,923
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	8,851	-	1,71,606	1,80,457
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	32,40,484	-	38,43,502	70,83,986
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	36,33,230	18,95,161	1,30,07,975	1,85,36,366
	Ceiling as per the Act				N.A.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (`)
1.	Independent Directors	J.Mehra	M.Lodha	S.S. Ranjan		
•	Fee for attending board committee meetings	1,86,000	1,60,000	1,43,000		4,89,000
•	Commission	-	-	-		-
•	Others, please specify - remuneration	5,00,000	5,00,000			10,00,000
	Total (1)	6,86,000	6,60,000	1,43,000		14,89,000
2.	Other Non-Executive Directors	R.P. Chandaria	V. Chandaria	R.S.Mamak	J.Goswami	
•	Fee for attending board committee meetings	60,000	80,000	89,000	1,10,000	3,39,000
•	Commission	-	-	-	-	-
•	Others, please specify	-	-	-	-	-
	Total (2)	60,000	80,000	89,000	1,10,000	3,39,000
	Total (B) = (1 + 2)	7,46,000	7,40,000	2,32,000	1,10,000	18,28,000
	Total Managerial Remuneration (A+B)	-	-	-	-	2,03,64,366
	Overall Ceiling as per the Act					N.A.

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (`)
		Company Secretary	CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,15,343	7,44,390	15,59,733
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	33,000	54,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	8,87,547	8,19,522	17,07,069
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	17,24,490	15,96,912	33,21,402

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil / None



ANNEXURE B TO BOARDS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Steelco Gujarat Limited
Plot No.2, GIDC Estate, Palej
Distt Bharuch- 392 220

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified hence not applicable to the Company during the audit period**).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with laws applicable to the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For Devesh Vimal & Co.
Company Secretaries**

Devesh A Pathak
FCS No. 4559
C P No: 2306

Place : Vadodara
Date : 13th August, 2015

ANNEXURE 'C' TO THE BOARDS' REPORT

PARTICULARS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

I. CONSERVATION OF ENERGY
Energy Conservation & Pollution 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 Pickling Line was upgraded with FRP Duct. Revamping of Electro Cleansing Line tank was made. New Fume Exhaust Blower 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 31.03.2015	Previous Year ended 31.03.2014
1 ELECTRICITY		
(a) Purchased (Units in '000 KWH)	26103.02	25212.06
Total Amount (Rs. in Lacs)	2091.91	1499.49
Rate/Unit (Rs.)	8.01	5.95
(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.)	82933	48612
Total Cost (Rs. in Lacs)	46.95	29.42
Rate / Unit per Ltr (Rs.)	56.61	60.52
3 CNG		
Quantity (SCM)	3066800	2936707
Total (Rs. in Lacs)	1341.67	1191.21
Rate / Unit (Rs.)	43.75	40.56

B. Consumption per Unit of Production -

PRODUCT	Current Year ended 31.03.2015	Previous Year ended 31.03.2014
Cold Rolled (Steel) Coils / Sheets & GP/GC Coils / Sheets		
ELECTRICITY (Units/P.M.T.)		
CR Coils / Sheets	290.26	293.10
GP / GC Coils / Sheets	36.33	38.89
Total (LDO+FO+CNG) (Ltrs/P.M.T.)		
CR Coils / Sheets	21.57	21.48
GP / GC Coils / Sheets	26.64	28.40

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 31.03.2015	Previous Year ended 31.03.2014
a. Earnings	26,959.36	24,160.19
b. Expenditure	12,396.23	5,225.85

For and on behalf of the Board of Directors

Place : Mumbai
Date : 13th August, 2015

Dr. R. S. Mamak
Executive Vice Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES AND OUTLOOK**

The global economical growth at 2.6 percent for the year 2014 was at its lowest since 2009. The financial year 2014-15 witnessed certain developments namely the rapid decline in oil prices, quick adjustments in exchange rates (with the US dollar appreciating and other currencies notably the euro weakening), and the new quantitative easing program of the ECB these being just a few examples of the economic factors at play. In addition, there is an increased geopolitical uncertainty related to the Russia Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union.

In 2014, the world crude steel production reached 1,662 Million Tonnes (MT) and showed a growth of 1.2 percent over 2013. China remained the world's largest crude steel producer in 2014 (823 MT) followed by Japan (111 MT), the USA (88 MT) and India (83 MT) at the 4th position. India is expected to become the world's second largest producer of crude steel in FY 2015-16, moving up from the fourth position. With infrastructure development and automotive industry driving steel demand, production is expected to hit 140 MT by the end of 2016.

Hopes of a recovery in the US have gathered steam, especially after the economy added 295,000 jobs in February 2015, and that country's unemployment rate fell to 5.5 percent, the lowest in the post-recession period. A full-blown economic recovery in the US, however, remains elusive. The US economy grew 2.4 percent in 2014, marginally up against 2.2 percent in the previous year.

India is set to become the world's fastest growing major economy by 2016. GDP growth if pegged at 7.4 percent for FY2014-2015 is up from 6.9 percent in FY2013-2014. India now measures GDP by market prices instead of factor costs, to take into account gross value addition in goods and services as well as indirect taxes. The base year has been shifted to FY 2011-12 from FY2004-05 earlier. According to the International Monetary Fund, India is expected to grow 7.5 percent in FY 2015-2016. The total trade deficit for 2014-2015 increased to \$ 137.01 billion from \$ 135.8 billion in 2013-2014. Two major events impacted Rupee movement during the year 2014. During the first quarter of the year, Federal Open Market Committee effectively ended the quantitative expansion, while also assuring that easy money policy would continue till at least another year. The fear of shrinking dollar flows had a sobering effect on Indian economy, briefly pulling down the exchange rate. However by mid-May, the prospects of a stable Government in India, following the conclusion of general elections lifted the business sentiment, and also helped instill confidence in the foreign investors. During April 2014 to January 2015, the foreign inflows have grown by 36 percent, year-on-year, to \$ 25.52 billion against \$ 18.74 billion during the same period a year ago. Foreign portfolio flows have stabilised the Rupee, exerting downward pressure on long-term interest rates which is reflected in yields on 10-year Government securities and surge in equity prices. USD INR rate is influenced by multiple factors, most important being the index indicating the strength of USD, FII inflows and domestic macroeconomic factors, largely represented by GDP growth and inflation.

Reserve Bank of India (RBI) delivered two successive rate cuts in January 2015 and March 2015 aggregating to 0.50 percent during the calendar year 2015 till date, taking repo rate down to 7.50 percent as inflation eased. However, commercial banks did not reduce the lending rate during the year under review. Over the year 2014, oil prices have steadily fallen from \$ 110 bbl to below \$ 50 bbl, with a positive impact on India's balance of payments. The reduction in the cost of oil imports and the restrictions placed on gold imports helped a gradual fall in inflation levels. RBI with its conservative monetary policy also contributed to taming the inflation. Consumer price index has fallen from 8.8 percent in January 2014 to 4.5 percent and W P I from 5.1 percent to zero level as at end-November 2014. Overall the receding inflation levels contributed to relative stability of Rupee exchange rate.

A major thrust on infrastructure spending and road development augurs well for steel Industry. The privatization of ports, setting up of ultra mega power projects and increased allocation to roads and highway sector will definitely spur demand for Flat Steel products. Further expected decline in interest rates and fall in fuel prices, will drive the growth for the industry.

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.

After touching the prices below USD 50 per barrel, the prices have recovered to USD 55 per barrel. The increase in prices of crude oil may not be good news for India, as it may fuel the inflation. The International Energy Agency (IEA) has also predicted a recovery in global oil prices.

China continues its "soft fall" growth as already limited government stimulus having less effect despite recent monetary easing. Other major emerging markets will continue to grow, but their pace will vary depending on the net impact of declining oil prices and exchange rate depreciations, as well as progress of their own reform agendas. New geographies for growth, such as Africa and parts of Asia, offer opportunities to build sustainable growth models but they also bring challenges on economic, legal, and institutional fronts.

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 has already entered into pricing contract with its Gas suppliers under fluctuating pricing mechanism linked to international parameters. Your Company is also exploring the possibilities of necessary implementation of the facility of Coal Gasifier.

In case of saving on power the possibility of entering into Open Access power contracts under midterm open access mechanism as well as Short term mechanism. Your Company is intending to grab the advantage by going forward under both ways not depending upon a single source of power besides the existing supplies from Electricity Boards.

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 a net loss of Rs. 313 Lakhs on turnover of 88,293 MT valuing Rs. 57,422 Lakhs against a net loss of Rs. 372 Lakhs on turnover of 82,176 MT valuing Rs. 53,583 Lakhs in the previous year. The Company has made cash loss of Rs. 883 Lakhs for the year ended on 31st March, 2015 as against a cash profit of Rs. 73 Lakhs in the previous year. This can be mainly attributed to:

- A. Lower capacity utilization in first half of the year due to failure of mill motor and H. R. Coils from its main suppliers.
- B. Lower margins on sales in view of global competition.
- C. Marginal increase in fixed overheads.

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 and one nominee director 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 with the same. The 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 their support in performance of the company in this difficult situation.

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.



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. GOVERNANCE STRUCTURE

The corporate governance structure of Steelco Gujarat Limited is as follows:

The Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic, guidance, objective and independent view to the Company's management adheres to ethics, transparency and disclosure.

Committees of the Board: The Board has constituted the following committees viz, Audit Committee, Nomination & Remuneration Committee as well as Stakeholders & Investors Relationship Committee. Each of the said committee has been mandated to operate within a given framework.

III. BOARD OF DIRECTORS

➤ Composition :

The Board has optimum combination of Executive and Non-Executive Directors. The composition of the Board as on 31st March, 2015 was as under:

Category of Directors	No. of Directors
Promoters, Non-Executive	2
Non-Promoter Executive	2
Non-Promoter - Non Executive	0
Non-Executive Independent	3
Nominee	1

➤ Meetings and Attendance:

During the year from 1st April 2014 to 31st March 2015, the Board met 5 (five) times i.e., 22nd May, 2014, 14th August, 2014, 26th September, 2014, 14th November, 2014 and 12th February, 2015. Attendance of Directors at the Meeting of the Board of Directors (BOD) held during the financial year 2014-2015 and Annual General Meeting (AGM) held on 26th September, 2014 are as follows:

Category	Name of Directors	No. of Board Meetings attended	Whether attended AGM held on 26.09.2014	*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. Rashmi Chandaria Mr. Vimal Chandaria#	3 4	No No	— —	1 —	— —	— —
Non Promoter Executive/ Non- Executive Director(s)							
- Executive Vice Chairman	Dr. R.S. Mamak@	5	Yes	1	—	—	3
- Managing Director	Mr. N.M. Mohnot#	2	No	1	—	—	1
- Managing Director	Mr. M H Shah ##	2	No	—	1	—	1
Independent Non-Executive Director(s):	Mr. J. Mehra Mr. Mahendra Lodha Mr. S. S. Ranjan	4 3 5	No No Yes	— — —	8 8 1	— 3 —	2 1 —
Nominee Director(s):	Mr. Jiban Goswami	5	Yes	—	—	—	—

relieved w.e.f 14th August, 2014.

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

appointed as Managing Director w.e.f. 14th November 2014.

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

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

III AUDIT COMMITTEE

➤ Terms of reference

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of Listing Agreement and Section 177 of the Companies Act, 2013.

➤ Composition and Attendance :

The Audit Committee consists of four Non Executive Directors as under:

Name of Director	Composition as on 31 st March, 2015	No. of Meetings held	No. of Meetings attended
Mr. Mahendra Lodha	Chairman	4	3
Mr. J. Mehra	Member	4	4
Mr. S S Ranjan (w.e.f 26/09/2014)	Member	4	2
Mr. Jiban Goswami (w.e.f 12/02/2015)	Member	4	0

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 Company Secretary acts as the Secretary to the Audit Committee.

IV NOMINATION AND REMUNERATION COMMITTEE

➤ Terms of reference and Remuneration Policy

Pursuant to Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the terms of reference of the Nomination & Remuneration Committee is mainly to formulate the criteria for determining qualifications, positive attributes and independence of a director as also to recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees.

➤ Composition and Attendance:

During the financial year 2014-15, three meetings of Nomination and Remuneration Committee were held.

Name of Director	Composition as on 31 st March, 2015	No. of Meetings held	No. of Meetings attended
Mr. Mahendra Lodha	Chairman	3	3
Mr. J. Mehra	Member	3	3
Mr. S S Ranjan (w.e.f 14/08/2014)	Member	3	2

All the members of the Nomination & Remuneration Committee are Non-Executive Independent Directors.

REMUNERATION POLICY:

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of remuneration and sitting fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2014-15 was ₹ 8.28 Lacs. The Non-Executive Directors do not have any material pecuniary relationship or transactions with the Company.

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Directors, Whole Time Directors is governed by the recommendation of the Nomination and Remuneration Committee, resolution passed by the Board of Directors and Shareholders of the Company and approval of Central Government, wherever required. Payment of remuneration to Executive Directors is governed by the respective agreement executed between them and the Company. The remuneration package of Executive Vice Chairman and Managing Director comprises of salary, perquisites, allowances, and contributions to provident and other retirement benefit funds. Annual increments are linked to the performance and are decided by the Nomination and Remuneration Committee and then recommended to the Board for approval thereof.

Presently, the Company does not have a scheme for grant of stock option or performance linked incentives for its directors.

DETAILS OF REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED ON 31ST MARCH, 2015.

(a)	Non-Executive Directors	Sitting Fees (₹)	Remuneration (₹)
1	Mr. R. P. Chandaria	60,000	
2	Mr. J. Mehra	1,86,000	5,00,000
3	Mr. Mahendra Lodha	1,60,000	5,00,000
4	Mr. Vimal Chandaria	80,000	
5	Mr. Dr. R. S. Mamak	89,000	
6	Mr. S. S. Ranjan	1,43,000	
7	Mr. Jiban Goswami	1,10,000	
	Total	8,28,000	10,00,000



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Payment of remuneration to Non-Executive Directors is subject to the approval of Ministry of Corporate Affairs. The Company has received approval in respect of only two directors and accordingly payment has been made to them. Payment of Remuneration to Executive Directors is also subject to approval of Ministry of Company Affairs.

