

INDIA STEEL WORKS LTD

Inner Vision. Global Action.





CORPORATE INFORMATION

CHAIRMAN

Mr. Ashwinkumar H. Gupta
Ceased to be the Chairman w.e.f 07/05/2019 due to death
Mr. T. R. Bajalia
w.e.f 14/08/2019

MANAGING DIRECTOR

Mr. Sudhir H. Gupta

DIRECTORS

Mr. Varun S. Gupta – Whole time director and CFO
Mr. Deepak Kumar Gaur- Executive Director
Mr. T. R. Bajalia – Independent Director
Mr. Bimal Desai – Non-Independent Director
Mrs. Kavita R Joshi - Independent Director
Mrs. Riddhi Shah - Independent Director

STATUTORY AUDITORS

Lakshmikant Kabra & Co.
Chartered Accountants
1, Matru Chaya, M Karve Road, Dr. Bedekar Hosp.
Naupada, Thane (W), 400 602

COST AUDITOR

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

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

Zenith Compound, Khopoli, Raigad - 410203

WORKS

Zenith Compound, Khopoli, Raigad - 410203

CORPORATE OFFICE

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

BANKER

Kotak Mahindra Bank Ltd
Dombivli Nagari Sahakari Bank Ltd

WEBSITE

www.indiasteel.in

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MESSAGE TO SHAREHOLDERS

It gives me pleasure in presenting to you the 32nd Annual Report of the Company and thanking you for your continued support and goodwill that is critical to the success of your Company. I, on behalf of the India Steel Board of Directors would now like to highlight some key aspects of the year under review:

- Revenue generated during the FY 2018-19 of Rs. 55,757.06 lakhs, the same in last year was Rs. 99,682.86 Lakhs, so EBITDA has fallen to Rs. 1,880.11 Lakhs.
- Net worth of the Company has reduced to Rs. 17,410.60 lakhs from Rs. 18,001.26 lakhs in F.Y. 2017-18 to, due to loss suffered by the Company for the year ended 31st March, 2019.

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

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

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

Yours Sincerely,

Sudhir H. Gupta MD

DIN: 00010853



MANAGEMENT DISCUSSION AND ANALYSIS

Economic Scenario: Global (business Line)

- In 2018, the world crude steel production reached 1789 million tonnes (mt) and showed a growth of 4.94% over 2017.
- China remained world's largest crude steel producer in 2018 (928 mt) followed by India (106 mt), Japan (104 mt) and the USA (87 mt).
- World Steel Association has projected Indian steel demand to grow by 7.3% in 2019 while globally, steel demand has been projected to grow by 1.4% in 2019. Chinese steel use is projected to show nil growth in 2019.
- Per capita finished steel consumption in 2017 is placed at 212 kg for world and 523 kg for China by World Steel Association. The same for India was 69 kg in 2017. Per capita steel consumption for 2018 is yet to be published by WSA.

Note: World Steel Association report, Steel Statistical Yearbook, 2018.

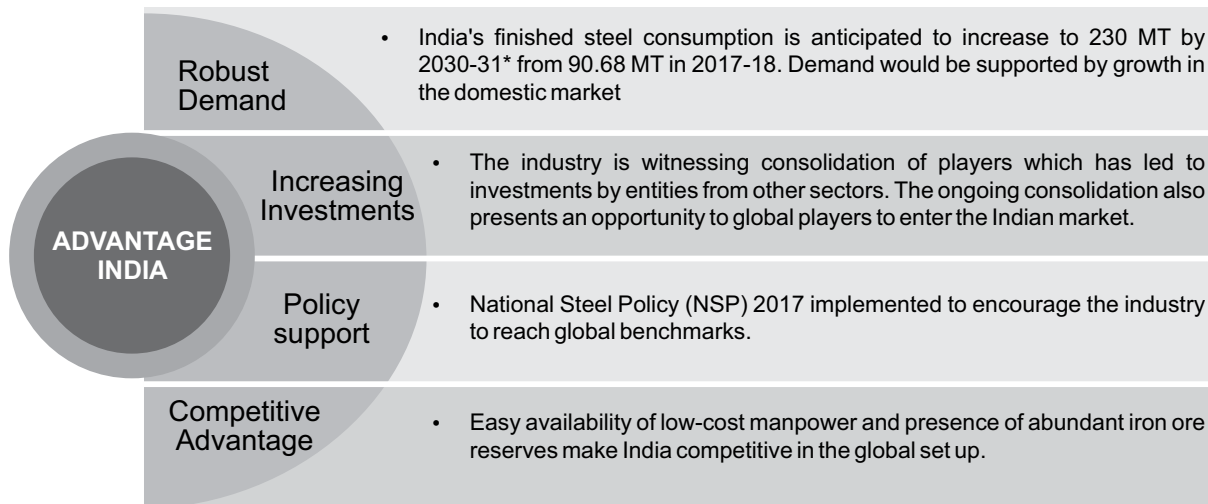
Economic Scenario: India (as per financial Express) (Ministry of Steel)

India was the world's second-largest steel producer with production standing at 106.5 MT in 2018. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

India's finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT.

In 2017-18, the country's finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. Exports and imports of finished steel stood at 5.77 MT and 7.13 MT, during April 2018-February 2019 (Provisional)

Latest update: March, 2019



Note: *National Steel Policy 2017.

The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. Between April 2000 and December 2018, inflow of US\$ 11.18 billion has been witnessed in the metallurgical industries as Foreign Direct Investment (FDI).

India's per capita consumption of steel grew to 68.9 kgs, during 2017-18. National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31.



Table 5.1 a: Trend of Finished Steel (alloy/stainless+non-alloy) in Last Five years

(in million tonnes)

Description	2013-14	2014-15	2015-16	2016-17	2017-18	April-Nov. 2018-19*
Production for Sale	99.38	104.58	106.60	120.14	126.85	85.96
Imports	5.45	9.32	11.71	7.23	7.48	5.24
Export	5.99	5.59	4.08	8.24	9.62	4.08
Actual Consumption	74.095	76.994	81.525	84.042	90.708	88.05

Source: JPC; * Provisionals

The Steel & Stainless Steel Industry (financial Express and Ministry of steel data)

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past.

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 11.18 billion in the period April 2000–December 2018.

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel.

Key Customer Industries:

Most effective utilization of materials viz. concrete in compression and steel intension under Composite Construction, e.g. four Seasons hotel, tallest hotel in Mumbai. Any bridge, steel or concrete, designed and built as per the provision of the IRCs, the longevity is expected to be well over 120 years.

- Consumer Goods and Catering Industry
- Automotive and Transport Industry
- Mechanical & Plant Engineering
- Power Generation
- Chemical Industry
- Medical Equipment
- Architecture and Building Industry
- Heavy Industries
- Aviation Industry
- Food & Packaging
- Structural & Civil engineering
- Hydraulic elements
- Bright Bar Industry
- Fasteners Industry
- Forging Industry
- Capital Goods Industry

**FINANCIAL PERFORMANCE**

During the year the company generated a revenue of Rs. 55,757.06 lakhs, the same in last year was Rs. 99,682.86 Lakhs, so EBITDA has fallen to Rs. 1,880.11 Lakhs. Net worth of the Company has reduced to Rs. 17,410.60 lakhs from Rs. 18,001.26 lakhs in F.Y. 2017-18 to, due to loss suffered by the Company for the year ended 31st March, 2019. The organization has applied to various financial institutions and Banks for enhancing working capital facilities to support operations & in order to maximum capacity utilization.

RISK & OPPORTUNITIES

India Steel Works is exposed to risk and opportunities in equal measures. The company has a robust Enterprise Risk Management (ERM) framework that allows the organization to take certain risk in order to be competitive and to mitigate other risk to drive sustainable results. By identifying and proactively addressing risk and opportunities, stakeholder value is protected at all times. We do address the risk related to strategy, operational, financial and legal.

The main competitive strength of the company:

- Promoters have more than 50 years of experience in the same line of business.
- Company has large customers base in pan India basis.
- Company has large variety of products in various length and sizes in Billets, Angles, Wire Rods, Wire and Bright Bars.

Opportunities:

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

CREDIT RATING

Brickwork Ratings India Pvt Ltd has rated the Company and risk rating assigned is BWRBB+ for fund based facility.

INTERNAL CONTROLS

The Company has proper and adequate systems of internal control that provides assurance on the efficiency of operations and security of assets. An independent Internal Auditor is in place to check, audit and monitor the process as per the Internal Audit Plan approved by the Audit Committee of the Company.

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

In the year under review, the overall industrial relations have been cordial and conducive to work. The Company recognizes the value and contribution of its employees and earnestly endeavors to create a responsive organization with emphasis on performance with responsibility and accountability. Continuous appraisal of the competencies of the personnel in line with job requirements is carried out to facilitate higher levels of output and productivity.

**RATIO ANALYSIS****Financial Ratios and margins**

Ratios	FY 2018-19	FY 2017-18	
Debtors Turnover in days	22.13	13.25	67.04%
Inventory Turnover	2.01	3.96	-49.29%
Interest Coverage Ratio	0.59	1.30	-54.17%
Current Ratio	0.80	0.93	-13.18%
Debt Equity Ratio	0.53	0.54	-0.42%
Operating Profit Margin (%)	-1.25%	0.06%	-2278.97%
Net Profit Margin (%)	-1.06%	0.51%	-307.81%
Return on net worth (%)	-3.39%	2.82%	-220.18%

Significant change in Financial Ratios

Ratios	FY 2018-19	FY 2017-18	Changes in %	Reasons for Changes
Debtors Turnover in days	22.13	13.25	67.04%	The company had to extend higher credit period during the year to address cash crunch in the market.
Inventory Turnover	2.01	3.96	-49.29%	Higher inventory at year end to cater to next month sale orders due to adverse marketing conditions.
Interest Coverage Ratio	0.59	1.30	-54.17%	Interest Coverage Ratio has decreased because of lower profitability as compared to the previous year.
Operating Profit Margin (%)	-1.25%	0.06%	-2278.97%	Lower operating level resulting in lower operating profit.
Net Profit Margin (%)	-1.06%	0.51%	-307.81%	Lower operating profit resulting in lower profitability.
Return on net worth (%)	-3.39%	2.82%	-220.18%	Net loss.

CHANGE IN RETURN ON NETWORK**DISCLAIMER**

This discussion and analysis have been provided with a view to enable shareholders with a better understanding of the performance of the Company. In certain areas the discussion may cover strategic decision and management expectations from the same. Such forecasts should not be construed as a guarantee of performance and actual results may differ significantly depending upon the operating conditions and external environment.

**DIRECTORS' REPORT**

Dear Members,

Your Directors present their 32nd Annual Report and the Company's Audited Accounts for the financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2018-19 are given hereunder:

(Rs. in Lakh)

Particulars	Year ended 31.3.2019	Year ended 31.3.2018
Sales including excise duty/Income including Job work operations	53,179.42	96,729.01
Operating Profit (EBITDA)	1,880.11	3,011.09
Finance Costs	1,330.22	1,674.43
Provision for Depreciation	1,089.90	840.68
Profit /(Loss) before tax & exceptional items	-540.01	495.98
Exceptional Items	-	-76.53
Current tax	2.04	-
Profit /(Loss) after Tax	-537.98	419.45
Items not to be classified to statement of profit or Loss in subsequent years	-52.69	88.70
Total comprehensive income	-590.67	508.15

2. CHANGE IN THE NATURE OF BUSINESS

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

3. OPERATIONS

During the year under review, the gross revenue has reduced to Rs. 55,757.06 lakh as against Rs. 99,682.86 lakh in the previous year. The performance of the Company was low in last year due to inadequate supply of raw material. The Company has adopted useful life method for calculation of depreciation under IND AS which has resulted in reduction of depreciation expenses.

4. DIVIDEND

Keeping in view the need for strengthening financial soundness of the company and considering accumulated losses the Directors regret their inability to declare any dividend on Equity Shares of the Company during the year under review. However, your Directors are pleased to recommend a Final Dividend @ 0.01% on total paid up Preference share capital of the company for the financial year ended 31st March, 2019, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date for the Financial Year 2018-19. The final dividend amounting to Rs. 75,513/- on total paid up preference shares inclusive of tax on distributed profits.

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

The paid-up Equity Share Capital as on 31st March, 2019 was Rs. 3980.81 Lakh. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

(ii) Fixed Deposits

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

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

The company has not provided any loan or guarantee directly or indirectly to any person or body corporate, during the year under review. The Company also has incorporated a Wholly Owned Subsidiary namely Indinox Steels Private Limited by investing 50,000 Equity shares of Rs. 10/- each as on 16/06/2018.

6. CORPORATE SOCIAL RESPONSIBILITY:

The Company believes in development which is beneficial for the society at large and to practice the corporate values through commitment to grow in socially and environmentally responsible way while meeting the interest of our stake-holders. During the year, the Company voluntarily has undertaken CSR initiatives and contributed Rs. 6.83 lakhs for educational support to underprivileged students from poor town, remote rural and conflict afflicted communities in Khopoli town area, distribution of books & note books, scholarship to brilliant students, food and medicine help to poor in Khopoli village etc.

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has adopted a Whistle-Blower Policy, whereby employees are free to report violations of laws, rules, and regulations, or unethical conduct to the Audit Committee. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at www.indiasteel.in under the head 'Investor Relations' and the weblink is provided in the Corporate Governance Report. During the year the Audit Committee has not received any reference under the policy.

8. RISK MANAGEMENT POLICY:

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

9. RELATED PARTIES CONTRACTS OR ARRANGEMENTS:

The Company has made materially significant Related Party Transactions, as approved by the non-interested shareholders at the 31st Annual General meeting of the Company. Further the said material related Party Transactions made during the year under review were on an arm's length basis and in the ordinary course of business. Required disclosures are made in **Annexure-E** in Form No. AOC 2. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company www.indiasteel.in under the head 'Investor Relations' and the weblink is provided in the Corporate Governance Report. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the legal and accounting requirements.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

11. DIRECTORS**(i) Appointment**

Mr. Sudhir Gupta (DIN: 00010853) have been re-appointed as "Managing Director" of the Company subject to approval of the shareholders of the Company for a period of 3 years w.e.f. 1st October, 2019. Mr. Deepak Kumar Gaur (DIN: 07636636) have been re-appointed as "Whole Time Director" of the Company subject to approval of the shareholders of the Company for a period of 3 years with effect from 9th November, 2019. Mr. Bimal Desai (DIN: 00872271) have been appointed as Non-executive director of the company subject to approval of the shareholders of the Company. The details of the Director are given in the Corporate Governance Report as well as in the Notice of the Annual General meeting.



In accordance with the provisions of the Companies Act, 2013 in accordance with the Articles of Association of the Company Mr. Varun Gupta retires from office by Rotation, and being eligible, offers themselves as provided in the notice are eligible for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16 (1) (B) of SEBI (LODR), 2015.

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

(ii) Casual Vacancy

The Company had to bear the huge loss with the death of Mr. Ashwinkumar Gupta, Chairman of the Company as on 7th May 2019. His death came as a hard blow to the Company. The Board expresses its heart-felt grief on this irreparable loss. Mr. Anant Badjatya, Nominee Director has vacated his office as per provisions of Section 167(1) of the Companies Act 2013.

(iii) Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Nomination & Remuneration Committee. The manner in which the evaluation was been carried out has been explained in the Corporate Governance Report.

(iv) Board Meetings

During the year, Six (6) Board Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

(v) Nomination & Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel in accordance with Section 178 of the Companies Act, 2013. More details of the same are given in the Corporate Governance Report.

(vi) Audit Committee Policy

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

12. DIRECTORS RESPONSIBILITY STATEMENT

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

- I. That in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- III. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the annual financial statements have been prepared on a going concern basis;



- V. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- VI. That proper system's to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. AUDITORS

(i) Statutory Auditors & Audit Report

The Company has received a letter from M/s Laxmikant Kabra & Co., Chartered Accountants regarding their eligibility for the appointment as statutory Auditors of the Company. The said auditors were appointed effective Annual General Meeting held on 20th August, 2018 for a period of 5 years subject to ratification at every Annual general meeting. The shareholders at the ensuing annual general meeting will consider ratification of the appointment of the Statutory Auditors for financial year 2019-20.

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

(ii) Cost Auditors

The Board has appointed Mr. Vishesh N. Patani (Membership No. 30328) cost Accountants, Mumbai under section 148 of the Companies Act, 2013 for conducting the audit of cost records of the Company for the financial year ending 31st March, 2020. Approval of the members by way of ordinary resolution ratifying the remuneration to be paid to the cost auditors is suitable included in the notice calling the Annual General Meeting of the Company. The Cost Auditor have further confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013.

(iii) Secretarial Auditor & Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Deepika Arora (ACS 29794 & CP No. 11355) Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "**Annexure - A**". There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial auditor in her report.

(iv) Secretarial Compliance Report

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 the Company has obtained annual Secretarial Compliance Report for the financial year ended 31st March, 2019. The report has been annexed herewith as "**Annexure - B**".

(v) Branch auditor:

The Company has branch outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches, subject to approval of shareholders.

14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

15. EXTRACT OF THE ANNUAL RETURN:

The extract of the annual return in Form No. MGT – 9 annexed as "**Annexure-C**" forms part of the Board's report and the same are being hosted on the website of the Company at www.indiasteel.in at the www.indiasteel.in/pdfs/2016/mgt-9-iswl-2018-19.pdf.

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

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

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

The Company has in place an Anti-Sexual harassment Policy in line with the requirements of the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2018-19.