EXECUTIVE DIRECTORS

Remuneration to Executive Directors

The break-up of the remuneration paid to the Executive Directors during the period ended on 31st March 2015 is as under:

Particulars	Mr. Mitesh H Shah (Managing Director)	Dr.R S Mamak (Executive Vice Chairman)	Mr. N.M. Mohnot (Former Managing Director)
Salary (Rs.)	25,41,900	18,95,161	23,37,097
Retiral Benefits*	10,92,903	-	14,14,842
Other Benefits & Allowances	6,86,313	-	1,42,02,176

Note:

- All remunerations are for part of the year.
- Applications have already been made to the Ministry of Corporate Affairs, Govt. of India, New Delhi for approval of remuneration to each of above Executive Directors.

Information of Director's Shareholding as on 31st March, 2015:

Name of Directors	Designation	No. of Shares Held
Dr. R.S. Mamak	Executive Vice Chairman	4,100

V STAKEHOLDERS RELATIONSHIP / SHAREHOLDERS' GRIEVANCE COMMITTEE

Composition and Attendance:

This committee comprises of three directors. The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all meetings.

Name of Director	Composition as on 31 st March, 2015	No. of Meetings held	No. of Meetings attended
Mr. Mahendra Lodha	Chairman	4	3
Dr. R.S.Mamak	Member	4	4
Mr. Mitesh H Shah	Member	4	2

Terms of Reference :

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

The secretarial department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. the minutes of the Stakeholders Relationship / Investors Grievance Committee meeting are circulated to the Board and noted by the Board of Directors of the Board Meetings. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish and update their telephone numbers, address and e-mail address to facilitate prompt action.

Status of Investor Complaints as on 31st March, 2015 and reported under Clause 41 of the Listing Agreement are as under:

Total 14 numbers of complaints received and addressed to the shareholders during the year ended on 31st March, 2015. There was no compliant outstanding as on 31st March, 2015. The number of pending share transfer and pending requests for dematerialization as on 31st March, 2015 were nil. Shareholders' / Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than 30 days as on the 31st March, 2015.

VI. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 14, 2015, inter alia to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive & Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting.

SUBSIDIARY COMPANY

The Company has incorporated its wholly owned subsidiary Company, Steelco Colour Coating Ltd., during the year.

VII. AFFIRMATION AND DISCLOSURES

Compliance with Governance Framework:

The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement except that the Company was required to have atleast one Woman Director as well as at least one half of the Board comprised of Independent Directors as at 31st March, 2015. However, Ms. Ameeta Trehan has already been inducted on the Board, w.e.f. 16.05.2015.

Related Party Transaction:

All transactions entered in to with the related parties as defined under the Companies Act, 2013 and Clause 49 of the listing agreement during the financial year were in the ordinary course of business and on arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related Party Transactions have been disclosed under the note 36 of the significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard 18". A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

As required under clause 49 of the listing agreement, the Company has not formulated a policy on dealing with Related Party Transaction, but as such the transaction to be entered into will be approved by the Board.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of the business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.

Details of non compliance by the company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the year:

The Company has complied with all requirements of the listing agreement entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non compliance of any matter related to the capital markets during the last three years. However, in case of non compliance of Minimum Public Shareholding the Compliance was made in August 2014 and the adjudication proceedings under this matter for delayed compliance is pending with SEBI.

Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the listing agreement, the Company has formulated Whistle Blower Policy vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violations of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

Disclosure of Accounting Treatment:

In preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies, which are consistently applied, are set out in the notes to the Financial Statement.

Risk Management

The Company has framed Risk Management Policy. Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

Non-mandatory requirements:

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

VIII. SHAREHOLDER INFORMATION

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
2011 - 2012	29 th September, 2012	Saturday	3:30 P.M.	6
2012 - 2013	17 th August, 2013	Saturday	3:30 P.M.	2
2013 - 2014	26 th September, 2014	Friday	3:30 P.M.	5

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.

Postal Ballot:-

Special Resolution(s) passed through Postal Ballot

During the year, the members of the Company have approved three items by passing a Special Resolution through postal ballot effective Feb 12, 2015.

1. Appointment of Mr. Mitesh H. Shah as a Managing Director of the Company for a a period of 5 years w.e.f 14th November, 2014 to 13th November, 2019.
2. Authorization to the Board of Directors to Sell/lease or dispose of the premises
3. Approval to the contract for supply of services by Mrs. T.M. shah a related party pursuant to Section 188 of the Companies Act, 2013



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The Board had appointed Shri Devesh A Pathak, a Practising Company Secretary, Partner, Devesh Vimal & Co., Practising Company Secretaries, Vadodara as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

The details of the voting pattern in respect of Special Resolutions passed were as under:

Resolution No. 1 Appointment of Mr. Mitesh H. Shah as a Managing Director of the Company for a aperiod of 5 years w.e.f 14th November, 2014 to 13th November, 2019							
Type	Special Resolution						
Mode of Voting	E-voting and Poll						
Promoter/Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares = $[(2)/(1)*100]$	No of votes in favor	No of votes against	% of votes in favor on votes polled = $[(4)/(2)*100]$	% of votes against on votes polled = $[(5)/(2)*100]$
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
E-voting (A)							
Promoter and Promoter Group	31921366	31921366	100.00	31921366	0	100	0
Public Institutional Holders	7012	0	-	0	0	0	0.1031
Public - Others	10633444	65016	0.61	64346	670	98.969	1.031
TOTAL (A)	42561822	31986382	75.15	31985712	670	100.00	0#
BALLOT							
Promoter and Promoter Group	31921366	0	0	0	0	0	0
Public Institutional Holders	7012	0	0	0	0	0	0
Public - Others	10633444	730	0.01	370	360	50.68	49.31
TOTAL (B)	42561822	730	0.00	370	360	50.68	49.31
Grand Total	42561822	31987112	75.154	31986082	1030	99.99	0.01
Resolution No. 2 Authorization to the Board of Directors to Sell/lease or dispose of thepremises							
Type	Special Resolution						
Mode of Voting	E-voting and Poll						
Promoter and Promoter Group	31921366	31921366	100.00	31921366	0	100	0
Public Institutional Holders	7012	0	-	0	0	0	0
Public - Others	10633444	65016	0.61	64346	690	98.939	1.061
TOTAL (A)	42561822	31986382	75.15	31985712	690	99.99	0.01
BALLOT							
Promoter and Promoter Group	31921366	0	0	0	0	0	0
Public Institutional Holders	7012	0	0	0	0	0	0
Public - Others	10633444	730	0.01	700	30	95.89	4.11
TOTAL (B)	42561822	730	0.00	700	30	95.89	4.11
Grand Total	42561822	31987112	75.154	31986412	720	100.00	0#
Resolution No. 3 Approval to the contract for supply of services by Mrs. T.M. shah a related party pursuant to Section 188 of the Companies Act, 2013							
Type	Special Resolution						
Mode of Voting	E-voting and Poll						
Promoter and Promoter Group	31921366	31921366	100.00	31921366	0	100	0
Public Institutional Holders	7012	0	-	0	0	0	0
Public - Others	10633444	65016	0.61	64326	690	98.939	1.061
TOTAL (A)	42561822	31986382	75.15	31985692	690	100.00	0#
POLL(B)							
Promoter and Promoter Group	31921366	0	0	0	0	0	0
Public Institutional Holders	7012	0	0	0	0	0	0
Public - Others	10633444	730	0.07	590	140	80.82	19.18
TOTAL (B)	42561822	730	0.02	590	140	80.82	19.18
Grand Total	42561822	31987112	75.15	31986282	830	99.99	0.01

#Negligible

Promoter/Public No. of shares

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

Annual General Meeting for the year 2014-15

Day & Time : 30/09/2015 at 2:30 p.m.
 Venue : Registered Office : Plot No.2, GIDC Estate, Palej, Dist.- Bharuch
 Book Closure Date : 24/09/2015 to 30/09/2015 (both days are inclusive)
 Cut off / Record Date : 23/09/2015

Tentative Calender for Financial year ending on March 31, 2016

Audited Annual Results for the year ended March 31, 2015. On 28th May, 2015
 Unaudited First Quarter Results On 13th August, 2015
 Unaudited Second Quarter Results By 14th November, 2015
 Unaudited Third Quarter Results By 14th February, 2016
 Audited Annual Results By 30th May, 2016

Dematerialisation of Shares & Liquidity

95.79 % of the equity shares of the Company have been dematerized (NSDL – 89.12 % and CDSL – 6.67 %) as on 31st March, 2015. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), whereby shareholders have an option to dematerise their shares with either of the Depositories.

Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Services (India) Limited and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange(s) where the shares of the Company are listed. The audit confirms the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL & CDSL) and total number of shares in physical form.

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. Rashmi Chandaria	Ms. Ameeta Trehan
Date of Birth	24/09/1934	09.08.1940	10/12/1962
Date of Appointment	20/04/1995	08.07.1989	16/05/2015
Expertise	General Management	Industrial Management	General Management
Qualification	Bsc. Doctorate in Eng.	Bsc. (Economics)	Master in Commerce, MBACAIA
List of public companies in which outside directorship held as on 31 st March, 2015	Nil	Parixit Industries Ltd	Galada Power & Telecommunication Ltd
Chairmanship / Membership of the committee of the board in which outside directorship held as on 31 st March, 2015	Nil	Nil	Nil
No. of shares held	NIL	Nil	NIL

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

IX. 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.

➤ 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 (RTA). 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



STEELCO GUJARAT LIMITED

➤ Distribution of Shareholding as on 31st March 2015 :

No. of Equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 - 500	131,575	98.58	28,19,081	6.62
501 - 1000	862	0.65	7,50,029	1.76
1001 - 2000	440	0.33	6,93,584	1.63
2001 - 3000	176	0.13	4,60,574	1.08
3001 - 4000	83	0.06	2,95,213	0.69
4001 - 5000	98	0.07	4,68,495	1.10
5001 - 10000	124	0.09	9,06,537	2.13
10001 & Above	115	0.09	3,61,68,309	84.99
Total	133,473	100.00	4,25,61,822	100.00

➤ Category of Shareholders as on 31st March, 2015:

Category of Shareholders	Total Holding	Percentage
Promoter (SPICA INVESTMENTS LTD.)	3,19,21,366	75.00
Institutional Investors		
a. Mutual Funds	19,290	0.05
b. Banks, FI's, Insurance Companies	6,25,642	1.47
Private Corporate Bodies	7,85,023	1.84
NRIs / OCBs (other than Promoter Group)	96,781	0.23
Indian Public	91,13,720	21.41
Total	4,25,61,822	100.00

➤ Stock Market Price Data :

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

Month	High (Rs.)	Low (Rs.)
April - 14	5.40	3.50
May - 14	5.29	3.90
June-14	6.34	4.45
July-14	6.15	4.48
August-14	5.50	3.51
September-14	5.52	3.70
October-14	5.75	4.51
November-14	8.50	4.91
December-14	6.97	4.80
January-15	6.40	4.90
February-15	6.69	4.50
March-15	6.74	4.25

X. 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 & Company, 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 Participant(s). Alternatively shareholders may contact us at following email address: secretarial@steelco Gujarat.com



XI. DECLARATION REGARDING COMPLIANCE BY BOARD MEMEBRS AND SENIOR MANAGERIAL 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 Managerial Personnel (i.e. D & S Code) during the year ended on 31st March, 2015.

XII. In terms of the Clause 49 of the Listing Agreement, the certification by Chief Financial Officer and Managing Director of the Company on the financial statements and internal control relating to financial reporting, have been obtained by the Board of Directors.

XIII. Address for correspondence:

Steelco Gujarat Limited, Plot No.2, GIDC Estate, Palej, Dist. Bharuch, Gujarat.

As per requirement of the Clause 47(f) of the Listing Agreement with Stock Exchanges, the Company has created a dedicated email ID secretarial@steelcogujarat.com exclusively for the purpose of registering complaints of the investors and is prominently displayed on the Company's website www.steelcogujarat.com.

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

Place : Mumbai
Date : 13th August, 2015

Dr. R. S. Mamak
Executive Vice Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Steelco Gujarat Limited,
Palej.

We have examined all relevant records of Steelco Gujarat Limited as made available to us for the purpose of certifying compliance under clause 49 of Listing Agreements of the said company with Stock Exchange in India for the financial year 2014-15.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced and explanations and information furnished to us, the Company has materially complied with all the mandatory conditions of the clause 49 of the listing agreement. However, since the Company does not have regular non-executive chairman, the Company is required to have atleast half of the Board, comprised of independent directors. We have been given to understand that the Company is in process of complying with the same.

For Devesh Vimal & Co.
Practising Company Secretaries

Place : Vadodara
Date : 13th August, 2015

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



INDEPENDENT AUDITORS' REPORT

To
The Members of
Steelco Gujarat Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Steelco Gujarat Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- (a) **Note No. 36 in the financial statements which indicates that the Company has accumulated losses and its net worth has almost been eroded, the Company has incurred a net loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets and other adverse financial parameters as at the balance sheet date. These conditions, along with other matters set forth in Note No. 36, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.**

Our opinion is not modified in respect of these matters.

Other Matters

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note No. (1) of Note No. 10 relating to "Fixed Assets" regarding adopting disclosure of fixed assets at its historical costs in place of revalued amount of fixed assets and consequential lower charge of depreciation by Rs. 543.02 for the year and higher net block of fixed assets as at 31st March, 2015;
- (b) Note No. (2) of Note No. 10 relating to "Fixed Assets" regarding change in the method of depreciation from Written down value method to Straight Line method and consequential write back of excess provision of depreciation of earlier years amounting to Rs. 868.85 and lower charge of depreciation for the year amounting to Rs. 15.33 Lacs resulting into loss being lower by Rs. 884.18 lacs for the reporting period and net block of fixed assets being higher by an equivalent amount as at 31st March, 2015;



- (c) Note No. (3) of Note No. 10 relating to "Fixed Assets" regarding higher useful life of certain fixed assets than as is prescribed under Schedule – II to the Companies Act, 2013 and consequential lower charge of depreciation by Rs. 290.09 for the year and higher net block of fixed assets as at 31st March, 2015;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Standalone Financial Statements dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.; and
 - (e) **The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.**
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 to the financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

PARTNER
 Chandresh S. Shah
 Membership No. 42132

Place : Mumbai
 Date : 28th May, 2015

Annexure referred to in the 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 explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, having regard to the size of the Company and nature of its business.
- (b) In our opinion, 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) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii)(b) to (iii)(d) of paragraph of the Order are not applicable to the company for the current year.
4. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal.