18. MANAGEMENT DISCUSSION AND ANALYSIS:

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

19. CORPORATE GOVERNANCE:

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

20. PARTICULARS OF EMPLOYEES:

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

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

21. INDUSTRIAL RELATIONS:

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

22. ACKNOWLEDGEMENTS:

The Directors express their appreciation for co-operation and encouragement received from all the Shareholders, Business Associates, Dealers, and Insurers, vendors, investors and bankers during the year. The Directors also place on record their appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

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

Sudhir Gupta
Managing Director
DIN: 00010853

Address: 541/C, Ashok, Adenwala Road,
King Circle, Matunga, Mumbai 400013

Place: Mumbai
Date: 29/05/2019

Varun Gupta
Director
DIN: 02938137

Address: 541/C, Ashok, Adenwala Road,
King Circle, Matunga, Mumbai 400013



Annexure - A
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
India Steel Works Limited
India Steel Works Complex,
Zenith Compound, Khopoli 410 203.

Dear Sirs,

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

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 **(not applicable to the Company during the Audit period)**;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit period)**;
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit period)**, and;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit period)**



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

I have relied on the representation made by the Company, its Officers and authorized representatives during the conduct of the audit, and also on the review of Certificates by respective department Heads/ Company Secretary/ CEO. In my opinion, adequate systems and process and control mechanism exists in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

I further report that, the compliance by the Company of applicable financial laws like Direct and Indirect Tax laws has not been reviewed in this Audit since the same have been subject to review by Statutory financial Audit and other designated professionals.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited. During the period under review, the Company has complied with the provisions of the Act, Rules, regulations, Guidelines, Standards etc. mentioned above subject to the above observations.

I further report that:

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

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

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

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

I further report that the management is responsible for compliance of all business laws and other applicable laws. This responsibility includes maintenance of statutory register/files as required by the concerned authorities and internal control of the concerned department.

I Further report that during the year under review, the Company has no specific Public Issue/ Right Issue/Preferential issue of Shares/ Debentures/Sweat Equity/Redemption/ Buy-Back of Securities/ Merger/ Amalgamation/ Reconstruction/ Foreign Technical Collaborations.

**For Deepika Arora
Practising Company Secretaries**

Sd/-
Deepika Arora
Proprietor

(ACS-29794 & COP-11355)

**Place: - Mumbai
Date: 29/05/2019**



Annexure -I

To,
The Members,
INDIA STEEL WORKS LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Deepika Arora
Practising Company Secretaries

Sd/-
Deepika Arora
Proprietor

(ACS-29794 & COP-11355)

Place: - Mumbai
Date: 29/05/2019

Annexure B

Secretarial compliance report of India Steel Works Limited for the year ended 31st March, 2019

I Deepika, Practicing Company Secretary have examined:

- (a) all the documents and records made available to me and explanation provided by **INDIA STEEL WORKS LIMITED (CIN: L29100MH1987PLC043186)** having its registered office at India Steel Works Complex, Zenith Compound, Khopoli, Raigad 410203 ("the listed entity"),
 - (b) the filings/ submissions made by the listed entity to the stock exchanges,
 - (c) website of the listed entity,
 - (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended **31st March, 2019** ("Review Period") in respect of compliance with the provisions of :
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
 (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Limited (BSE)	Non Compliance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – pertaining to composition of Board	Fine of Rs. 10,85,600/- was imposed on the Company	The Company has complied with the provisions and also paid Rs. 10,85,600/- as fine to BSE on 20/03/2019.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable (since beginning of the first year of implementation of this report)				

For Deepika Arora
Practising Company Secretaries

Sd/-
Deepika Arora
Proprietor

(ACS-29794 & COP-11355)

Place: - Mumbai
Date: 29/05/2019

**Annexure-C**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-: L29100MH1987PLC043186
 ii) Registration Date: 15th April, 1987.
 iii) Name of the Company: India Steel Works Limited
 iv) Category / Sub-Category of the Company: Listed Public Limited Company
 v) Address of the registered office and contact details: India Steel Woks Complex,
 Zenith Compound Khopoli, Raigad-410203,
 Tel: +91 2192 265 812 F:+91 2192 264 061
 Email: cosec@indiasteel.in,
 vi) Whether listed company: Yes
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
 LINK INTIME INDIA PVT LIMITED
 C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
 Tel No: +91 22 49186000
 Fax: +91 22 49186060
 Email ID: rnt.helpdesk@linkintime.co.in
 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Metal & Metal ores	C7	89.26%
2	Trading	G2	10.74%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -NIL**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year :31.03.2018				Shareholding at the end of the year :31.03.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	11259377	0	11259377	2.83	11259377	0	11259377	2.83	0.00
b) Central Govt or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	186622900	700000	187322900	47.06	188214329	0	188214329	47.28	0.22
d) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	197882277	700000	198582277	49.88	199473706	0	199473706	50.11	0.22



Category of Shareholders	Shareholding at the beginning of the year :31.03.2018				Shareholding at the end of the year :31.03.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	197882277	700000	198582277	49.88	199473706	0	199473706	50.11	0.22
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	3600	3600	0.00	0	3600	3600	0.00	0.00
b) Banks/Fl	7662075	400	7662475	1.92	5001150	400	5001550	1.26	(0.66)
c) Foreign Mutual Fund	3534300	0	3534300	0.89	260000	0	260000	0.06	0.83
d) Foreign Financial Institutions	0	14900	14900	0.00	0	14900	14900	0.00	0.00
e) Foreign Institutional Investors	14334300	0	14334300	3.60	17868600	0	17868600	4.49	0.89
f) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
g) Unit Trust of India	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	25530675	18900	25549575	6.42	23129750	18900	23148650	5.81	(0.61)
(2) Non Institutions									
a) Bodies corporates									
i) Indian	5330132	21950	5352082	1.34	3523784	21950	3545734	0.89	(0.45)
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	15643685	0	15643685	3.93	33120260	1056005	34176265	8.59	4.66
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	30419530	1062255	31481785	7.91	17187241	0	17187241	4.31	3.6
c) Others (specify)									
Non Resident Indians (Repat)	1119994	15400	1135394	0.29	995654	15400	1011054	0.25	0.04
Non Resident Indians (Non Repat)	551294	0	551294	0.14	576727	0	576727	0.14	0.00
Foreign Company	117718196	0	117718196	29.57	117458196	0	117458196	29.50	0.07
Clearing Member	870706	0	870706	0.22	307204	0	307204	0.08	(0.14)
Market Makers	83783	0	83783	0.02	7200	0	7200	0.001	0.001
Hindu Undivided Family	1112148	0	1112148	0.28	1168948	0	1168948	0.29	0.01
NBFC	0	0	0	0	20000	0	20000	0.00	0.00
SUB TOTAL (B)(2):	172849468	1099605	173949073	43.70	174365214	37350	175458569	44.07	0.37
Total Public Shareholding (B)= (B)(1)+(B)(2)	198380143	1118505	199498648	50.11	197494964	1112255	198607219	49.89	0.22
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	396262420	1818505	398080925	100.00	396968670	1112255	398080925	100.00	0.00



(ii) Shareholding of Promoters

Sl No.	Promoter's Name	Shareholding at the beginning of the year :31.03.2018			Shareholding at the end of the year :31.03.2019			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ASHWIN GUPTA	55,15,825	1.39	0.00	55,15,825	1.39	0.00	0.00
2	SUDHIR GUPTA	53,82,725	1.35	0.00	53,82,725	1.35	0.00	0.00
3	VARUN GUPTA	2,04,800	0.05	0.00	2,04,800	0.05	0.00	0.00
4	PRIYA GUPTA	86,060	0.02	0.00	86,060	0.02	0.00	0.00
5	ANITA GUPTA	47,000	0.01	0.00	47,000	0.01	0.00	0.00
6	SIDDHARTH GUPTA	9,700	0.00	0.00	9,700	0.00	0.00	0.00
7	MALIKA SIDDHARTH GUPTA	5,000	0.00	0.00	5,000	0.00	0.00	0.00
8	PRIYANKA VARUN GUPTA	5,000	0.00	0.00	5,000	0.00	0.00	0.00
9	VIPIN AGARWAL	3,267	0.00	0.00	3,267	0.00	0.00	0.00
10	INDIA STEEL INTERNATIONAL (P) LTD	4,56,34,150	11.46	99.68	4,56,34,150	11.46	11.42	0.00
11	KHAMGAON LAND DEVELOPMENT & TRADING CO (P) LTD	4,36,50,000	10.97	0.00	4,36,50,000	10.97	0.00	0.00
12	YEOTMAL LAND DEVELOPMENT & TRADING CO (P) LTD	4,36,50,000	10.97	0.00	4,36,50,000	10.97	0.00	0.00
13	ISIWORLD STEELS PVT LTD	1,78,37,500	4.48	0.00	1,78,37,500	4.48	0.00	0.00
14	ISISALES (INDIA) PVT LTD	1,74,00,400	4.37	0.00	1,74,00,400	4.37	0.00	0.00
15	ISIMETALS (INDIA) PVT LTD	1,74,00,350	4.37	0.00	1,74,00,350	4.37	0.00	0.00
16	ISICOM TRADERS P LTD	13,12,750	0.33	0.00	13,12,750	0.33	0.00	0.00
17	ISISTAR EXPORTS PVT LTD	4,37,500	0.12	0.00	4,37,500	0.12	0.00	0.00
18	ISINOX LTD	250	0.00	0.00	8,91,679	0.22	0.00	0.22
	TOTAL	19,85,94,027	49.89	11.60	19,94,73,706	50.11	11.42	0.22