6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 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 the cost records with a view to determine whether they are accurate or complete.
7. (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 been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at 31st March, 2015, there are no such undisputed dues payable for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at 31st March, 2015 which have not been deposited on account of any dispute, are as follows:
- | Name of the Statute | Nature of dues | Amounts involved (Rs. in Millions) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|----------------|------------------------------------|------------------------------------|--------------------------------|
| The Income Tax Act, 1961 | Income Tax | 24.45 | 1991-92 | H'nable Gujarat High Court |
| | Income Tax | 26.03 | 1992-93 | H'nable Gujarat High Court |
| | Income Tax | 61.55 | 1993-94 | H'nable Gujarat High Court |
| Customs Act | Custom Duty | 32.66 | 2008-09 | CESTAT, Ahmedabad |
- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder, has been transferred to such fund within time.
8. **The accumulated losses at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the financial year as well as in the immediately preceding financial year.**
9. **The company has made delays at times in repayment of dues to financial institutions or banks.**
10. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees / letter of comforts given by the company for loans taken by the subsidiaries and other parties from banks are not *prima facie*, prejudicial to the interest of the company.
11. Term loans obtained by the company were applied for the purposes for which the loans were obtained.
12. To the best of our knowledge and based on information and explanations received from the management, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

Place : Mumbai
 Date : 28th May, 2015

PARTNER
 Chandresh S. Shah
 Membership No. 42132



BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	INR - LACS	
		Figures as at end of March 31,	
		2015	2014
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	7,886.79	7,886.79
Reserves and Surplus	2	(7,831.39)	(38.88)
		55.40	7,847.91
Share Application Money Pending Allotment:	1-D	0.01	0.01
		55.41	7,847.92
Non-Current Liabilities:			
Long Term Borrowings	3	3,702.04	4,378.83
Other Long Term Liabilities	4	5.44	5.45
Long Term Provisions	5	239.38	233.19
		3,946.87	4,617.47
Current Liabilities:			
Short Term Borrowings	6	5,288.65	6,561.05
Trade Payables	7	13,003.08	14,275.56
Other Current Liabilities	8	1,369.49	1,288.81
Short Term Provisions	9	127.64	128.28
		19,788.86	22,253.70
Total		23,791.14	34,719.09
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	10	4,882.51	11,554.97
Intangible Assets	10	9.77	8.41
Capital work-in-progress		92.22	104.98
		4,984.50	11,668.36
Non Current Investments	11	5.00	0.00
Deferred Tax Asset [Net]	12	-	-
Long Term Loans and Advances	13	1,318.03	1,230.37
		6,307.53	12,898.73
Current Assets:			
Inventories	14	7,898.99	8,855.33
Trade Receivables	15	5,600.02	7,760.34
Cash and Bank Balances	16	978.44	859.05
Short Term Loans and Advances	17	1,552.07	2,188.41
Other Current Assets	18	1,454.08	2,157.24
		17,483.61	21,820.36
Total		23,791.14	34,719.09
Significant Accounting Policies			
Notes to the Financial Statements	1 to 39		

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 : Mumbai
Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Sunil Singhvi
Chief Financial Officer

Place : Mumbai
Date : 28th May, 2015

Mitesh H. Shah
Managing Director

Arvind Tambi
Financial Controller &
Company Secretary



STEELCO GUJARAT LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	INR - LACS Figures for the year ended on March 31,	
		2015	2014
REVENUE:			
Revenue from Operations:	20		
Sale of Products [Gross]		58,150.53	53,565.69
Less : Excise Duty		3,105.06	2,502.42
Sale of Products [Net]		55,045.47	51,063.27
Other Operating Revenues		2,046.79	2,151.03
Net Revenue from Operations		57,092.26	53,214.30
Other Income	21	329.25	368.62
Total Revenue		57,421.51	53,582.92
EXPENSES:			
Cost of Materials Consumed	22	44,378.71	41,761.88
Purchase of Traded goods	23	-	597.80
Changes in Inventories of Finished goods and Work-in-progress	24	1,149.69	(840.97)
Employee Benefits Expense	25	1,277.91	1,186.43
Finance Costs	26	2,139.68	1,963.76
Depreciation and Amortisation Expenses	10	299.14	1,014.19
Less : Transferred from Revaluation Reserve (Refer Note. No.10)		-	(569.47)
Net Depreciation and Amortisation Expenses		299.14	444.72
Other Expenses	27	9,558.58	8,841.00
Total Expenses		58,803.71	53,954.62
Profit/(Loss) for the year		(1,382.20)	(371.70)
Excess Provision of depreciation in earlier years written back (Refer Note No. 10)		868.85	-
Profit/(Loss) for the year before exceptional items		(513.35)	(371.70)
Exceptional item (Refer Note No. 37)		(200.00)	-
Profit/(Loss) before Tax		(313.35)	(371.70)
Less/[Add]: Tax Expense:			
Current Tax		-	-
Deferred Tax	12	-	-
		-	-
Profit/(Loss) for the Year		(313.35)	(371.70)
Basic & Diluted Earning per Equity Share [EPS] [in Rs.]	28	(1.76)	(1.84)
Significant Accounting Policies			
Notes to the Financial Statements	1 to 39		

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 : Mumbai
Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Sunil Singhvi
Chief Financial Officer

Place : Mumbai
Date : 28th May, 2015

Mitesh H. Shah
Managing Director

Arvind Tambi
Financial Controller &
Company Secretary



STEELCO GUJARAT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

INR - LACS

Particulars	Figures for the year ended on March 31,	
	2015	2014
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation and extraordinary items	(313.35)	(371.70)
Adjustments for:		
Depreciation [Net]	299.14	444.72
Excess Provision of depreciation in earlier years written back	(868.85)	-
[Profit]/Loss on sale of assets [Net]	2.05	11.12
Interest income	(206.53)	(78.38)
Interest expenses	2,139.68	1,963.76
Bad debts written off	5.86	20.77
Write back of unclaimed long outstanding dues	(200.00)	-
Provision for doubtful debts written back	4.93	70.00
Exchange (Gain)/Loss - Unrealised	(178.98)	488.75
Provisions for employee benefits	29.22	47.99
Total	1,026.52	2,968.73
Operating profit before working capital changes	713.18	2,597.03
Adjustments for:		
[Increase]/Decrease in trade receivables	2,318.57	(180.86)
[Increase]/Decrease in inventories	956.34	(2,304.78)
[Increase]/Decrease in short term advances	615.39	(356.63)
[Increase]/Decrease in long term advances	(87.34)	(197.26)
[Increase]/Decrease in other current assets	826.09	(424.43)
[Increase]/Decrease in other non current assets	-	-
Increase/[Decrease] in trade payables	(1,106.67)	1,421.34
Increase/[Decrease] in other current liabilities	130.17	(81.64)
Increase/[Decrease] in other long term liabilities	-	(10.66)
Increase/[Decrease] in long term Provisions	(23.03)	(21.49)
Increase/[Decrease] in short term Provisions	(0.72)	2.46
Total	3,628.80	(2,153.95)
Cash generated from operations	4,341.97	443.08
Less : Direct taxes paid [Net of refunds]	3.66	35.94
Cash flow before extraordinary items	4,345.64	479.02
Less : Extraordinary items	-	-
Net cash from operating activities	4,345.64	479.02
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(242.01)	(93.43)
Proceeds from sale of fixed assets	10.48	3.71
Purchase of non Current assets	(5.00)	-
Interest received	83.60	70.00
Net cash from investing activities	(152.93)	(19.72)
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital	-	1.21
Repayment of Long Term Borrowings	(636.34)	640.11
Short Term Borrowings [Net]	(1,299.68)	1,102.82
Interest paid	(2,137.30)	(1,975.10)
Net cash used in financing activities	(4,073.32)	(230.95)
Net increase/(decrease) in cash and cash equivalents	119.39	228.35
Cash and cash equivalents at the beginning of the year	859.05	630.70
Cash and cash equivalents at the close of the year	978.44	859.05

Notes to the cash flow statement

- All figures in brackets are outflow.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents at the end (beginning) of the year include ` 968.12 (` 825.27) lacs not available for immediate use.
- Cash and cash equivalents comprise :

	As at March 31		
	2015	2014	2013
a. Cash on hand	1.36	2.07	3.35
b. Balance with banks	8.97	31.71	21.88
c. Total	10.32	33.78	25.34

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 : Mumbai

Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak

Executive Vice Chairman

Sunil Singhvi

Chief Financial Officer

Place : Mumbai

Date : 28th May, 2015

Mitesh H. Shah

Managing Director

Arvind Tambi

Financial Controller &
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 and after 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.
All fixed assets are stated at their Historical Costs as against the revalued amounts at which they were stated upto 31st March, 2014.
- B** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II except in cases of Buildings and Plant and Machineries, where the estimated useful life has been estimated at a longer period than that is specified in Schedule - II based on an external technical assessment and evaluation independent technical assessors. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives.
- C** The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the Profit and Loss Account after retaining its residual value.
- D** Leasehold Land is being amortised over the life of the lease.
- E** Depreciation is now provided on a Straight Line basis for all assets as against the policy of providing on written down value basis for some assets and Straight line basis for others.
- F** 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.
- G** 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.

- H** 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 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 IncomeTax Act, 1961 and includes Minimum Alternate Tax ("MAT") paid by the company on book profits in accordance with the provisions of the IncomeTax 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 31-03-14 : 7,50,00,000] Equity Shares of ` 10/- each		7,500.00	7,500.00
7,50,00,000 [as at 31-03-14 : 7,50,00,000] Preference Shares of ` 10/- each		7,500.00	7,500.00
		15,000.00	15,000.00
Issued, Subscribed and Paid-up:			
4,25,61,822 [as at 31-03-14 : 4,25,61,822] Equity Shares of ` 10/- each, fully paid up		4,256.18	4,256.18
3,28,20,000 [as at 31-03-14 : 3,28,20,000] 12.50% Cumulative Redeemable Non-Convertible Preference Shares of ` 10/- each, fully paid up		3,282.00	3,282.00
34,86,200 [as at 31-03-14 : 34,86,200] 7.00% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each, fully paid up		348.62	348.62
Total		7,886.79	7,886.79
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,
	2015	2014	2015
Number of shares at the beginning	42,561,822	42,561,822	36,306,200
Add: issued during the year	-	-	3,486,200
Number of shares at the end	42,561,822	42,561,822	36,306,200
B The equity shares rank pari 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,	
		2015	2014
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		31,921,366	33,308,398
% to total share holding		75.00	78.26
Number of Preference Shares		36,306,200	36,306,200
% 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,
2015 **2014**

NOTE: 2-RESERVES AND SURPLUS:

Capital Reserve:

Balance at the beginning and at the end of the year	489.68	489.68
	<u>489.68</u>	<u>489.68</u>

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

Balance as at the beginning of the year	7,479.16	8,048.63
Less : Reversal of Revaluation reserve pursuant to disclosure of fixed assets at its historical costs/ Transfer to statement of Profit and Loss to the extent of Depreciation provided on Revalued amount (Note No. 10(1))	(7,479.16)	(569.47)
	<u>-</u>	<u>7,479.16</u>

Surplus in statement of Profit and Loss:

Balance as at the beginning of the year	(8,007.72)	(7,636.02)
Add: (Loss)/Profit for the year	(313.35)	(371.70)
Balance as at the end of the year	(8,321.07)	(8,007.72)
Total	<u>(7,831.39)</u>	<u>(38.88)</u>

NOTE: 3-LONG TERM BORROWINGS:

INR - LACS				
	Non-current portion		Current Maturities	
	Figures as at end of March 31,		Figures as at end of March 31,	
	2015	2014	2015	2014
A Term Loans from Banks [Secured]				
Term Loan	3,682.50	4,173.50	548.81	514.49
B Finance Lease obligations [Unsecured]:				
From Banks	19.54	5.33	16.79	10.66
C From Others [Unsecured] / Inter corporate deposits	-	200.00	0.00	0.00
Total	<u>3,702.04</u>	<u>4,378.83</u>	<u>565.60</u>	<u>525.15</u>
The above amount includes:				
Secured borrowings	3,682.50	4,173.50	548.81	514.49
Unsecured borrowings	19.54	205.33	16.79	10.66
Amount disclosed under the head "Other Current Liabilities" [Note-8]	-	-	(565.60)	(525.15)
Net amount	<u>3,702.04</u>	<u>4,378.83</u>	<u>-</u>	<u>-</u>

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

Rupee Term Loans:

Rupee Term Loan of ₹ 4225.76 Lacs is secured by way of joint mortgage of immovable properties of the company situated at Plot No.2, GIDC Estate, Palej, Dist. Bharuch, 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 3,19,21,366 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 and deposit of ₹ 37.17 lac against sale proceeds of 13,87,032 Equity Shares by Spica Investments Ltd. with lenders (includes ₹ 1.43 lac as interest on deposit amount of ₹ 35.74 lac).

The loans are rescheduled in terms of Corporate Debts Restructuring Scheme as 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 15 to 49 days. Interest accrued & due as at March, 31st 2015 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 1 to 62 days.

C Terms of Repayment for Unsecured Long Term Borrowings:

Finance obligations of ₹ 74.97 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 March 31st, 2015 is ₹ 36.33 Lacs. [As at March 31st, 2014: ₹ 16.00 Lacs]. There is no default by the company in repayment of such loan during the year.



			INR - LACS	
			Figures as at end of March 31,	
			2015	2014
NOTE :4-OTHER LONG TERM LIABILITIES:				
Others : Security deposits from customers			5.44	5.44
Total			5.44	5.44
NOTE: 5-LONG TERM PROVISIONS:				
Provision for Employee Benefits			239.38	233.19
Total			239.38	233.19

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.