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

Particulars	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
ISINOX LTD	250	0.00	8,91,679	0.22



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

Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)/end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	METAL INDUSTRIAL PTE LTD	90458196	22.7236	1.04.2018	0	No movement		
		90458196	22.7236	31.03.2019			90458196	22.7236
2	TB INVESTMENTS LTD	27000000	6.78	1.04.2018	0	No movement		
		27000000	6.78	31.03.2019			27000000	6.78
3	APMS INVESTMENT FUND LTD	3534300	0.89	1.04.2018	0	No Movement		
		3534300	0.89	31.03.2019			3534300	0.89
4	ERISKA INVESTMENT FUND LTD	8400000	2.11	1.04.2018		No Movement		
		8400000	2.11	31.03.2019			840000	2.11
5	PARVEEN KUMAR GUPTA	7531400	1.89	1.04.2018	0	No movement		
		7531400	1.89	31.03.2019			7531400	1.89
6	LOTUS GLOBAL INVESTMENTS LTD	5934300	1.49	1.04.2018	0	No movement		
		5934300	1.49	31.03.2019			5934300	1.49
7	KOTAK MAHINDRA BANK LTD	5000000	1.26	1.04.2018	0	No movement		
		5000000	1.26	31.03.2019			5000000	1.26
8	ARUN S. PAI	610837	0.15	1.04.2018	0	No movement		
		610837	0.15	31.03.2019			610837	0.15
9	SIRIUS SECURITIES PVT LTD	2500000	0.6280	31.03.2018	629998	Decrease		
		1870002	0.47	31.03.2019			1870002	0.47
10	VIVEK AGARWAL	1300000	0.3266	31.03.2018	200000	Decrease		
		1100000	0.28	31.03.2019			1100000	0.28

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Ashwinkumar H. Gupta				
	At the beginning of the year	5515825	1.39		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	5515825	1.39	5515825	1.39
2	Mr. Sudhir H. Gupta				
	At the beginning of the year	5382725	1.35	5382725	1.35
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	5382725	1.35	5382725	1.35



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
3	Mr. Varun S. Gupta				
	At the beginning of the year	204800	0.05	204800	0.05
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	204800	0.05	204800	0.05
4	Mr. Deepak Kumar Gaur				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
5	Mr. T.R. Bajalia				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
6	Mrs. Kavita Joshi				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
7	Mrs. Riddhi Shah				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
8	Mrs. Dipti Vartak				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	69.23	5,405.44	-	5,474.67
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	69.23	5,405.44	-	5,474.67
Change in Indebtedness during the financial year				
Addition	-	424.87	-	424.87
Reduction	16.62	764.05	-	780.67
Net Change	-16.62	-339.18	-	-355.80
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	52.61	5,066.27	-	5,118.87
ii) Interest due but not paid				
iii) Interest accrued but not due				
TOTAL (i+ii+iii)	52.61	5,066.27	-	5,118.87

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors:

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

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manger				Total amount
		Mr. Ashwinkumar H. Gupta	Mr. Varun S. Gupta	Mr. Sudhir H. Gupta	Mr. Deepak Kumar Gaur	
1	Gross Salary					
	a) Salary	30.00	24.00	27.00	18.36	99.36
	b) Allowance	22.80	18.24	20.52	52.94	114.5
	b) Perquisites	10.58	3.92	7.32	0	21.82
	c) Profits in lieu of Salary	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweet Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
5	Others	0.08	0.08	0.08	0.08	0.32
	Total	63.46	46.24	54.92	71.38	236



B. Remuneration to other/ independent Directors Rs.in Lacs)

S. No.	Particulars of Remuneration	Name of Independent Directors				Total
		Mr.Bimal Desai	Mr.T.R.Bajalia	Mrs. Kavita Joshi	Mrs. Riddhi Shah	
1	a) fees for attending board Meeting	0.42	0.34	0.57	0.10	1.43
	b) Commission	-	-	-	-	-
	c) other	-	-	-	-	-
	Total	0.42	0.34	0.57	0.10	1.43

C. Remuneration to other KMP

(Rs.in Lacs)

S. No.	Particulars of Remuneration	Name of KMP
		Dipti Vartak, Company Secretary /Compliance officer
1	Gross Salary	
	a) Salary	5.45
	b) Perquisites	8.30
	c) Profits in lieu of Salary	-
2	Stock option	-
3	Sweet Equity	-
4	Commission	-
5	Others	0.08
	Total	13.84

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		Non-Compliance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – pertaining to composition of Board	Fine of Rs. 10,85,600/- was imposed on the Company	BSE Limited (BSE)	The Company has complied with the provisions and also paid Rs. 10,85,600/- as fine to BSE on 20/03/2019.
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
B.OTHER OFFICERS					
Penalty			None		
Punishment					
Compounding					

**Annexure-D****(A) Conservation of energy-**

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

Power & fuel Consumption

	Particulars	2018-19	2017-18
I a	Electricity:		
	Purchase Units ('000 kwh)	42587	49725
	Total Amount (' 000 Rs.)	371563	372644
	Average Rate/Unit (Rs./Kwh)	8.72	7.49
b	Furnace Oil / CBFS / Disale:		
	Quantity (Kilo litres)	4284	5601
	Total Amount (in '000 Rs.)	151241	128366
	Average Rate (Rs./Litre)	36.01	22.92
c	Others	5790	4179
	LDO:		
	Total amount (in '000 Rs.)		
	Gases:-		
	Total Amount (in '000 Rs.)	49241	70209
II	Consumption Per Unit Of Production		
	Electricity:		
	Steel Billets	707	653
	Hot Rolled/Bars/rods	265	308
	Cold Finish Bars	169	156
	Furnace Oil / CBFS / Disel:		
	Steel Billets	17	15
	Hot Rolled/Bars/rods	67	82
	Cold Finish Bars	-	-

(B) Technology absorption-

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

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

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

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year is NIL and the Foreign Exchange outgo during the year in terms of actual outflows is Rs. 103,101,710.77/-.

**Annexure-E**

Form No. AOC-2

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

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

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

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

(a)	Name of related party and nature of relationship	Isinox Limited (Formerly known as Isinox Limited) ISL Global Pte. Ltd. (WOS of Isinox Limited) UAB ISL Lithuania (WOS of ISL Europe Spolka Zoo.) ISL Europe Spolka Zoo (WOS of Isinox Limited) ISL Italia Spa (WOS of ISL Global Pte. Ltd.) G L Engineering Industries Private Limited Shree Vaishnav Industries Private Limited
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ job work etc.
(c)	Duration of the contracts/ arrangements / transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arm's length basis
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	---

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company

Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2018-19 (Rs.in Lakh)	% increase in Remuneration in the Financial Year 2018-19 (Rs.in Lakh) #	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of Remuneration of KMP against the performance of the Company
1	Ashwinkumar H. Gupta, Executive Chairman	63.46	-	31.10	Operating profit (EBITDA) decreased to Rs. 1880.11 Lakh There was a loss after tax of Rs. 537.98 Lakh
2	Sudhir H. Gupta, CEO & Managing Director	54.92	-	26.92	
3	Varun S.Gupta whole-time Director	46.24	-	22.67	
4	Deepak Kumar Gaur (Additional Director)	71.38	29.00	35.00	
5	Dipti Vartak Company Secretary & Compliance Officer	13.84	-	6.78	

(ii) The median remuneration of employees of the Company during the financial year was 204000 p.a.

(iii) In the financial year, there was a increase of Rs. 15.25% in the median remuneration of employees.

(iv) There were 474 permanent employees on the rolls of Company as on March 31, 2019.

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 10 %. There is no change in the managerial remuneration as compared to last year except of mr. Deepak Kumar Gaur.

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance**

Corporate Governance at **INDIA STEEL WORKS LIMITED** is demonstrated by fair business and corporate practices with all its stakeholders' integrity, transparent dealings and ethical conduct of affairs of the Company is the basic norm of Corporate Governance practiced here.

The Corporate Governance System includes the mechanisms and procedures required to prevent, identify, and resolve conflicts of competition and of interest, whether of an exceptional or structural and permanent nature. The Company seeks to assure, to the extent it is able to do so, the respectability, capability, expertise, competence, experience, qualifications, training, availability, and commitment to their duties of the directors and senior officers.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Listing Regulations") is given below.

2. Board of Directors

During financial year 2018-19, the Board consists of Eight Directors comprising of four executive Directors and four Independent Directors including two Woman Directors during the year. A Nominee Director vacated his office as on 13.02.2019 due to non-attendance of Board meeting under Section 167(b) of The Companies Act, 2013.