					INR - LACS	
					Figures as at end of March 31,	
					2015	2014
					Gratuity	Pre. Leave
					Gratuity	Pre. Leave
B Change in the present value of the defined benefit obligation:						
Opening defined benefit obligation					204.22	65.86
Interest cost					16.34	5.27
Current service cost					20.95	14.41
Benefits paid					(71.55)	(31.76)
Actuarial [gain]/losses on obligation					48.17	3.65
Closing defined benefit obligation					218.13	57.43
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					218.13	57.43
Fair value of plan Assets at the end of the year					-	-
Difference					218.13	57.43
Unrecognised past Service cost					-	-
[Assets]/Liability recognised in the Balance Sheet(*)					218.13	57.43
F [Income]/Expenses recognised in the Statement of Profit and Loss :						
Current service cost					20.95	14.41
Interest cost on benefit obligation					16.34	5.27
Expected return on plan assets					-	-
Net actuarial [gain]/loss in the year					48.17	3.65
Net [benefit]/expense					85.46	23.32
G Movement in net liability recognised in Balance Sheet:						
Opening net liability					204.22	65.86
Expenses as above [P & L Charge]					85.46	23.32
Employer's contribution					(71.55)	(31.76)
[Assets]/Liability recognised in the Balance Sheet					218.13	57.43



INR - LACS

Figures as at end of March 31,

	2015		2014	
	Gratuity	Pre. Leave	Gratuity	Pre. Leave
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.
(*) Out of these ` 36.17 Lacs are disclosed under Note - 9 "Short Term Provision".				

INR - LACS

Figures as at end of March 31,

	2015	2014
NOTE: 6-SHORT TERM BORROWINGS:		
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured] (*)	5,288.65	6,561.05
Total	5,288.65	6,561.05
The above amount includes:		
Secured borrowings	5,288.65	6,561.05
Unsecured borrowings	-	-
Net amount	5,288.65	6,561.05

[*] Working Capital 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, 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 3,19,21,366 Equity Shares held by the promoters in favour of the Consortium of Bankers and deposit of ` 35.74 lac against sale proceeds of 13,87,032 Equity Shares by Spica Investments Ltd. with lenders and interest of ` 1.43 lacs thereon.

During the year, the company has drawn the working capital financing facility in excess of sanctioned limits at some times. However, there is no such overdrawn working capital limits as at 31st March, 2015.

INR - LACS

Figures as at end of March 31,

	2015	2014
NOTE: 7-TRADE PAYABLES:		
Micro, Small and Medium Enterprises (*)	0.00	4.70
Acceptances	8,091.69	9,998.58
Other Trade Payables	4,911.39	4,272.28
Total	13,003.08	14,275.56

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

A Principal amount remaining unpaid to any supplier as at the Year 0.00 4.70

B Interest due thereon 0.13 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. 0.13 0.26

E Amount of interest accrued and remaining unpaid at the end of the accounting year 0.00 0.45

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. - -



INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 8-OTHER CURRENT LIABILITIES:		
Current Maturities of Long Term Debt [Refer Note No. 3]	565.60	525.15
Interest accrued and due on borrowings	33.64	30.41
Interest accrued but not due on borrowings	5.89	6.74
Advances from Customers	176.52	268.86
Amount repayable to Holding company against Offer For Sale(OFS)*	37.17	0.00
Others:		
Book Overdraft	-	-
Provision for Expenses	489.93	435.67
Payable to Statutory Authorities	60.74	21.96
Total	1,369.49	1,288.81

*Represents deposit of ₹ 35.74 lac against sale proceeds of 13,87,032 Equity Shares by Spica Investments Ltd. with lenders and interest of ₹ 1.43 lacs thereon.

NOTE: 9-SHORT TERM PROVISIONS:		
Provision for Employee Benefits	36.17	36.89
Others:		
Provision for Taxation	91.47	91.39
[Net of advance payment of taxes of ₹ 78.61 Lacs {as at 31-03-14: ₹ 78.61 Lacs}.]		
Total	127.64	128.28

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, 2014	1,630.77	5,742.48	29,020.44	114.57	152.12	188.98	36,849.36
Additions	-	52.03	135.82	1.15	46.24	10.86	246.10
Disposals	-	-	(49.21)	(0.28)	(36.39)	(9.33)	(95.21)
Other adjustments	(1,539.80)	(2,735.11)	(5,005.27)	-	-	-	(9,280.18)
As at March 31, 2015	90.97	3,059.40	24,101.78	115.44	161.97	190.51	27,720.07
Depreciation:							
As at March 31, 2014	67.55	2,905.94	22,000.22	64.15	104.10	152.44	25,294.40
Charge for the Year	0.91	55.82	163.86	10.60	20.57	39.07	290.82
Disposals	-	-	(46.67)	(0.18)	(30.94)	(4.89)	(82.68)
Adj. on Change in Dep. Method	-	(760.97)	(24.37)	(12.44)	(31.76)	(34.41)	(863.95)
Adj. on Reversal of Revaluation	(46.66)	(695.81)	(1,058.54)	-	-	-	(1,801.02)
As at March 31, 2015	21.80	1,504.98	21,034.50	62.13	61.97	152.21	22,837.57
Net Block:							
As at March 31, 2014	1,563.22	2,836.53	7,020.23	50.43	48.01	36.53	11,554.97
As at March 31, 2015	69.17	1,554.42	3,067.28	53.31	100.00	38.30	4,882.50
B Intangible Assets:							
						Computer Software	Total
Gross Block:							
As at March 31, 2014						25.42	25.42
Additions						4.76	4.76
Disposals						-	-
Other adjustments						-	-
As at March 31, 2015						30.18	30.18
Depreciation:							
As at March 31, 2014						17.01	17.01
Charge for the Year						8.31	8.31
Disposals						-	-
Other adjustments -Change in Method						(4.90)	(4.90)
Other adjustments -Reversal of Revaluation Reserve						-	-
As at March 31, 2015						20.42	20.42
Net Block:							
As at March 31, 2014						8.41	8.41
As at March 31, 2015						9.76	9.76

Notes :

- 1 The implementation of Indian Accounting Standards (Ind AS) converged to International Financial Reporting Standards (IFRS) is being made mandatory effective from Financial Year 2016-17. In view of the same, the management has decided to identify and minimise the differences in the present GAAP and the proposed Ind AS and to move in that direction and align the current practice. Accordingly, the practice of disclosing fixed assets at revalued amount as against its original cost is reviewed by the management.

The Company had, in the year 2011 revalued land, buildings and Plant & Machinery and the related revaluation reserve (net) stood at Rs. 9280.18 Lakhs as at March 31, 2011. However, with the passage of time, the equitable values of the assets under the heads of land, building and Plant & Machinery have undergone substantial changes in their carrying values, vitiating the objective of original exercise of revaluation. Hence, the management has reviewed the current practice of showing fixed assets at revalued amounts and has decided to show the fixed assets at historical costs only.

The Company has therefore changed its accounting policy to show all fixed assets at historical cost only. Accordingly, the Company has reversed the aforesaid amount of revaluation reserve, which will result in these assets being stated at their historical cost less accumulated depreciation. Due to such change, the charge of depreciation for the year is lower by Rs.543.02 lacs.

- 2 Presently, depreciation on Buildings, Electrical Installation, Furniture - Fixtures, Office Equipment and Vehicles is provided on a "Written down value basis". In order to align the depreciation policy on all fixed assets and with the introduction of Schedule - II providing for depreciating assets over its useful life, the management has decided to depreciate all the fixed assets on a straight line basis. Accordingly, the policy of providing depreciation on Buildings, Electrical Installation, Furniture - Fixtures, Office Equipment and Vehicles is changed from Written Down Value basis to Straight Line Basis from the current year.

Due to such change, the excess depreciation provided and charged to Profit and Loss Account during the earlier years amounting to Rs. 868.85 lacs has been written back during the year and depreciation charge for the year is lower by Rs. 15.33 lacs.

- 3 The Company has carried out an exercise to undertake technical assessment and evaluation of its fixed assets and has appointed an independent Govt. approved technical valuer and assessors namely Gujarat Techno - Economic Consultants Pvt. Ltd. The said firm has carried out technical evaluation and assessment of fixed assets and based on their technical review and the practice and policy of continuous refurbishment and maintenance of the equipment and buildings, it has suggested estimated remaining useful life of buildings and Plant and Machinery for a period which is longer than the period as is specified in Schedule-II to the fixed assets which is as under:

Class of Assets
Remaining Useful Life as per

	Schedule - II	Technical assessment
Factory Building	10 to 26 years	3 to 45 years
Buildings other than factory Building	13 to 54 years	20 to 40 years
Plant and Machineries	0 to 12 years	1 to 22 years

Had the Company continued to provide depreciation over the remaining useful life as is prescribed in Schedule - II to the Companies Act, 2013, the charge of depreciation for the year would have been higher by Rs. 290.09 lacs.

- 4 The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the Profit and Loss Account after retaining its residual value.
- 5 The Company in accordance with AS-10, Accounting for fixed assets, has disclosed assets retired from active use and held for sale under 'other current assets' at its realisable value or Net Book Value, whichever is lower. Such assets are shown at Net Book value of Rs. 2.84 Lacs being lower than its net realisable value.
- 6 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	29,408.83	23,813.35	5,595.48	19.09	12.91	6.18
Additions	74.72	1,010.09	(935.37)	6.33	4.10	2.23
Disposals	(113.35)	(98.52)	(14.83)	-	-	-
Revaluation Surplus	7,479.16	569.47	6,909.69	-	-	-
Closing	36,849.36	25,294.39	11,554.97	25.42	17.01	8.41

INR - LACS
Figures as at end of March 31,

	2015	2014
NOTE: 11-INVESTMENTS:		
Long Term Investments [Valued at Cost]:		
Trade Investments [unquoted]:		
In a Subsidiary Company		
Investment in Fully Paid Equity Shares of Steelco Colour Coated Limited	5.00	0.00
[50,000 Equity Shares of Rs.10/- Each (Previous Year - NIL)]		
Total	5.00	0.00


NOTE: 12-DEFERRED TAX ASSETS [NET]:

A The Company has worked out deferred tax liabilities / assets as at March 31, 2015. 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 31-03-13	Charge for the previous Year	As at 31-03-14	Charge for the current Year	As at 31-03-15
Deferred Tax Liabilities:					
Depreciation	426.07	(6.30)	419.77	328.35	748.12
Total	426.07	(6.30)	419.77	328.35	748.12
Deferred Tax Assets:					
Retirement benefits and other statutory allowances	86.99	4.81	91.80	(69.39)	22.41
Bad debts provision	74.76	23.80	98.56	1.05	99.61
Unabsorbed Business losses	548.86	-	548.86	(0.00)	548.86
Unabsorbed depreciation (*)	4,125.59	(3,841.52)	284.07	3,391.63	3,675.70
Total	4,836.20	(3,812.91)	1,023.29	3,323.28	4,346.57
Net Deferred Tax Liability	(4,410.13)	3,806.61	(603.52)	(2,994.93)	(3,598.45)

(*) Deferred Tax asset during the current year has arisen pursuant to Order of CIT granting relief of carried forward unabsorbed depreciation passed during the current year in Company's favour.

	INR - LACS	
	Figures as at end of March 31,	
	2015	2014
NOTE: 13-LONG TERM LOANS AND ADVANCES:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	3.91	0.00
Security Deposits	217.76	218.99
Other Loans and Advances:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	900.68	812.11
Advance payment of Tax (Net of Provision ` 114.50 Lacs, {Previous year ` 114.50 Lacs})	195.69	199.27
	1,096.37	1,011.38
Total	1,318.03	1,230.37

NOTE: 14-INVENTORIES:

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

Classification of Inventories:

Raw Materials	2,815.57	2,820.36
Work-in-progress	1,349.05	2,536.22
Finished Goods	728.16	886.28
Stores and Spares	2,342.84	2,093.58
Packing Materials	3.54	58.73
Others : Scrap	659.83	460.16
Total	7,898.99	8,855.33

Goods in transit included above is as under:

Raw Materials	0.00	89.09
Finished Goods	302.96	164.25

NOTE: 15-TRADE RECEIVABLES:

[Unsecured]

Outstanding for a period exceeding six months :

Considered good	1,521.24	2,822.50
Considered doubtful	293.06	289.95
	1,814.30	3,112.45
Less : Provision for doubtful debts	293.06	289.95
	1,521.24	2,822.50
Others-Considered good	4,078.79	4,937.83
Total	5,600.02	7,760.34



INR - LACS

Figures as at end of March 31,

	2015	2014
NOTE: 16-CASH AND BANK BALANCES :		
Balances with Banks		
In Current Accounts	8.97	31.71
In Fixed Deposits	968.12	825.27
Cash on Hand	1.36	2.07
Total	978.44	859.05

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	14.55	14.67
ii For opening letter of credits	953.57	810.60
b Bank deposits with maturity of more than 12 months	-	-

NOTE: 17-SHORT TERM LOANS AND ADVANCES:

[Unsecured, Considered Good]

Others :

Balances with Customs/ Central Excise/ Sales Tax Authorities	1,400.67	1,977.30
Advances to Suppliers	142.44	163.39
Other Advances : Advances recoverable in cash or in kind or for value to be received	8.96	47.72
Total	1,552.07	2,188.41

NOTE: 18-OTHER CURRENT ASSETS:

Interest Receivables	189.46	66.53
Insurance Claim Receivables	-	364.64
Export Incentive Receivables	821.33	1,287.16
Prepaid Expenses	206.42	157.15
Asset Held for sale	2.84	-
Other Receivables : Advances recoverable in cash or in kind for value to be received. (*)	234.04	281.76
Total	1,454.08	2,157.24

(*) It includes an amount of ₹ 144.94 Lacs (as at 31.03.2014 ₹ 145.15 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.

NOTE: 19-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	180.00	200.25
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	378.51	525.29
ii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts.	728.97	716.04
iii Letters of Credit	326.58	292.04
iv Dividend on Cumulative Preference Shares	2,695.32	2,260.67
v Interest on Electricity Duty Deferment Loan	39.80	83.18
vi Labour Matters	50.00	50.00
Total	4,399.18	4,127.47

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 in 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 mumbai high court, which has been admitted by H'noble 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.