(a) Composition of the Board:

The Board of Directors seeks a proper balance in the composition and the periodic laddered renewal thereof, and has a wide majority of independent directors, with consultative committees that are made up entirely of non-executive directors and chaired by Independent Directors.

The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of Directorship in other companies and committees of which the Director is a Member/ Chairman are given below:

Name of the Director	Category/ Inter se relationship	Financial Year 2018-19 attendance in		No of other Directorship in Other Indian Public Ltd Companies@	No of Chairmanship / Membership in other Indian Public Limited Companies#
		Board Meetings	Last AGM		
Mr. Ashwinkumar H. Gupta (DIN: 00010850)	Executive Chairman, Promoter, Brother of Managing Director	6	Yes	NIL	NIL
Mr. Sudhir H. Gupta (DIN: 00010853)	Managing Director, Promoter, Brother of Executive Chairman	6	Yes	NIL	NIL
Mr. Varun S. Gupta (DIN: 02938137)	Executive Director, Promoter, Son of Managing Director	6	Yes	1	NIL
Mr. Deepak Kumar Gaur (DIN: 07636636)	Executive Director	6	Yes	1	NIL
Mr. Bimal Desai (DIN: 00872271)	Independent Director	6	Yes	1	1
Mr. T.R. Bajalia (DIN: 02291892)	Independent Director	5	Yes	4	2
Mrs. Kavita R. Joshi (DIN: 07138704)	Independent Director	5	Yes	1	NIL
Mrs. Riddhi Shah (DIN: 07527966)	Independent Director	1	No	NIL	NIL
Mr. Anant Badjatya* (DIN: 07035836)	Nominee Director	0	No	NIL	NIL

* Mr. Anant Badjatya was the nominee of strategic investor TB Investments who vacated his office under provisions of Section 167(b) of the Companies Act, 2013 w.e.f.13.02.2019.



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

#Committee positions of only of Audit Committee and the Stakeholders Relationship Committee have been considered (Excluding committees of India Steel Works Limited) as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018.

(b) Number of Board Meetings and dates:

During the Financial year six Meetings were held on 28th May, 2018, 15th June, 2018, 14th August, 2018, 14th November, 2018, 23rd January, 2019 and 13th February, 2019. The maximum interval between any two meetings was not more than 4 months.

(c) The names of the listed entities where Mr. T R. Bajalia is the Director and category of directorship.

Sr. No.	Name of Company	Category	Whether member of Audit Committee / Designation	Whether member of Stakeholders committee/ Designation
1	Capri Global Capital Limited	Independent Director	Yes. Member	No
2	Indianivesh Limited	Independent Director	Yes. Member	No

None of the other Directors are on Board of any other Listed entity.

(d) Information supplied to the Board:

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

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

(e) Directors Profile seeking appointment / re-appointment

As required, a brief profile and other particulars of the following Directors seeking appointment / re-appointment are given in the Notice of the 32nd Annual General Meeting and form a part of this Report for:

1. Mr. Sudhir Gupta for re-appointment as Managing Director of the Company
2. Mr. Varun Gupta for re-appointment after eligible for retire by rotation
3. Mr. Deepak Kumar Gaur for re-appointment as Whole Time Director of the Company

(f) Induction & Familiarization Programs for Independent Directors:

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

**(g) Performance Evaluation:**

In compliance with the provisions of Section 134 of the Companies Act, 2013 ('the Act') read with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board.

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

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

(h) Independent Directors' Meeting:

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the stock exchange, the Independent Directors met on 13th February, 2019, inter alia, to discuss:

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

(i) Code of Conduct:

The Board of Directors of the Company has adopted Code of Business Conduct & Ethics and is applicable to all the Directors and senior management personnel. In terms of the requirements of Regulation 17(5) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, **www.indiasteel.in**, under the heading 'Investors Relations'. The weblink of the same is: http://www.indiasteel.in/pdfs/Code_of_Conduct_for_Company_Board_of_Directors_Senior_Management.pdf

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

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2019. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

3. Committees of the Board

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

(a) Audit Committee

- Composition:

During the financial year, the Audit Committee of Directors comprised of Four Non-Executive Independent Directors viz. Mr. T R Bajalia - Chairman, Mr. Bimal Desai, Mrs. Kavita Joshi and Mrs. Riddhi Shah and two Executive Directors viz., Mr. Sudhir H. Gupta and Mr. Varun S. Gupta Executive Director as member.



- Brief description of terms of reference:
The terms of reference of this committee covers the matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018 as well as Section 177 of the Companies Act, 2013.
- Meetings and attendance during the year:
During the year, five Audit Committee Meetings were held on 28th May, 2018, 14th August, 2018, 14th November, 2018, 23rd January, 2019 and 13th February, 2019. The Composition of Audit Committee and the attendance at the meetings as given hereunder:

Name of the Director	Status	No. of meetings attended
Mr. T. R. Bajalia	Chairman, Non-Executive Independent Director	4
Mr. Bimal Desai	Member, Non-Executive Independent Director	5
Mr. Sudhir H. Gupta	Managing Director, Promoter	5
Mr. Varun Gupta	Member, Whole-time Director	5
Mrs. Kavita Joshi	Member, Non-Executive Independent Director	5
Mrs. Riddhi Shah	Member, Non-Executive Independent Director	1

- **Whistle Blower Policy**

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

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

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

- **CFO Certification**

The Managing Director & CFO has issued a Certificate pursuant to the provisions of Clause 17 (8) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 certifying the Financial Statements, the Cash Flow Statements and the Internal Financial Control Systems for financial Year ended March 31st, 2019 and the same was placed before the Board of Directors at their meeting held on 29th May, 2019.

(b) Stakeholders Relationship Committee:

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) (Amendments) Regulations, 2018, the Board has renamed the existing Shareholders/Investors Grievance Committee as "Stakeholders Relationship Committee". This Committee ensures speedy disposal of all grievances/complaints relating to shareholders/investors. The terms of reference of the Committee include the following:

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



The Committee comprised of:

Name of the Director	Status	No. of meetings attended
Mr. Ashwinkumar H. Gupta	Member, Independent Director	3
Mr. Bimal Desai	Member, Independent Director	3
Mr. T R Bajalia	Member, Independent Director	2
Mrs. Kavita Joshi	Member, Independent Director	3
Mrs. Riddhi Shah	Member, Independent Director	0

Mrs. Dipti Vartak, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and Listing Agreement with the Stock Exchanges in India. Her address and contact details are as given below:

Address : 304, Naman Midtown, Tower A, S B Marg, Mumbai 400 013

Phone : 022- 62 304 304

Fax : 022- 62 304 399

Email : cosec@indiasteel.in

Three meetings were held during the year i.e. 28th May, 2018, 14th August, 2018, and 13th February, 2019. During the year 2018-19, the Company has resolved shareholders' complaints and there were no requests for dematerialization pending for more than 30 days as on 31st March, 2019.

Share Transfers in physical form can be lodged with Link Intime India Private Ltd. A summary of transfer / transmission of securities of the Company so approved as placed at every Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 7(3) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

(c) Nomination and Remuneration Committee:

In accordance with Section 178 of the Act read along with the applicable Rules thereto and Regulation 19 of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) (Amendments) Regulations, 2018, the Board has "Nomination and Remuneration Committee", the composition of which is as follows:

Name of the Director	Status	No. of meetings attended
Mr. Bimal Desai	Chairman, Non-Executive Independent Director	2
Mr. T R Bajalia	Member, Non-Executive Independent Director	2
Mrs. Kavita Joshi	Member, Non-Executive Independent Director	2
Mrs. Riddhi Shah	Member, Non-Executive Independent Director	1

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

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

During the financial year 2017-18, the Nomination & Remuneration Committee met on 28th May, 2018 and 14th November, 2018.

**(d) Internal Complaint Committee:**

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

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

The Committee will be considering the following issues also:

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

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

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

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

(ii) Term/Tenure**a) Managing Director / Whole-time Director**

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

b) Independent Director

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

**(iii) Evaluation**

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

(vi) Removal

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

(v) Retirement

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

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

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

(ii) Remuneration to Non-Executive/ Independent Director

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

The Nomination & Remuneration Policy of the Company has been uploaded and can be viewed on the Company's website, www.indiasteel.in.

C. Details of remunerations paid to the Directors during the financial year 2017-18:

Name of the Director	Salary & Perquisites Rs.in Lacs#	Contribution to PF	Commission	Sitting Fees Rs. in Lacs
Mr. Ashwinkumar H. Gupta	63.47	Nil	Nil	Nil
Mr. Sudhir H. Gupta	54.92	Nil	Nil	Nil
Mr. Varun S. Gupta	46.25	Nil	Nil	Nil
Mr. Deepak Kumar Gaur	71.39	Nil	Nil	Nil
Mr. Bimal Desai	Nil	Nil	Nil	0.42
Mr. T R Bajalia	Nil	Nil	Nil	0.34
Mrs. Kavita Joshi	Nil	Nil	Nil	0.57
Mrs. Riddhi Shah	Nil	Nil	Nil	0.10
Mr. Anant Badjatya	Nil	Nil	Nil	Nil

4. General Body Meetings

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

AGM	Date	Location	Time	Special Resolution passed
31 st AGM	20.08.2018	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11.00 a.m.	1. Reappointment of Mr. Varun Gupta as a Whole Time Director of the Company 2. Increase in remuneration payable to Mr. Deepak Kumar Gaur, Whole Time Director of the Company 3. Approval of arrangements/transactions with related parties 4. Transfer of steel works business of the Company to its wholly owned subsidiary



AGM	Date	Location	Time	Special Resolution passed
30 th AGM	09.08.2017	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11.00 a.m.	1. Reappointment of Mr. Sudhir Gupta as Managing Director of the Company 2. Reappointment of Mr. Ashwinumar Gupta as Chairman of the Company 3. Variation in terms of remuneration payable to Mr. Varun Gupta 4. Increase in borrowing powers of the Board upto Rs. 250 crores 5. Approval of arrangements/transactions with related parties
29 th AGM	26.09.2016	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.	11.00 a.m	1. Increase in borrowing powers of the Board upto Rs. 250 crores 2. Approval of arrangements/transactions with related parties

The Company had issued a postal ballot notice on 23rd January, 2019 to propose sale of part of land of the Company situated at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203 and the same was withdrawn by the Company by circular resolution passed as on 28th February, 2019.

5. Disclosures

- (i) There were transactions of material nature with related party. The transactions were made during ordinary course of business on arm's length basis. The details of related party transactions have been reported in the Notes to Accounts. Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website and the weblink of the same is http://www.indiasteel.in/pdfs/poicy_on-dealing-with-the-related-party-transaction.pdf.
- (ii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iii) The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided elsewhere in this report.
- (iv) The Company has Risk Management Policies for the businesses, duly approved by the Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.
- (v) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- (vi) Disclosure under Regulation 39 and Schedule VI of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in respect of unclaimed shares of India Steel Works Limited

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	No. of Shareholders and Shares outstanding as at 31.03.2018	237	43600
2	Requests received from the shareholders and subsequently transfer of shares from the suspense account	Nil	nil
3	No. of Shareholders and Shares outstanding as at 31.03.2019	237	43600

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 are freeze till the rightful owner of such shares claims the shares. Whenever the shareholders shall claim the shares, after proper verification, the share certificates will be dispatched to them or as the case may be, the shares will be credited to the beneficiary account.

- (vii) There was an instance of non-compliance of Regulation 17 of SEBI (LODR) 2015 pertaining to composition of Board. The Company has complied with the provisions and also paid the applicable fine to Stock Exchange.



(viii) The details of the equity shares of the Company held by the Directors as on 31st March, 2019 are as under:

Mr. Ashwinkumar H. Gupta -5515825

Mr. Sudhirkumar H. Gupta -5382725

Mr. Varun S. Gupta -204800

General Shareholders Information:

A. Annual General Meeting:

Date: 18th September, 2019

Time: 11: 30 a.m.

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

B. Date of Book Closure and Dividend Payment:

- Date of Book closure 12th September, 2019 to 18th September, 2019 (Both days inclusive).
- Dividend Payment Date: The Dividend of 0.01% on total paid up Preference share capital of the Company for the financial year ended 31st March, 2019 shall be deposited into the account of the shareholders by 17th October, 2019.

C. Company Identification Number (CIN): L29100MH1987PLC043186

D. Stock Exchange Listing: The Stock Exchange, Mumbai

E. Stock Code:

1. ISIN: INE072A01029

2. The Stock Exchange, Mumbai: 513361

F. Stock Price Data:

	High	Low
April, 2018	3.78	2.42
May 2018	2.94	2.20
June 2018	2.54	2.05
July, 2018	2.26	1.70
Aug, 2018	2.08	1.55
Sep, 2018	1.94	1.37
Oct, 2018	1.54	1.11
Nov, 2018	1.50	1.16
Dec, 2018	1.59	1.11
Jan, 2019	1.44	1.17
Feb, 2019	1.42	1.05
Mar, 2019	1.28	0.88

G. Registrar & Share Transfer Agents

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

LINK INTIME INDIA PVT LIMITED Phone: 022 25946970,

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

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

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

H. Compliance Officer

Mrs. Dipti Vartak

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



I. Share Transfer System

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

J. Distribution of shareholding based on nominal value as on 31st March, 2019.

SHAREHOLDING OF SHARES	NUMBER OF SHAREHOLDERS	% OF TOTAL	SHARES	% OF TOTAL ISSUED AMOUNT
1 -- 500	10272	61.3217	2174701	0.55
501 -- 1000	2091	12.4828	1895676	0.48
1001 -- 2000	1386	8.2741	2317473	0.58
2001 -- 3000	635	3.7908	1705871	0.43
3001 -- 4000	300	1.7909	1093746	0.27
4001 -- 5000	523	3.1222	2549669	0.64
5001 -- 10000	736	4.3938	5888971	1.48
10001 & above	808	4.8236	380454818	95.57
Total:	16751	100.0000	398080925	100.0000

K. Shareholding Pattern

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
				As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) =
(I)	(II)	(III)	(IV)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100
(A)	Promoter and Promoter Group						
1	Indian						
(a)	Individuals/Hindu Undivided Family	9	11259377	2.83	2.83	0	0.00
(b)	Central Government/State Government(s)	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	9	188214329	47.28	47.28	45487600	24.16
(d)	Financial Institutions / Banks	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0.00	0.00	0	0.00
	Sub Total (A)(1)	18	199473706	50.10	50.10	45487600	22.80
2	Foreign						
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0.00	0.00	0	0.00
	Sub Total (A)(2)	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	18	199473706	50.10	50.10	45487600	22.80



Category Code	Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
				As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100
(B)	Public shareholding						
1	Institutions						
(a)	Mutual Funds/UTI	3	3600	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	6	5261550	1.32	1.32	0	0.00
(c)	Central Government/State Government(s)	0	0	0.00	0.00	0	0.00
(d)	Foreign Mutual Fund	0	0	0	0	0	0.00
(e)	Foreign Financial Institutions	4	14900	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0	0	0
(g)	Foreign Portfolio Investors	3	17868600	4.49	0.00	0	0.00
(h)	Qualified Foreign Investors	0	0	0.00	0.00	0	0.00
(I)	Any Other (specify)	0	0	0.00	0.00	0	0.00
	Sub Total (B) (1)	16	23148650	5.81	5.81	0	0.00
2	Non-institutions						
(a)	Bodies Corporate	162	3545734	0.89	0.89	0	0.00
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 2 Lakh	15897	38739588	9.73	9.73	0	0.00
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	13	12623918	3.17	3.17	0	0.00
(c)	NBFs registered with RBI	1	20000	0.00	0.00	0	0.00
(d)	Any Other					0	0.00
i	Non Resident Indians (Repat.)	100	1011054	0.25	0.25	0	0.00
ii	Non Resident Indians (Non Repat.)	39	576727	0.14	0.14	0	0.00
iii	Foreign Companies	2	117458196	29.50	29.50	0	0.00
iv	Clearing Member	27	307204	0.07	0.07	0	0.00
v	Hindu Undivided Family	251	1168948	0.29	0.29	0	0.00
vi	Market Makers	2	7200	0.00	0.00	0	0.00
	Sub Total (B)(2)	16494	175458569	44.08	44.08	0	0.00
	Total Public Shareholding Public Group (B)=(B) (1)+(B)(2)	16494	175458569	44.08	44.08	NA	NA
	Total (A)+(B)	16510	198607219	49.89	49.89	0	0.00
(C)	Shares held by custodians and against which Depository Receipts have been issued						
i	Promoter and Promoter group	0	0	0.00	0.00	0	0.00
ii	Public	0	0	0.00	0.00	0	0.00
	Sub Total (C)	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	16528	398080925	100.00	100.00	45487600	11.43

Dematerialization of shares and liquidity

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services(India) Ltd. (CDSL) for a demat facility, 99.72% of the Company's Listed Equity Share Capital was dematerialized as on 31.03.2019. The Company's shares are traded on the Stock Exchange, Mumbai.

M. Plant Locations:

Special Steel and Rolling Mill Division

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

N. Address for correspondence:

India Steel Works Limited
304, Naman Midtown, Tower A, Senapati Bapat Marg, Elphinstone Road (W), Mumbai-400013
Tel: +91 22 62 304 361/ 364; Email: cosec@indiasteel.in Website: www.indiasteel.in



CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

As provided under Regulation 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 relating to corporate Governance with Stock Exchanges, all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year 2018-19.

For **India Steel Works Limited**

Place: Mumbai
Dated: 29th May, 2019

sd/-
Sudhir H. Gupta
Managing Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Shareholders of India Steel Works Ltd.