		INR - LACS	
		Figures as at end of March 31,	
		2015	2014
B Commitments:			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	5.00	17.48
b	Commitments under Wage Settlement agreement with the workers of the Company	2.80	15.90
	Total	7.80	33.38
c	The Company has entered into a supply agreement with supplier of Zinc during the period from 1st April, 2014 to 31st March, 2015 under which it is under obligation to purchase minimum 3500 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: 20-REVENUE FROM OPERATIONS:			
Sales of Goods (Including excise duty)			
	Manufactured goods	58,150.53	52,957.32
	Traded goods	-	608.37
	Total	58,150.53	53,565.69
Other Operating Revenues:			
	Gain on foreign currency transactions and translation	233.81	636.15
	Export Incentives	1,808.93	1,502.69
	Conversion Charges (Job Work)	4.05	12.19
	Total	2,046.79	2,151.03
Details of Sales of Goods [Net of Excise Duty]			
	Cold Rolled Coils/Sheets	23,847.61	22,967.53
	Galvanised Sheets	30,292.15	26,765.00
	Consumables (Chemicals) Traded	-	608.37
	Others : Scrap Sales	905.72	722.37
NOTE: 21-OTHER INCOME:			
	Interest Income [Gross]	206.53	78.38
	Other Non-operating Income		
	Liabilities written back (Net)		34.34
	Insurance Claim Received [refer note no.17]	51.25	194.57
	Prior Year Income Net	-	13.08
	Others	71.47	48.25
	Total	329.25	368.62
NOTE: 22-COST OF MATERIALS CONSUMED:			
Raw Materials:			
	Stock at commencement	2,820.36	1,465.26
	Add : Purchases	43,922.02	42,631.23
		46,742.38	44,096.49
	Less : Stock at close	2,815.57	2,820.36
		43,926.81	41,276.13
	Total	44,378.71	41,761.88
Details of Raw Materials Consumed			
	H R Coils	37,836.22	35,994.26
	Zinc	6,090.60	5,281.87
NOTE: 23-PURCHASE OF TRADED GOODS:			
	Purchase of Traded goods	-	597.80
	Total	-	597.80
	Consumables (Chemicals)	-	597.80



INR - LACS

Figures as at end of March 31,

	2015	2014
NOTE: 24-CHANGES IN INVENTORIES:		
Stock at close:		
Work-in-progress	1,349.05	2,536.22
Finished Goods	1,355.52	1,333.62
	<u>2,704.57</u>	<u>3,869.84</u>
Less: Stock at commencement:		
Work-in-progress	2,536.22	1,700.90
Finished Goods	1,333.62	1,301.82
	<u>3,869.84</u>	<u>3,002.72</u>
	1,165.27	(867.12)
Differential Excise Duty on Opening and Closing stock of Finished Goods	<u>(15.58)</u>	<u>26.15</u>
Total	<u><u>1,149.69</u></u>	<u><u>(840.97)</u></u>

Details of Inventories	As at 31-03-13	As at 31-03-14	As at 31-03-15
Finished Goods			
Cold Rolled Coils/Sheets	783.85	811.69	817.06
Galvanised Coils/Sheets	517.97	521.93	538.46
Work - in - progress			
Cold Rolled Coils/Sheets	1496.17	1,822.26	1,168.55
Galvanised Coils/Sheets	204.73	713.96	180.50

INR - LACS

Figures as at end of March 31,

	2015	2014
NOTE: 25-EMPLOYEE BENEFIT EXPENSE:		
Salaries and wages	959.88	867.13
Contribution to provident and other funds	65.03	50.60
Staff welfare expenses	253.00	268.70
Total	<u><u>1,277.91</u></u>	<u><u>1,186.43</u></u>

NOTE: 26-FINANCE COST:

Interest expense [*]	1,634.62	1,522.35
Other Borrowing Costs	76.24	98.12
Bank commission & charges	428.82	343.29
Total	<u><u>2,139.68</u></u>	<u><u>1,963.76</u></u>
[*] The break up of interest expense into major heads is given below:		
On term loans	489.38	482.73
On working capital loans	452.28	421.93
Others	692.96	617.69
	<u><u>1,634.62</u></u>	<u><u>1,522.35</u></u>



INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 27-OTHER EXPENSES:		
Consumption of Stores and Spare Parts	1,921.73	1,853.49
Other Manufacturing Expenses	401.17	343.46
Power & fuel	3,480.53	2,724.43
Rent [*]	12.89	8.43
Repairs to Buildings	17.17	35.36
Repairs to Plant and Machinery	167.28	160.75
Repairs to Others	6.25	1.65
Insurance	90.78	82.80
Rates and Taxes [excluding taxes on income]	4.55	2.33
Managing Directors' Remuneration[**]	244.24	96.39
Independent non-executive Directors remuneration	10.00	9.00
Travelling Expenses	115.94	117.88
Legal and Professional Fees	71.05	69.56
Loss on foreign currency transactions and translation	270.44	620.73
Commission on sales	119.34	130.14
Freight and forwarding on sales	2,159.92	2,203.58
Other marketing expenses	55.33	67.17
Amount written off (Net)	88.74	-
Bad Debts:		
Bad debts written off	5.86	20.77
Provision for Doubtful Debts	4.93	70.00
	10.79	90.77
Less : Transferred from Provision for Doubtful Debts	1.82	-
	8.97	90.77
Directors' sitting fees	8.08	7.32
Net Loss on Fixed Assets [Net of Profit of ` 0.70 Lacs (Previous Year ` 1.45 Lacs)]	2.05	11.12
Donations	0.08	0.06
Prior Period Expenditure/(Income) Net	69.53	-
Miscellaneous Expenses [***]	232.52	204.58
Total	9,558.58	8,841.00
[*] Rent Expenses: The Company has taken various residential/office premises/godowns/guest house 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 are no sub-leases. Lease payment recognised in the statement of Profit and Loss is ` 12.89 lacs [Previous Year- ` 8.43 lacs]		
[**] The Company has approached the Central Government and has filed an application for approval of remuneration payable to Executive Directors of the Company which is pending approval. However, in anticipation of obtaining such approval, remuneration for the current Year is provided for in the accounts.		
[***] 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	4.38	0.99
iv Total	14.88	11.49
b Cost Auditors' Remuneration including fees for other services & including Service Tax	2.00	2.00

NOTE: 28-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	(313.35)	(371.70)
B	Dividend on cumulative Preference shares	INR - Lacs	434.65	412.86
C	Loss after tax attributable to Equity Shareholders			
a	Before Exceptional items	INR - Lacs	(948.00)	(784.56)
b	After Exceptional items	INR - Lacs	(748.00)	(784.56)
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	(2.23)	(1.84)
b	After Exceptional items	INR	(1.76)	(1.84)

INR - LACS

Figures as at end of March 31,

2015 2014

NOTE: 29-VALUE OF IMPORTS CALCULATED ON CIF BASIS:

Raw Materials	11,129.89	3,838.16
Spare Parts	299.36	202.15
Capital Goods	64.90	-

NOTE: 30-EXPENDITURE IN FOREIGN CURRENCY:

Professional and Consultation Fees	2.33	7.24
Others [including Travelling, Commission, Overseas Freight etc.]	899.75	1,178.30

NOTE: 31-EARNINGS IN FOREIGN EXCHANGE:

Export of goods calculated on F.O.B. basis	26,959.36	24,160.19
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NOTE: 32-REMITTANCES MADE ON ACCOUNT OF DIVIDEND IN FOREIGN CURRENCY

Nil Nil

Figures for the year ended on March 31,

2015 2014

	INR - LACS	% to Total	INR - LACS	% to Total
NOTE: 33-RAW MATERIALS AND SPARE PARTS CONSUMED:				
Value of Raw Materials Consumed:				
Imported	11,836.00	26.95	3,109.12	7.53
Indigenous	32,077.09	73.05	38,167.01	92.47
Total	43,913.09	100.00	41,276.13	100.00
Value of Spare parts Consumed:				
Imported	76.89	4.00	258.69	13.96
Indigenous	1,844.84	96.00	1,594.80	86.04
Total	1,921.73	100.00	1,853.49	100.00

NOTE: 34-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

		Within India	INR-LACS Outside India
i	Sales Revenue		
	Current Year	26677.62	28367.85
	Previous Year (Sale revenue is net of excise duty.)	25610.11	25453.16
ii	Carrying amount of segment assets		
	Current Year	19692.31	2370.73
	Previous Year (Assets outside India include Export receivables)	29916.95	4802.14
iii	Additions to fixed assets		
	Current Year	250.86	0.00
	Previous Year	81.06	0.00



STEELCO GUJARAT LIMITED

NOTE: 35-RELATED PARTY TRANSACTIONS:

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

- a Holding Company:**
Spica Business Corp., Panama The Holding Company of Spica Investments Limited
Spica Investments Limited, Mauritius Holding Company
- b Subsidiary Company:**
Steelco Colour Coating Limited Subsidiary Company
- c Directors and their relatives:**
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
Ms. Ameeta Trehan Non-Executive Independent Director(w.e.f. 16.05.2015)
Dr. R. S. Mamak Executive Vice Chairman (Non Executive Vice Chairman upto 31.08.2014)
Mr.S. S. Ranjan Non-Executive Independent Director
Mr. Jiban Goswami Nominee Director
Mr. Mitesh H Shah Managing Director (w.e.f. 14.11.2014)
Mrs. Tejal M Shah Wife of Mr. Mitesh Shah (Managing Director w.e.f. 14.11.2014)
Mr. N. M. Mohnot Managing Director (upto 14.08.2014)
Mrs. Saroj Mohnot Wife of Mr. N. M. Mohnot (Managing Director upto 14.08.2014)
- d Key Managerial Persons:**
Mr. Sunil Singhvi Chief Finance Officer
Mr. Arvind Tambi Financial Controller & Company Secretary
- e Enterprises significantly influenced by Directors and/or their relatives:**
Ignis International Industries Pvt. Ltd.
Grip Strapping Technologies P 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 35 - 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	
	Figures for the year ended on March 31,					
	2015	2014	2015	2014	2015	2014
Purchases:						
Ignis International Industries Pvt. Ltd.					16.52	306.25
Grip Strapping Technologies P Ltd					186.96	-
Sales:						
Ignis International Industries Pvt. Ltd.					12.24	63.49
Grip Strapping Technologies P Ltd					514.75	-
Services:						
Remuneration to Directors			252.98	90.39		
Mr. Mitesh H Shah						
Mr. N. M. Mohnot						
Dr. R. S. Mamak						
Remuneration to KMPs			39.80	36.90		
Mr. Sunil Singhvi						
Mr. Arvind Tambi						
Sitting Fees			8.08	7.32		
Mr. Rashmi Chandaria						
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			2.00	6.00		
Mrs. Saroj Mohnot						
Transport Services received from Relative of Director						
Mrs.Tejal M Shah			1.83	-		
Total			264.89	103.71	730.47	369.74
Finance:						
Guarantees Availed						
Spica Business Corp., Panama	25,372.00	25,372.00				
Issue of Preference Shares						
Spica Investment Limited, Mauritius	-	348.62				

NOTE: 36 - 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 lead bank of consortium of banks has also advised the Company to infuse further capital/long term funds for the funding of losses incurred by the company. The ability of the company to continue as a "Going Concern" is dependent upon improvement in industrial and market scenario and to achieve the projected profitability.

NOTE: 37

Exceptional item relate to write back of an unclaimed long outstanding dues which is written back during the year as decided by the managements after its review.

Note: 38

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

Note: 39

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 39 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 : Mumbai
Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Sunil Singhvi
Chief Financial Officer

Place : Mumbai
Date : 28th May, 2015

Mitesh H. Shah
Managing Director

Arvind Tambi
Financial Controller &
Company Secretary

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in `)

1. Sl. No.:	01
2. Name of the subsidiary:	Steelco Colour Coating Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	NA
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. :	NA
5. Share capital:	500,000
6. Reserves & surplus:	(45,000)
7. Total assets:	4,70,000
8. Total Liabilities:	4,70,000
9. Investments:	—
10. Turnover:	—
11. Profit/(Loss) before taxation:	(45,000)
12. Provision for taxation:	—
13. Profit/(Loss) after taxation:	(45,000)
14. Proposed Dividend:	—
15. % of shareholding:	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Mitesh H. Shah
Managing Director

Place : Mumbai
Date : 28th May, 2015

Sunil Singhvi
Chief Financial Officer (CFO)

Arvind Tambi
Financial Controller &
Company Secretary



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To
The Members of
Steelco Gujarat Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Steelco Gujarat Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- (a) **Note No. 36 in the financial statements which indicates that the Company has accumulated losses and its net worth has almost been eroded, the Company has incurred a net loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets and other adverse financial parameters as at the balance sheet date. These conditions, along with other matters set forth in Note No. 36, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.**

Our opinion is not modified in respect of these matters.

Other Matters

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note No. (1) of Note No. 10 relating to "Fixed Assets" regarding adopting disclosure of fixed assets at its historical costs in place of revalued amount of fixed assets and consequential lower charge of depreciation by ` 543.02 Lacs for the year and higher net block of fixed assets as at 31st March, 2015;
- (b) Note No. (2) of Note No. 10 relating to "Fixed Assets" regarding change in the method of depreciation from Written down value method to Straight Line method and consequential write back of excess provision of depreciation of earlier years amounting to ` 868.85 Lacs and lower charge of depreciation for the year amounting to ` 15.33 Lacs resulting into loss being lower by ` 884.18 Lacs for the reporting period and net block of fixed assets being higher by an equivalent amount as at 31st March, 2015;



- (c) Note No. (3) of Note No. 10 relating to "Fixed Assets" regarding higher useful life of certain fixed assets than as is prescribed under Schedule – II to the Companies Act, 2013 and consequential lower charge of depreciation by Rs. 290.09 Lacs for the year and higher net block of fixed assets as at 31st March, 2015;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Standalone Financial Statements dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.; and
 - (e) **The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.**
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 to the financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

PARTNER

Chandresh S. Shah

Membership No. 42132

Place : Mumbai

Date : 28th May, 2015

Annexure referred to in the Independent Auditors' Report on Consolidated Financial Statement

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 explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, having regard to the size of the Company and nature of its business.
- (b) In our opinion, 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) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii)(b) to (iii)(d) of paragraph of the Order are not applicable to the company for the current year.
4. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Further, we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal.