We have reviewed the records concerning the Company's Compliance with Regulation 27 and Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges of India for the financial year beginning April 1, 2018 and ending on March 31st, 2019.

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

Based on such review, in our opinion, the Company has complied with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Stock Exchanges of India.

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

For and on behalf of
Lakshmikant Kabra & Co.
Chartered Accountants
Firm registration No. 117183W

Place: Mumbai
Dated: 29th May, 2019

[Lakshmikant Kabra]
Partner
Membership No. 101839



INDEPENDENT AUDITOR'S REPORT

To
The Members

INDIA STEEL WORKS LIMITED

1. Report on the standalone Financial Statements

We have audited the standalone financial statements of **INDIA STEEL WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (Other Comprehensive Income) the Cash Flow statement and the statement of change in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information in which is included the standalone financial statement for the year ended on that date of unaudited financial statement of overseas branch.

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 Companies Act, 2013 (the Act) in the manner so required and give a true & fair view in conformity with the Indian accounting standard prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its LOSS (other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtain is sufficient & appropriate to provide a base for our opinion.

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter:-	How the matter was addressed in our Audit:-
1) Evaluation of Provision and Contingent Liabilities	
As at the Balance Sheet date, the Company has significant open legal cases and other contingent liabilities as disclosed in note no. 32. The assessment of the existence of the present legal or Constructive obligation, analysis of the probability of the related payment require the management to make judgment and estimates in relation to the issues of each matter.	We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligation for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets. We have analysed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.



Key Audit Matter:-	How the matter was addressed in our Audit:-
<p>The management with the help of its expert, as needed, have made such judgments and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>Due to the level of judgment relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>In addition, we have reviewed :</p> <ul style="list-style-type: none"> the details of the proceedings before the relevant authorities including communication from the advocates / experts; legal advises / opinions obtained by the management, as needed, from experts in the field of law on the legal cases; minutes of board meetings, including the sub-committees; and status of each of the material matters as on the date of the balance sheet. <p>We have assessed the appropriateness of provisioning based on assumption made by the management and presentation of the significant contingent liabilities in the financial statements.</p>
2) Valuation of inventory :	
<p>Inventory forms a significant part i.e. 20% of the Company's total assets. Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares.</p>	<p>We have reviewed the stock records and held discussion with the management. We verified arithmetical accuracy of valuation records/reports.</p>

4. Management's Responsibility for the Standalone Financial Statement

The Company's and Traded Stock Management and Board of Directors are 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (INDAS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

6. Emphasis of Matters

We did not Audited the financial statement of overseas branch included in the financial statement, which constitute the total current assets of Rs.266,289,224/- and net assets of Rs.7,11,136/- as at 31st March 2019, total revenue of Rs. Nil, Net Loss of Rs.18,84,591/- and net cash flow amounting to Rs. 3,59,196/- for the period ended on that date, as considered in the financial statement.



7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in exercise of powers conferred by sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in para 3 and 4 of the said order to the extent applicable,

(A) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The report on the unaudited account of overseas branch U/s 143(8) of the Act has been properly dealt by us in preparing this report. Our opinion on the financial statements is not modified in respect of unaudited report.
- d. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
- e. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under .
- f. on the basis of the written representations received from the directors as at 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

- i. the Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement Refer Note 33A to the financial statement.
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act.

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid / provided by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

The remuneration paid to any directors is not in excess of the limit laid down U/s 197 of the IT Act. The Ministry of Corporate Affairs has not prescribed other details U/s 197 (16) which requires to be commented by us.

For and on behalf of –
Laxmikant Kabra & Co.
Chartered Accountants
Firm Reg. No. 117183W

[CA Laxmikant Kabra]
Partner

Membership No. 101839

Place : Mumbai
Date : 29/05/2019

**Annexure A to the Independent Auditors Report**

ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE COMPANY ON THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2019

We Report That -

1. a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed asset;
- b. As explained to us the Company has a phased program for physical verification of the fixed asset of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable's and movable properties are held in the name of the company except certain motor vehicles having carrying value of Rs. 35.90 lakhs as at 31/03/2019, is held in the name of directors of company's behalf.
2. The inventory have been physically verified by the management, except those lying with third parties and for goods in transits. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of it's business. No material discrepancies were noticed on physical verification of inventories as compared to book records.
3. According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to companies firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Therefore comments under clause (a), (b) and (c) are not given.
4. In our opinion and according to the information and explanation given to us, the company has complied the provisions of section 185 and 186 of the Companies Act 2013 to the extend applicable with respect to the loans & investment made.
5. The company has not accepted any deposit from the public in accordance with the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and rules framed there under.
6. According to the information and explanation given to us, cost records were Maintained by the company pursuant to the order of the Central Government under Section 148(1) of the Act.
7. a. According to and on the basis of our examination of the records the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, GST, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, and other material statutory dues during the year with the appropriate authorities. As explain to us, there were no undisputed statutory dues as mention above in Arrears as at 31st March, 2019 for a period of more than 6 months from the date they became payable.
- b. According information and explanations given to us the following are the particulars of disputed amounts payable in respect of Sales tax and Central Sales Tax and other statutory dues as at the last day of the period ending 31st March, 2019 -

Name of Status	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	Sales Tax	160.11	FY-2014/2015	Sales Tax Officer
Central Excise Act	Excise	53.53	FY-2012/2013	DGCI
Central Excise Act	Excise	406.30	FY-2012/2013	FTWL
Central Excise Act	Excise	37.99	FY-2005/2006	Comm.of Cen Excise
Central Excise Act	Excise	9.64	FY-2012/2013	Add. Com of Cen. Excise

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institute. The company did not have any outstanding dues to debenture holders during the year.
9. The company has not raised any money by way of public issue or further public offer during the year or in the recent past based on the information and explanations given to us by the management.



10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have been informed of such case by the management.

Continuation sheet

11. According to the information and explanation given to us and based on our examination of the books and records of the Company, we are the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Company Act.
12. In our opinion, the company is not a Nidhi Companies, Therefore, provision of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statement as per Accounting Standard in Note No - 40 to the Financial Statement.
14. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company. The Company has not entered into any non-cash transactions, prescribed U/s 192 of the Companies Act during the year with directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable to the company.

Annexure – B to the Independent Auditors Report

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIA STEEL WORKS LIMITED – 31st March, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statement of India Steel Works Limited ("the Company") as of March 31, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based



on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Companies internal financial controls with reference to financial statement.

Meaning of Internal Financial Controls Over Financial Statement

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

Inherent Limitations of Internal Financial Controls Over Financial Statement

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

Opinion

In our opinion and to the best of our information and according to explanation given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of –
Laxmikant Kabra & Co.
Chartered Accountants
Firm Reg. No. 117183W

[CA Laxmikant Kabra]
Partner
Membership No. 101839

Place : Mumbai
Date : 29/05/2019



Balance Sheet as at 31st March, 2019

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	24,640.53	24,132.29
Capital Work - In - Progress	3	23.52	1,212.77
Other Intangible Assets	3	293.43	351.57
Intangibles under development	3	-	-
Financial Assets			
Investments	4	213.81	214.77
Others	5	1,120.27	1,120.27
Non - Current Tax Assets	6	226.53	266.50
Other Non - Current Assets	7	12,549.95	5,949.20
Total Non - Current Assets		39,068.04	33,247.37
Current Assets			
Inventories	8	15,098.79	19,184.74
Financial Assets			
Trade Receivables	9	3,799.84	3,806.98
Cash & Cash Equivalents	10	66.54	35.22
Bank Balance other than above	11	167.42	28.68
Loans	12	232.81	251.12
Other Financial Assets	13	473.66	394.46
Other Current Assets	14	500.52	811.22
Total Current Assets		20,339.57	24,512.41
TOTAL ASSETS		59,407.62	57,759.78
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	3,980.81	3,980.81
Other Equity		13,429.79	14,020.45
Total Equity		17,410.60	18,001.26
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	16	5,118.87	5,474.67
Other Financial Liabilities	17	10,830.18	7,221.08
Provisions	18	135.16	87.78
Total Non - Current Liabilities		16,084.21	12,783.53
Current Liabilities			
Financial Liabilities			
Borrowings	19	4,183.35	4,183.42
Trade Payables	20	21,101.16	21,904.05
Other Financial Liabilities	21	323.10	536.35
Other Current Liabilities	22	97.85	112.44
Provisions	23	207.35	238.73
Total Current Liabilities		25,912.81	26,974.99
Total Liabilities		41,997.02	39,758.52
TOTAL EQUITY AND LIABILITIES		59,407.62	57,759.78
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
The accompanying notes are an integral part of these financial statements	3-43		

As per Our Report Of Even Date Attached
For Laxmikant Kabra & Company
Chartered Accountants
Firm Registration No. 117183W

For and on behalf of the Board

CA Laxmikant Kabra
Proprietor
M.N.101839

Sudhirkumar H Gupta
Managing Director
DIN: 00010853

Varun S. Gupta
Chief Financial Officer
DIN: 02938137

Dipti Vartak
Company Secretary
FCS 9057

Place : Mumbai

Date : 29th May 2019



Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. in lakhs)