6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 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 the cost records with a view to determine whether they are accurate or complete.
7. (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 been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at 31st March, 2015, there are no such undisputed dues payable for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales tax, Excise duty and Service tax and other material statutory dues as at 31st March, 2015 which have not been deposited on account of any dispute, are as follows:
- | Name of the Statute | Nature of dues | Amounts involved (Rs. in Lacs) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|----------------|--------------------------------|------------------------------------|--------------------------------|
| The Income Tax Act, 1961 | Income Tax | 24.45 | 1991-92 | H'nable Gujarat High Court |
| | Income Tax | 26.03 | 1992-93 | H'nable Gujarat High Court |
| | Income Tax | 61.55 | 1993-94 | H'nable Gujarat High Court |
| Customs Act | Custom Duty | 32.66 | 2008-09 | CESTAT, Ahmedabad |
- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder, has been transferred to such fund within time.
8. **The accumulated losses at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the financial year as well as in the immediately preceding financial year.**
9. **The company has made delays at times in repayment of dues to financial institutions or banks.**
10. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees / letter of comforts given by the company for loans taken by the subsidiaries and other parties from banks are not *prima facie*, prejudicial to the interest of the company.
11. Term loans obtained by the company were applied for the purposes for which the loans were obtained.
12. To the best of our knowledge and based on information and explanations received from the management, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

Place : Mumbai
 Date : 28th May, 2015

PARTNER
 Chandresh S. Shah
 Membership No. 42132



STEELCO GUJARAT LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	INR - LACS	
		Figures as at end of March 31,	
		2015	2014
EQUITY AND LIABILITIES:			
Shareholders' Funds:			
Share Capital	1	7,886.79	7,886.79
Reserves and Surplus	2	(7,831.84)	(38.88)
		54.95	7,847.91
Share Application Money Pending Allotment:	1-D	0.01	0.01
		54.96	7,847.92
Non-Current Liabilities:			
Long Term Borrowings	3	3,702.04	4,378.83
Other Long Term Liabilities	4	5.44	5.45
Long Term Provisions	5	239.38	233.19
		3,946.87	4,617.47
Current Liabilities:			
Short Term Borrowings	6	5,288.65	6,561.05
Trade Payables	7	13,003.08	14,275.56
Other Current Liabilities	8	1,369.64	1,288.81
Short Term Provisions	9	127.64	128.28
		19,789.01	22,253.70
Total		23,790.84	34,719.09
ASSETS:			
Non-Current Assets:			
Fixed Assets:			
Tangible Assets	10	4,882.51	11,554.97
Intangible Assets	10	9.77	8.41
Capital work-in-progress		92.22	104.98
		4,984.50	11,668.36
Non Current Investments	11	-	-
Deferred Tax Asset [Net]	12	-	-
Long Term Loans and Advances	13	1,318.03	1,230.37
		6,302.53	12,898.73
Current Assets:			
Inventories	14	7,898.99	8,855.33
Trade Receivables	15	5,600.02	7,760.34
Cash and Bank Balances	16	983.14	859.05
Short Term Loans and Advances	17	1,552.07	2,188.41
Other Current Assets	18	1,454.08	2,157.24
		17,488.31	21,820.36
Total		23,790.84	34,719.09
Significant Accounting Policies			
Notes to the Financial Statements	1 to 39		

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 : Mumbai
Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Sunil Singhvi
Chief Financial Officer

Place : Mumbai
Date : 28th May, 2015

Mitesh H. Shah
Managing Director

Arvind Tambi
Financial Controller &
Company Secretary



STEELCO GUJARAT LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	INR - LACS Figures for the year ended on March 31,	
		2015	2014
REVENUE:			
Revenue from Operations:	20		
Sale of Products [Gross]		58,150.53	53,565.69
Less : Excise Duty		3,105.06	2,502.42
Sale of Products [Net]		55,045.47	51,063.27
Other Operating Revenues		2,046.79	2,151.03
Net Revenue from Operations		57,092.26	53,214.30
Other Income	21	329.25	368.62
Total Revenue		57,421.51	53,582.92
EXPENSES:			
Cost of Materials Consumed	22	44,378.71	41,761.88
Purchase of Traded goods	23	-	597.80
Changes in Inventories of Finished goods and Work-in-progress	24	1,149.69	(840.97)
Employee Benefits Expense	25	1,277.91	1,186.43
Finance Costs	26	2,139.68	1,963.76
Depreciation and Amortisation Expenses	10	299.14	1,014.19
Less : Transferred from Revaluation Reserve (Refer Note. No.10)		-	(569.47)
Net Depreciation and Amortisation Expenses		299.14	444.72
Other Expenses	27	9,559.03	8,841.00
Total Expenses		58,803.71	53,954.62
Profit/(Loss) for the year		(1,382.65)	(371.70)
Excess Provision of depreciation in earlier years written back (Refer Note No. 10)		868.85	-
Profit/(Loss) for the year before exceptional items		(513.80)	(371.70)
Exceptional item (Refer Note No. 37)		(200.00)	-
Profit/(Loss) before Tax		(313.80)	(371.70)
Less/[Add]: Tax Expense:			
Current Tax		-	-
Deferred Tax	12	-	-
Profit/(Loss) for the Year		(313.80)	(371.70)
Basic & Diluted Earning per Equity Share [EPS] [in Rs.]	28	(1.76)	(1.84)
Significant Accounting Policies			
Notes to the Financial Statements	1 to 39		

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 : Mumbai
Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Sunil Singhvi
Chief Financial Officer

Place : Mumbai
Date : 28th May, 2015

Mitesh H. Shah
Managing Director

Arvind Tambi
Financial Controller &
Company Secretary



STEELCO GUJARAT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

INR - LACS

Particulars	Figures for the year ended on March 31,	
	2015	2014
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation and extraordinary items	(313.80)	(371.70)
Adjustments for:		
Depreciation [Net]	299.14	444.72
Excess Provision of depreciation in earlier years written back	(868.85)	-
[Profit]/Loss on sale of assets [Net]	2.05	11.12
Interest income	(206.53)	(78.38)
Interest expenses	2,139.68	1,963.76
Bad debts written off	5.86	20.77
Write back of unclaimed long outstanding dues	(200.00)	-
Provision for doubtful debts written back	4.93	70.00
Exchange (Gain)/Loss - Unrealised	(178.98)	488.75
Provisions for employee benefits	29.22	47.99
Total	1,026.52	2,968.73
Operating profit before working capital changes	712.72	2,597.03
Adjustments for:		
[Increase]/Decrease in trade receivables	2,318.57	(180.86)
[Increase]/Decrease in inventories	956.34	(2,304.78)
[Increase]/Decrease in short term advances	615.39	(356.63)
[Increase]/Decrease in long term advances	(87.34)	(197.26)
[Increase]/Decrease in other current assets	826.09	(424.43)
[Increase]/Decrease in other non current assets	-	-
Increase/[Decrease] in trade payables	(1,106.67)	1,421.34
Increase/[Decrease] in other current liabilities	130.32	(81.64)
Increase/[Decrease] in other long term liabilities	-	(10.66)
Increase/[Decrease] in long term Provisions	(23.03)	(21.49)
Increase/[Decrease] in short term Provisions	(0.72)	2.46
Total	3,628.95	(2,153.95)
Cash generated from operations	4,341.67	443.08
Less : Direct taxes paid [Net of refunds]	3.66	35.94
Cash flow before extraordinary items	4,345.34	479.02
Less : Extraordinary items	-	-
Net cash from operating activities	4,345.34	479.02
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(242.01)	(93.43)
Proceeds from sale of fixed assets	10.48	3.71
Purchase of non Current assets	-	-
Net cash from investing activities	83.60	(147.93)
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long term Borrowings	-	-
Proceeds from issue of Share Capital	-	1.21
Repayment of Long Term Borrowings	(636.34)	640.11
Short Term Borrowings [Net]	(1,299.68)	1,102.82
Interest paid	(2,137.30)	(1,975.10)
Net cash used in financing activities	(4,073.32)	(230.95)
Net increase/(decrease) in cash and cash equivalents	124.09	228.35
Cash and cash equivalents at the beginning of the year	859.05	630.70
Cash and cash equivalents at the close of the year	983.14	859.05

Notes to the cash flow statement

- All figures in brackets are outflow.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalents at the end (beginning) of the year include ` 972.82 (` 825.27) lacs not available for immediate use.
- Cash and cash equivalents comprise :

	As at March 31		
	2015	2014	2013
a. Cash on hand	1.36	2.07	3.35
b. Balance with banks	8.97	31.71	21.88
c. Total	10.32	33.78	25.34

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 : Mumbai

Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
Executive Vice Chairman

Sunil Singhvi
Chief Financial Officer

Place : Mumbai

Date : 28th May, 2015

Mitesh H. Shah
Managing Director

Arvind Tambi
Financial Controller &
Company Secretary

Consolidated Financial Statements - 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 and after 12th September, 2013. The company has consistently applied the Accounting Policies in preparation and presentation of the financial statements.
- 2 Basis of consolidation:** The Consolidated Financial Statements [CFS] relate to Steelco Gujarat Limited and its Subsidiary.
The CFS have been prepared on the following basis:
 - A** The financial statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of the items like assets, liabilities, incomes and expenses.
 - B** CFS are prepared after fully eliminating intra group balances, intra group transactions and unrealised profits from the intra group transactions.
- 3. 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.
- 4. 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.
All fixed assets are stated at their Historical Costs as against the revalued amounts at which they were stated upto 31st March, 2014.
 - B** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II except in cases of Buildings and Plant and Machineries, where the estimated useful life has been estimated at a longer period than that is specified in Schedule - II based on an external technical assessment and evaluation independent technical assessors. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives.
 - C** The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the Profit and Loss Account after retaining its residual value.
 - D** Leasehold Land is being amortised over the life of the lease.
 - E** Depreciation is now provided on a Straight Line basis for all assets as against the policy of providing on written down value basis for some assets and Straight line basis for others.
 - F** 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.
 - G** 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.
 - H** 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.
- 5. 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.
- 6. 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.
- 7. 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.
- 8. 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 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.

**9. 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.

10. 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.

11. Excise Duty: Excise Duty is accounted gross of Cenvat benefit availed on inputs, fixed assets and eligible services.**12. 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.

13. 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.

14. 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.

15. 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.**16. 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 Consolidated Financial Statements

INR - LACS		
Figures as at end of March 31,		
	2014	2013
NOTE: 1-SHARE CAPITAL:		
Authorised:		
7,50,00,000 [as at 31-03-14 : 7,50,00,000] Equity Shares of Rs. 10/- each	7,500.00	7,500.00
7,50,00,000 [as at 31-03-14 : 7,50,00,000] Preference Shares of Rs. 10/- each	7,500.00	7,500.00
	15,000.00	15,000.00
Issued, Subscribed and Paid-up:		
4,25,61,822 [as at 31-03-14 : 4,25,61,822] Equity Shares of Rs. 10/- each, fully paid up	4,256.18	4,256.18
3,28,20,000 [as at 31-03-14 : 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 31-03-14 : 34,86,200] 7.00% Cumulative Redeemable Non-Convertible Preference Shares of Rs. 10/- each, fully paid up	348.62	348.62
Total	7,886.79	7,886.79

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

Particulars	Equity shares		Preference Shares	
	As at end of March 31, 2015	2014	As at end of March 31, 2015	2014
Number of shares at the beginning	42,561,822	42,561,822	36,306,200	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	36,306,200

- 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,		
	2015	2014
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	31,921,366	33,308,398
% to total share holding	75.00	78.26
Number of Preference Shares	36,306,200	36,306,200
% 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,	
		2015	2014
NOTE: 2-RESERVES AND SURPLUS:			
Capital Reserve:			
Balance at the beginning and at the end of the year		489.68	489.68
		<u>489.68</u>	<u>489.68</u>
Revaluation Reserve: [Refer Note No. 10 (1)]			
Balance as at the beginning of the year		7,479.16	8,048.63
Less : Reversal of Revaluation reserve pursuant to disclosure of fixed assets at its historical costs/ Transfer to statement of Profit and Loss to the extent of Depreciation provided on Revalued amount (Note No. 10(1))		(7,479.16)	(569.47)
		-	7,479.16
Surplus in statement of Profit and Loss:			
Balance as at the beginning of the year		(8,007.72)	(7,636.02)
Add: (Loss)/Profit for the year		(313.35)	(371.70)
Balance as at the end of the year		(8,321.07)	(8,007.72)
Total		<u>(7,831.39)</u>	<u>(38.88)</u>

NOTE: 3-LONG TERM BORROWINGS:

		INR - LACS			
		Non-current portion		Current Maturities	
		Figures as at end of March 31,			
		2015	2014	2015	2014
A	Term Loans from Banks [Secured]				
	Term Loan	3,682.50	4,173.50	548.81	514.49
B	Finance Lease obligations [Unsecured]:				
	From Banks	19.54	5.33	16.79	10.66
C	From Others [Unsecured] / Inter corporate deposits	-	200.00	0.00	0.00
	Total	<u>3,702.04</u>	<u>4,378.83</u>	<u>565.60</u>	<u>525.15</u>
The above amount includes:					
	Secured borrowings	3,682.50	4,173.50	548.81	514.49
	Unsecured borrowings	19.54	205.33	16.79	10.66
Amount disclosed under the head					
“Other Current Liabilities” [Note-8]					
		-	-	(565.60)	(525.15)
	Net amount	<u>3,702.04</u>	<u>4,378.83</u>	-	-

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

Rupee Term Loans: Rupee Term Loan of ` 4225.76 Lacs is secured by way of joint mortgage of immovable properties of the company situated at Plot No.2, GIDC Estate, Palej, Dist. Bharuch, 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 3,19,21,366 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 and deposit of ` 37.17 lac against sale proceeds of 13,87,032 Equity Shares by Spica Investments Ltd. with lenders (includes Rs.1.43 lac as interest on deposit amount of ` 35.74 lac).

The loans are rescheduled in terms of Corporate Debts Restructuring Scheme as 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 15 to 49 days. Interest accrued & due as at March, 31st 2015 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 1 to 62 days.

C Terms of Repayment for Unsecured Long Term Borrowings:

Finance obligations of ` 74.97 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 March 31st , 2015 is ` 36.33 Lacs. [As at March 31st, 2014: ` 16.00 Lacs]. There is no default by the company in repayment of such loan during the year.



INR - LACS

Figures as at end of March 31,

2015 2014

NOTE :4-OTHER LONG TERM LIABILITIES:

Others : Security deposits from customers

Total

5.44 5.44

5.44 5.44

NOTE: 5-LONG TERM PROVISIONS:

Provision for Employee Benefits

Total

239.38 233.19

239.38 233.19

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.

INR - LACS

Figures as at end of March 31,
2015 2014

	Gratuity	Pre. Leave	Gratuity	Pre. Leave
B Change in the present value of the defined benefit obligation:				
Opening defined benefit obligation	204.22	65.86	172.32	68.80
Interest cost	16.34	5.27	13.79	5.50
Current service cost	20.95	14.41	19.81	13.62
Benefits paid	(71.55)	(31.76)	(12.29)	(6.74)
Actuarial [gain]/losses on obligation	48.17	3.65	10.60	(15.33)
Closing defined benefit obligation	218.13	57.43	204.22	65.86
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	218.13	57.43	204.22	65.86
Fair value of plan Assets at the end of the year	-	-	-	-
Difference	218.13	57.43	204.22	65.86
Unrecognised past Service cost	-	-	-	-
[Assets]/Liability recognised in the Balance Sheet(*)	218.13	57.43	204.22	65.86
F [Income]/Expenses recognised in the Statement of Profit and Loss :				
Current service cost	20.95	14.41	19.81	13.62
Interest cost on benefit obligation	16.34	5.27	13.79	5.50
Expected return on plan assets	-	-	-	-
Net actuarial [gain]/loss in the year	48.17	3.65	10.60	(15.33)
Net [benefit]/expense	85.46	23.32	44.19	3.80
G Movement in net liability recognised in Balance Sheet:				
Opening net liability	204.22	65.86	172.32	68.80
Expenses as above [P & L Charge]	85.46	23.32	44.19	3.80
Employer's contribution	(71.55)	(31.76)	(12.29)	(6.74)
[Assets]/Liability recognised in the Balance Sheet	218.13	57.43	204.22	65.86



INR - LACS				
Figures as at end of March 31,				
	2015		2014	
	Gratuity	Pre. Leave	Gratuity	Pre. Leave
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.
(*) Out of these ` 36.17 Lacs are disclosed under Note - 9 "Short Term Provision".				

INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 6-SHORT TERM BORROWINGS:		
Loans repayable on Demand:		
Working Capital Loans from Banks [Secured] (*)	5,288.65	6,561.05
Total	5,288.65	6,561.05
The above amount includes:		
Secured borrowings	5,288.65	6,561.05
Unsecured borrowings	-	-
Net amount	5,288.65	6,561.05
(*) Working Capital 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, 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 3,19,21,366 Equity Shares held by the promoters in favour of the Consortium of Bankers and deposit of ` 35.74 lac against sale proceeds of 13,87,032 Equity Shares by Spica Investments Ltd. with lenders and interest of ` 1.43 lacs thereon.		
During the year, the company has drawn the working capital financing facility in excess of sanctioned limits at some times. However, there is no such overdrawn working capital limits as at 31st March, 2015.		

INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 7-TRADE PAYABLES:		
Micro, Small and Medium Enterprises (*)	0.00	4.70
Acceptances	8,091.69	9,998.58
Other Trade Payables	4,911.39	4,272.28
Total	13,003.08	14,275.56
(*) Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at the Year	0.00	4.70
B Interest due thereon	0.13	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.	0.13	0.26
E Amount of interest accrued and remaining unpaid at the end of the accounting year	0.00	0.45
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.	-	-



INR - LACS

Figures as at end of March 31,

2015 2014

NOTE: 8-OTHER CURRENT LIABILITIES:

Current Maturities of Long Term Debt [Refer Note No. 3]	565.60	525.15
Interest accrued and due on borrowings	33.64	30.41
Interest accrued but not due on borrowings	5.89	6.74
Advances from Customers	176.52	268.86
Amount repayable to Holding company against Offer For Sale (OFS)*	37.17	0.00
Others:		
Book Overdraft	-	-
Provision for Expenses	490.08	435.67
Payable to Statutory Authorities	60.74	21.96
Total	1,369.64	1,288.81

*Represents deposit of ` 35.74 lac against sale proceeds of 13,87,032 Equity Shares by Spica Investments Ltd. with lenders and interest of ` 1.43 lacs thereon.

NOTE: 9-SHORT TERM PROVISIONS:

Provision for Employee Benefits	36.17	36.89
Others:		
Provision for Taxation	91.47	91.39
[Net of advance payment of taxes of ` 78.61 Lacs (as at 31-03-14: ` 78.61 Lacs).]		
Total	127.64	128.28

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, 2014	1,630.77	5,742.48	29,020.44	114.57	152.12	188.98	36,849.36
Additions	-	52.03	135.82	1.15	46.24	10.86	246.10
Disposals	-	-	(49.21)	(0.28)	(36.39)	(9.33)	(95.21)
Other adjustments	(1,539.80)	(2,735.11)	(5,005.27)	-	-	-	(9,280.18)
As at March 31, 2015	90.97	3,059.40	24,101.78	115.44	161.97	190.51	27,720.07
Depreciation:							
As at March 31, 2014	67.55	2,905.94	22,000.22	64.15	104.10	152.44	25,294.40
Charge for the Year	0.91	55.82	163.86	10.60	20.57	39.07	290.82
Disposals	-	-	(46.67)	(0.18)	(30.94)	(4.89)	(82.68)
Adj. on Change in Dep. Method	-	(760.97)	(24.37)	(12.44)	(31.76)	(34.41)	(863.95)
Adj. on Reversal of Revaluation	(46.66)	(695.81)	(1,058.54)	-	-	-	(1,801.02)
As at March 31, 2015	21.80	1,504.98	21,034.50	62.13	61.97	152.21	22,837.57
Net Block:							
As at March 31, 2014	1,563.22	2,836.53	7,020.23	50.43	48.01	36.53	11,554.97
As at March 31, 2015	69.17	1,554.42	3,067.28	53.31	100.00	38.30	4,882.50

B Intangible Assets:

Gross Block:

	Computer Software	Total
As at March 31, 2014	25.42	25.42
Additions	4.76	4.76
Disposals	-	-
Other adjustments	-	-
As at March 31, 2015	30.18	30.18

Depreciation:

As at March 31, 2014	17.01	17.01
Charge for the Year	8.31	8.31
Disposals	-	-
Other adjustments -Change in Method	(4.90)	(4.90)
Other adjustments -Reversal of Revaluation Reserve	-	-
As at March 31, 2015	20.42	20.42

Net Block:

As at March 31, 2014	8.41	8.41
As at March 31, 2015	9.76	9.76

Notes :

- 1 The implementation of Indian Accounting Standards (Ind AS) converged to International Financial Reporting Standards (IFRS) is being made mandatory effective from Financial Year 2016-17. In view of the same, the management has decided to identify and minimise the differences in the present GAAP and the proposed Ind AS and to move in that direction and align the current practice. Accordingly, the practice of disclosing fixed assets at revalued amount as against its original cost is reviewed by the management.

The Company had, in the year 2011 revalued land, buildings and Plant & Machinery and the related revaluation reserve (net) stood at ` 9280.18 Lakhs as at March 31, 2011. However, with the passage of time, the equitable values of the assets under the heads of land, building and Plant & Machinery have undergone substantial changes in their carrying values, vitiating the objective of original exercise of revaluation. Hence, the management has reviewed the current practice of showing fixed assets at revalued amounts and has decided to show the fixed assets at historical costs only.

The Company has therefore changed its accounting policy to show all fixed assets at historical cost only. Accordingly, the Company has reversed the aforesaid amount of revaluation reserve, which will result in these assets being stated at their historical cost less accumulated depreciation. Due to such change, the charge of depreciation for the year is lower by ` 543.02 lacs.

- 2 Presently, depreciation on Buildings, Electrical Installation, Furniture - Fixtures, Office Equipment and Vehicles is provided on a "Written down value basis". In order to align the depreciation policy on all fixed assets and with the introduction of Schedule - II providing for depreciating assets over its useful life, the management has decided to depreciate all the fixed assets on a straight line basis. Accordingly, the policy of providing depreciation on Buildings, Electrical Installation, Furniture - Fixtures, Office Equipment and Vehicles is changed from Written Down Value basis to Straight Line Basis from the current year.

Due to such change, the excess depreciation provided and charged to Profit and Loss Account during the earlier years amounting to Rs. 868.85 lacs has been written back during the year and depreciation charge for the year is lower by ` 15.33 lacs.

- 3 The Company has carried out an exercise to undertake technical assessment and evaluation of its fixed assets and has appointed an independent Govt. approved technical valuer and assessors namely Gujarat Techno - Economic Consultants Pvt. Ltd. The said firm has carried out technical evaluation and assessment of fixed assets and based on their technical review and the practice and policy of continuous refurbishment and maintenance of the equipment and buildings, it has suggested estimated remaining useful life of buildings and Plant and Machinery for a period which is longer than the period as is specified in Schedule-II to the fixed assets which is as under:

Class of Assets	Schedule - II	Technical assessment
Remaining Useful Life as per		
Factory Building	10 to 26 years	3 to 45 years
Buildings other than factory Building	13 to 54 years	20 to 40 years
Plant and Machineries	0 to 12 years	1 to 22 years

Had the Company continued to provide depreciation over the remaining useful life as is prescribed in Schedule - II to the Companies Act, 2013, the charge of depreciation for the year would have been higher by ` 290.09 lacs.

- 4 The written down value of fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the Profit and Loss Account after retaining its residual value.
- 5 The Company in accordance with AS-10, Accounting for fixed assets, has disclosed assets retired from active use and held for sale under 'other current assets' at its realisable value or Net Book Value, whichever is lower. Such assets are shown at Net Book value of ` 2.84 Lacs being lower than its net realisable value.
- 6 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	29,408.83	23,813.35	5,595.48	19.09	12.91	6.18
Additions	74.72	1,010.09	(935.37)	6.33	4.10	2.23
Disposals	(113.35)	(98.52)	(14.83)	-	-	-
Revaluation Surplus	7,479.16	569.47	6,909.69	-	-	-
Closing	36,849.36	25,294.39	11,554.97	25.42	17.01	8.41

INR - LACS
Figures as at end of March 31,

	2015	2014
NOTE: 11-INVESTMENTS:		
Long Term Investments [Valued at Cost]:		
Trade Investments [unquoted]:	-	-
Total	-	-



NOTE: 12-DEFERRED TAX ASSETS [NET]:

A The Company has worked out deferred tax liabilities / assets as at March 31, 2015. 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 31-03-13	Charge for the previous Year	As at 31-03-14	Charge for the current Year	As at 31-03-15
Deferred Tax Liabilities:					
Depreciation	426.07	(6.30)	419.77	328.35	748.12
Total	426.07	(6.30)	419.77	328.35	748.12
Deferred Tax Assets:					
Retirement benefits and other statutory allowances	86.99	4.81	91.80	(69.39)	22.41
Bad debts provision	74.76	23.80	98.56	1.05	99.61
Unabsorbed Business losses	548.86	-	548.86	(0.00)	548.86
Unabsorbed depreciation (*)	4,125.59	(3,841.52)	284.07	3,391.63	3,675.70
Total	4,836.20	(3,812.91)	1,023.29	3,323.28	4,346.57
Net Deferred Tax Liability	(4,410.13)	3,806.61	(603.52)	(2,994.93)	(3,598.45)

(*) Deferred Tax asset during the current year has arisen pursuant to Order of CIT granting relief of carried forward unabsorbed depreciation passed during the current year in Company's favour.

INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 13-LONG TERM LOANS AND ADVANCES:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	3.91	0.00
Security Deposits	217.76	218.99
Other Loans and Advances:		
Balances with Customs/ Central Excise/ Sales Tax Authorities	900.68	812.11
Advance payment of Tax (Net of Provision ` 114.50 Lacs, {Previous year ` 114.50 Lacs})	195.69	199.27
	1,096.37	1,011.38
Total	1,318.03	1,230.37

NOTE: 14-INVENTORIES:

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

Classification of Inventories:

Raw Materials	2,815.57	2,820.36
Work-in-progress	1,349.05	2,536.22
Finished Goods	728.16	886.28
Stores and Spares	2,342.84	2,093.58
Packing Materials	3.54	58.73
Others : Scrap	659.83	460.16
Total	7,898.99	8,855.33

Goods in transit included above is as under:

Raw Materials	0.00	89.09
Finished Goods	302.96	164.25

NOTE: 15-TRADE RECEIVABLES:

[Unsecured]

Outstanding for a period exceeding six months:

Considered good	1,521.24	2,822.50
Considered doubtful	293.06	289.95
	1,814.30	3,112.45
Less : Provision for doubtful debts	293.06	289.95
	1,521.24	2,822.50
Others-Considered good	4,078.79	4,937.83
Total	5,600.02	7,760.34



		INR - LACS	
		Figures as at end of March 31,	
		2015	2014
NOTE: 16-CASH AND BANK BALANCES :			
Balances with Banks			
In Current Accounts		13.67	31.71
In Fixed Deposits		968.12	825.27
Cash on Hand		1.36	2.07
Total		983.14	859.05
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		14.55	14.67
ii For opening letter of credits		953.57	810.60
b Bank deposits with maturity of more than 12 months		-	-
NOTE: 17-SHORT TERM LOANS AND ADVANCES:			
[Unsecured, Considered Good]			
Others :			
Balances with Customs/ Central Excise/ Sales Tax Authorities		1,400.67	1,977.30
Advances to Suppliers		142.44	163.39
Other Advances : Advances recoverable in cash or in kind or for value to be received		8.96	47.72
Total		1,552.07	2,188.41
NOTE: 18-OTHER CURRENT ASSETS:			
Interest Receivables		189.46	66.53
Insurance Claim Receivables		0.00	364.64
Export Incentive Receivables		821.33	1,287.16
Prepaid Expenses		206.42	157.15
Asset Held for sale		2.84	-
Other Receivables : Advances recoverable in cash or in kind for value to be received. (*)		234.04	281.76
Total		1,454.08	2,157.24
(*) It includes an amount of ` 144.94 Lacs (as at 31.03.2014 ` 145.15 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.			
NOTE: 19-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		180.00	200.25
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		378.51	525.29
ii In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts.		728.97	716.04
iii Letters of Credit		326.58	292.04
iv Dividend on Cumulative Preference Shares		2,695.32	2,260.67
v Interest on Electricity Duty Deferment Loan		39.80	83.18
vi Labour Matters		50.00	50.00
Total		4,399.18	4,127.47
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 in 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 mumbai high court, which has been admitted by H'noble 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.			



INR - LACS

Figures as at end of March 31,

	2015	2014
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	5.00	17.48
b Commitments under Wage Settlement agreement with the workers of the Company	2.80	15.90
Total	7.80	33.38
c The Company has entered into a supply agreement with supplier of Zinc during the period from 1st April, 2014 to 31st March, 2015 under which it is under obligation to purchase minimum 3500 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: 20-REVENUE FROM OPERATIONS:

Sales of Goods (Including excise duty)

Manufactured goods	58,150.53	52,957.32
Traded goods	-	608.37
Total	58,150.53	53,565.69

Other Operating Revenues:

Gain on foreign currency transactions and translation	233.81	636.15
Export Incentives	1,808.93	1,502.69
Conversion Charges (Job Work)	4.05	12.19
Total	2,046.79	2,151.03

Details of Sales of Goods [Net of Excise Duty]

Cold Rolled Coils/Sheets	23,847.61	22,967.53
Galvanised Sheets	30,292.15	26,765.00
Consumables (Chemicals) Traded	-	608.37
Others : Scrap Sales	905.72	722.37

NOTE: 21-OTHER INCOME:

Interest Income [Gross]	206.53	78.38
Other Non-operating Income		
Liabilities written back (Net)		34.34
Insurance Claim Received [refer note no.17]	51.25	194.57
Prior Year Income Net	-	13.08
Others	71.47	48.25
Total	329.25	368.62

NOTE: 22-COST OF MATERIALS CONSUMED:

Raw Materials:		
Stock at commencement	2,820.36	1,465.26
Add : Purchases	43,922.02	42,631.23
	46,742.38	44,096.49
Less : Stock at close	2,815.57	2,820.36
	43,926.81	41,276.13
Packing Materials consumed	451.90	485.75
Total	44,378.71	41,761.88
Details of Raw Materials Consumed		
H R Coils	37,836.22	35,994.26
Zinc	6,090.60	5,281.87

NOTE: 23-PURCHASE OF TRADED GOODS:

Purchase of Traded goods	-	597.80
Total	-	597.80
Consumables (Chemicals)	-	597.80



INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 24-CHANGES IN INVENTORIES:		
Stock at close:		
Work-in-progress	1,349.05	2,536.22
Finished Goods	1,355.52	1,333.62
	<u>2,704.57</u>	<u>3,869.84</u>
Less: Stock at commencement:		
Work-in-progress	2,536.22	1,700.90
Finished Goods	1,333.62	1,301.82
	<u>3,869.84</u>	<u>3,002.72</u>
	1,165.27	(867.12)
Differential Excise Duty on Opening and Closing stock of Finished Goods	(15.58)	26.15
Total	<u><u>1,149.69</u></u>	<u><u>(840.97)</u></u>

Details of Inventories	As at 31-03-13	As at 31-03-14	As at 31-03-15
Finished Goods			
Cold Rolled Coils/Sheets	783.85	811.69	817.06
Galvanised Coils/Sheets	517.97	521.93	538.46
Work - in - progress			
Cold Rolled Coils/Sheets	1496.17	1,822.26	1,168.55
Galvanised Coils/Sheets	204.73	713.96	180.50

INR - LACS		
Figures as at end of March 31,		
	2015	2014
NOTE: 25-EMPLOYEE BENEFIT EXPENSE:		
Salaries and wages	959.88	867.13
Contribution to provident and other funds	65.03	50.60
Staff welfare expenses	253.00	268.70
Total	<u><u>1,277.91</u></u>	<u><u>1,186.43</u></u>

NOTE: 26-FINANCE COST:		
Interest expense [*]	1,634.62	1,522.35
Other Borrowing Costs	76.24	98.12
Bank commission & charges	428.82	343.29
Total	<u><u>2,139.68</u></u>	<u><u>1,963.76</u></u>
[*] The break up of interest expense into major heads is given below:		
On term loans	489.38	482.73
On working capital loans	452.28	421.93
Others	692.96	617.69
	<u><u>1,634.62</u></u>	<u><u>1,522.35</u></u>



INR - LACS

Figures as at end of March 31,

	2015	2014
NOTE: 27-OTHER EXPENSES:		
Consumption of Stores and Spare Parts	1,921.73	1,853.49
Other Manufacturing Expenses	401.17	343.46
Power & fuel	3,480.53	2,724.43
Rent [*]	12.89	8.43
Repairs to Buildings	17.17	35.36
Repairs to Plant and Machinery	167.28	160.75
Repairs to Others	6.25	1.65
Insurance	90.78	82.80
Rates and Taxes [excluding taxes on income]	4.55	2.33
Managing Directors' Remuneration[**]	244.24	96.39
Independent non-executive Directors remuneration	10.00	9.00
Travelling Expenses	115.94	117.88
Legal and Professional Fees	71.05	69.56
Loss on foreign currency transactions and translation	270.44	620.73
Commission on sales	119.34	130.14
Freight and forwarding on sales	2,159.92	2,203.58
Other marketing expenses	55.33	67.17
Amount written off (Net)	88.74	-
Bad Debts:		
Bad debts written off	5.86	20.77
Provision for Doubtful Debts	4.93	70.00
	10.79	90.77
Less : Transferred from Provision for Doubtful Debts	1.82	-
	8.97	90.77
Directors' sitting fees	8.08	7.32
Net Loss on Fixed Assets [Net of Profit of ` 0.70 Lacs (Previous Year ` 1.45 Lacs)]	2.05	11.12
Donations	0.08	0.06
Prior Period Expenditure/(Income) Net	69.53	-
Miscellaneous Expenses [***]	232.52	204.58
Total	9,558.58	8,841.00
<p>[*] Rent Expenses: The Company has taken various residential/office premises/godowns/guest house 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 are no sub-leases. Lease payment recognised in the statement of Profit and Loss is ` 12.89 lacs [Previous Year- ` 8.43 lacs]</p>		
<p>[**] The Company has approached the Central Government and has filed an application for approval of remuneration payable to Executive Directors of the Company which is pending approval. However, in anticipation of obtaining such approval, remuneration for the current Year is provided for in the accounts.</p>		
<p>[***] Miscellaneous Expenses include Payment to the auditors as [Excluding Service Tax]:</p>		
a i Auditors	8.00	8.00
ii For Taxation Matters	2.50	2.50
iii For Other Services	4.38	0.99
iv Total	14.88	11.49
b Cost Auditors' Remuneration including fees for other services & including Service Tax	2.00	2.00



STEELCO GUJARAT LIMITED

NOTE: 28-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	(313.35)	(371.70)
B	Dividend on cumulative Preference shares	INR - Lacs	434.65	412.86
C	Loss after tax attributable to Equity Shareholders			
a	Before Exceptional items	INR - Lacs	(948.00)	(784.56)
b	After Exceptional items	INR - Lacs	(748.00)	(784.56)
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	(2.23)	(1.84)
b	After Exceptional items	INR	(1.76)	(1.84)

INR - LACS Figures as at end of March 31, 2015 2014

NOTE: 29-VALUE OF IMPORTS CALCULATED ON CIF BASIS:

Raw Materials	11,129.89	3,838.16
Spare Parts	299.36	202.15
Capital Goods	64.90	-

NOTE: 30-EXPENDITURE IN FOREIGN CURRENCY:

Professional and Consultation Fees	2.33	7.24
Others [including Travelling, Commission, Overseas Freight etc.]	899.75	1,178.30

NOTE: 31-EARNINGS IN FOREIGN EXCHANGE:

Export of goods calculated on F.O.B. basis	26,959.36	24,160.19
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NOTE: 32-REMITTANCES MADE ON ACCOUNT OF DIVIDEND IN FOREIGN CURRENCY

Nil Nil

Figures for the year ended on March 31, 2015 2014

	INR - LACS	% to Total	INR - LACS	% to Total
NOTE: 33-RAW MATERIALS AND SPARE PARTS CONSUMED:				
Value of Raw Materials Consumed:				
Imported	11,836.00	26.95	3,109.12	7.53
Indigenous	32,077.09	73.05	38,167.01	92.47
Total	43,913.09	100.00	41,276.13	100.00
Value of Spare parts Consumed:				
Imported	76.89	4.00	258.69	13.96
Indigenous	1,844.84	96.00	1,594.80	86.04
Total	1,921.73	100.00	1,853.49	100.00

NOTE: 34-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

	Within India	INR-LACS Outside India
i Sales Revenue		
Current Year	26694.57	28367.85
Previous Year (Sale revenue is net of excise duty.)	25610.11	25453.16
ii Carrying amount of segment assets		
Current Year	19692.31	2370.73
Previous Year (Assets outside India include Export receivables)	29916.95	4802.14
iii Additions to fixed assets		
Current Year	250.86	0.00
Previous Year	81.06	0.00



NOTE: 35-RELATED PARTY TRANSACTIONS:

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

- a Holding Company:**
Spica Business Corp., Panama The Holding Company of Spica Investments Limited
Spica Investments Limited, Mauritius Holding Company
- b Subsidiary Company:**
Steelco Colour Coating Limited Subsidiary Company
- c Directors and their relatives:**
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
Ms. Ameeta Trehan Non-Executive Independent Director(w.e.f. 16.05.2015)
Dr. R. S. Mamak Executive Vice Chairman (Non Executive Vice Chairman upto 31.08.2014)
Mr.S. S. Ranjan Non-Executive Independent Director
Mr. Jiban Goswami Nominee Director
Mr. Mitesh H Shah Managing Director (w.e.f. 14.11.2014)
Mrs.Tejal M Shah Wife of Mr.Mitesh Shah (Managing Director w.e.f. 14.11.2014)
Mr. N. M. Mohnot Managing Director (upto 14.08.2014)
Mrs.Saroj Mohnot Wife of Mr.N.M.Mohnot (Managing Director upto 14.08.2014)
- d Key Managerial Persons:**
Mr. Sunil Singhvi Chief Finance Officer
Mr. Arvind Tambi Financial Controller & Company Secretary
- e Enterprises significantly influenced by Directors and/or their relatives:**
Ignis International Industries Pvt. Ltd.
Grip Strapping Technologies P 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 35 - 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	
	2015	2014	2015	2014	2015	2014
Purchases:						
Ignis International Industries Pvt. Ltd.					16.52	306.25
Grip Strapping Technologies P Ltd					186.96	-
Sales:						
Ignis International Industries Pvt. Ltd.					12.24	63.49
Grip Strapping Technologies P Ltd					514.75	-
Services:						
Remuneration to Directors			252.98	90.39		
Mr. Mitesh H Shah						
Mr. N. M. Mohnot						
Dr. R. S. Mamak						
Remuneration to KMPs			39.80	36.90		
Mr. Sunil Singhvi						
Mr. Arvind Tambi						
Sitting Fees			8.08	7.32		
Mr. Rashmi Chandaria						
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			2.00	6.00		
Mrs. Saroj Mohnot						
Transport Services received from Relative of Director						
Mrs.Tejal M Shah			1.83	-		
Total	264.89	103.71			730.47	369.74
Finance:						
Guarantees Availed						
Spica Business Corp., Panama	25,372.00	25,372.00				
Issue of Preference Shares						
Spica Investment Limited, Mauritius	-	348.62				



NOTE: 36 - 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 lead bank of consortium of banks has also advised the Company to infuse further capital/long term funds for the funding of losses incurred by the company. The ability of the company to continue as a "Going Concern" is dependent upon improvement in industrial and market scenario and to achieve the projected profitability.

NOTE: 37

Exceptional item relate to write back of an unclaimed long outstanding dues which is written back during the year as decided by the managements after its review.

Note: 38

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

Note: 39

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 39 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 : Mumbai
 Date : 28th May, 2015

For and on behalf of the Board

Dr. R.S.Mamak
 Executive Vice Chairman

Sunil Singhvi
 Chief Financial Officer

Place : Mumbai
 Date : 28th May, 2015

Mitesh H. Shah
 Managing Director

Arvind Tambi
 Financial Controller &
 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 25th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2015 at 2:30 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 2015, the Balance Sheet as on that date, the Directors and Auditors report thereon.		
2.	Appoint a Director in place of Mr. Rashmi Chandaria, who retires by rotation and being, eligible offers himself for reappointment		
3.	Appoint a Director in place of Dr. R.S. Mamak, who retires by rotation and being, eligible offers himself for reappointment.		
4.	Appointment of M/s. Mukesh M. Shah & Co., Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration.		
	SPECIAL BUSINESS:		
5.	Appointment of Ms. Ameeta Trehan (DIN: 07087510), as an Independent Director of the Company		
6.	Reappointment and fixation of Remuneration of Cost Auditor for the Financial Year ending on 31st March, 2016.		
7.	Authorisation to consider and Report on Erosion of more than Fifty percent network.		

Signed this on ____ day of _____, 2015

Signature of Shareholder:

Affix
Rs. 1
Revenue
Stamp

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 25th 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 Wednesday, 30th September, 2015 at 2:30 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.



Second Highest Exporter Award from Adani Hazira port in 'Container' category received by our Mr. Sachin Kulkarni, Head of Sales & Marketing and Mr. R. P. Sharma, Head of Excise & Customs, from Adani Port, Hazira.



"Silver Safety Award- 2015" received from Greentech Foundation, New Delhi for outstanding achievements in Safety Management . Award received by our Mr. V. K. Gohil, Head- Health, Safety & Environment on the Annual Award Function.



Celebrated National Safety Day on 4th March



Improvement in ETP Treatment



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