Particulars	Note. No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	24	53,179.42	96,729.01
Other Income	25	2,577.64	2,953.85
Total Income		55,757.06	99,682.86
Expenses			
Cost of Material Consumed	26	40,592.89	49,735.56
Excise Duty on Sale of Goods		-	1,813.29
Purchase of Traded Goods	27	4,540.48	35,706.06
Changes in Inventories of Finished Goods / Stock in Trade	28	-1,780.12	-2,055.07
Employee Benefit Expenses	29	2,031.84	2,198.51
Finance Cost	30	1,330.22	1,674.43
Depreciation and Amortization	3	1,089.90	840.68
Foreign Exchange Fluctuation	31	349.33	486.49
Other Expenses	31	8,142.53	8,786.94
Total Expenses		56,297.07	99,186.88
Profit Before Tax and Exceptional Item		-540.01	495.98
Exceptional Item	32	-	-76.53
Profit Before Tax		-540.01	419.45
Tax Expenses			
Previous Tax		2.04	-
Profit After Tax		-537.98	419.45
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		-52.69	88.70
Total Other Comprehensive Income for the year		-52.69	88.70
Total Comprehensive Income for the year		-590.67	508.15
Earnings Per Share - Basic & Diluted (Rs.)		(0.14)	0.11
CORPORATE INFORMATION	1		
SIGNIFICANT ACCOUNTING POLICIES	2		
The accompanying notes are an integral part of these financial statements	3-43		

As per Our Report Of Even Date Attached
For Laxmikant Kabra & Company
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FCS 9057

Place : Mumbai

Date : 29th May 2019



Cash Flow Statement For The Year Ended 31st March, 2019

(Rs. in lakhs)

Particulars		For the Year ended March 31, 2019		For the year ended March 31, 2018	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit / (Loss) Before Tax		-540.01		419.45
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
	Depreciation & Amortization	1,089.90		836.52	
	Finance Cost	1,330.22		1,674.43	
	Interest Income	-78.38		-50.66	
	Dividend Income	-3.87		-0.06	
	Non-operating income	-2,495.39		-2,903.13	
	Other Comprehensive Income not to be reclassified to Profit & Loss	-52.69		88.70	
	Operating Profit Before Changes in Working Capital		-210.21		-354.20
	Adjustment for Changes in Working Capital		-750.23		65.25
	(Increase) / Decrease in Trade Receivables	7.14		-930.59	
	(Increase) / Decrease in Inventories	4,085.94		-2,543.23	
	(Increase) / Decrease in Other Current Financial Assets	-60.88		433.89	
	(Increase) / Decrease in Other Current Assets	310.70		1,793.31	
	(Increase) / Decrease in Investment	0.96		-	
	(Increase) / Decrease in Other Non - Current Assets	-6,560.78		-752.84	
	Increase / (Decrease) in Trade Payables	-802.89		2,229.25	
	Increase / (Decrease) in Other Current Financial Liabilities	-213.25		11.63	
	Increase / (Decrease) in Other Current Liabilities	-14.58		-394.17	
	Increase / (Decrease) in Provisions	15.99		-715.81	
	Increase / (Decrease) in Other Non - Financial Liabilities	3,609.10	377.44	3,015.80	2,147.24
	Cash Generated from Operations		-372.78		2,212.49
	Less: Taxes Paid (Net of refund received)		2.04		-
	NET CASH FLOW FROM OPERATING ACTIVITY (A)		-370.74		2,212.49
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, Plant & Equipment & Intangible Assets	-351.29		-1,809.94	
	Sale of Property, Plant & Equipment & Intangible Assets	0.54		0.14	
	Movement in other bank balances	-138.74		26.78	
	NET CASH FLOW FROM INVESTING ACTIVITY (B)		-489.49		-1,783.01
C	CASH FLOW FROM FINANCING ACTIVITY				
	Receipt of Long Term Borrowings	35.48		35.48	
	Repayment of Long Term Borrowings	-391.28		-3,049.65	
	Increase / (Decrease) in Short Term Borrowings	-0.07		1,138.26	
	Finance Cost	1,247.42		1,279.42	
	NET CASH FLOW FROM FINANCING ACTIVITY (C)		891.56		-596.49
	NET CASH FLOW FOR THE YEAR (A + B + C)		31.32		-167.01
	Add: Opening Balance of Cash & Cash Equivalents		35.22		202.23
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS		66.54		35.22
	RECONCILIATION OF CASH AND CASH EQUIVALENT				
	TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET		66.54		35.22
	CASH AND CASH EQUIVALENT COMPRISES AS UNDER:				
	Balance with banks in current accounts		27.05		30.50
	Cash on Hand		39.49		4.72
	CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		66.54		35.22
	The accompanying notes are an integral part of these financial statements				

As per Our Report Of Even Date Attached

For Laxmikant Kabra & Company

Chartered Accountants

Firm Registration No. 117183W

CA Laxmikant Kabra

Proprietor

M.N.101839

Place : Mumbai

Date : 29th May 2019

For and on behalf of the Board

Sudhirkumar H Gupta
Managing Director
DIN: 00010853

Varun S. Gupta
Chief Financial Officer
DIN: 02938137

Dipti Vartak
Company Secretary
FCS 9057



Statement of Changes In Equity For The Year Ended March 31, 2019

A. Equity Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
Balance as the beginning of the reporting period	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Changes in Equity Capital during the year	-	-	-	-
Balance at the end of the reporting period	39,80,80,925	3,980.81	39,80,80,925	3,980.81

B. Other Equity

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as on April 01, 2018	500.00	18,019.38	4,451.30	2,040.00	-10,990.23	14,020.45
Profit for the period					-	-
Other comprehensive income	-	-	-	-	-	-
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	-	-	-
As at March 31, 2019	500.00	18,019.38	4,451.30	2,040.00	-10,990.23	14,020.45
Profit for the period					-537.98	-537.98
Other comprehensive income					-52.69	-52.69
- Remeasurements gains / (loss) on defined benefit plans						
As at March 31, 2019	500.00	18,019.38	4,451.30	2,040.00	-11,580.90	13,429.79



Notes forming part of the financial statements
NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As At April 01, 2018	Additions / Transfers	Deductions	As At April 01, 2018	For The Year	On Deductions	As At March 31, 2019	As At March 31, 2018
(A) TANGIBLE ASSETS								
Land - Freehold	7,529.22	-	-	-	-	-	7,529.22	7,529.22
Factory Buildings	2,519.86	-	-	282.99	139.93	-	2,096.94	2,236.87
Non-Factory Buildings	135.36	-	-	11.29	0.50	-	123.57	124.07
Plant & Machinery	16,194.63	1,515.49	-	2,291.74	842.75	-	14,575.64	13,902.90
Furniture & Fixture	190.33	-	-	32.34	15.84	-	142.15	157.99
Vehicles	176.32	24.92	2.94	35.45	21.53	2.40	143.71	140.87
Office Equipments	46.18	0.12	-	5.81	11.20	-	29.29	40.37
Computers								
Total - Tangible Assets	26,791.91	1,540.54	2.94	2,659.62	1,031.76	2.40	24,640.53	24,132.29
(B) CAPITAL WORK IN PROGRESS								
Real estate Division	14.30	9.22	-	-	-	-	23.52	14.30
Plant & Machinery	1,198.46	54.53	1,252.99	-	-	-	0.00	1,198.46
Total - Capital Work in Progress	1,212.77	63.75	1,252.99				23.52	1,212.77
(C) INTANGIBLE ASSETS								
Softwares	358.81	-	-	7.23	58.14	-	65.38	351.57
Total - Intangible Assets	358.81	-	-	7.23	58.14	-	293.43	351.57
(D) INTANGIBLES UNDER DEVELOPMENT								
SAP ERP	-	-	-	-	-	-	-	-
Total - Intangibles under development	-	-	-	-	-	-	-	-
TOTAL(A)+(B)+(C)	28,363.48	1,604.28	1,255.93	2,666.85	1,089.90	2.40	24,957.48	25,696.63
Previous Year's Total								

- i. The management has technically reviewed the estimated useful life of Plant & Machinery as 20 years which is different from those prescribed under Part C of Schedule II to the Companies Act 2013.
- ii. Motor Vehicle includes Rs. 35.90 lakhs in the name of one of the directors of the company.
- iii. Refer Note No.16 & 19 for assets provided as security.



Notes forming part of the financial statements

NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)		DEPRECIATION / AMORTIZATION		NET BLOCK	
	As At April 01, 2017	As At March 31, 2018	As At April 01, 2017	For The Year	As At March 31, 2018	As At March 31, 2017
(A) TANGIBLE ASSETS						
Land - Freehold	7,529.22	-	-	-	7,529.22	7,529.22
Factory Buildings	2,519.86	-	143.81	139.51	2,236.87	2,376.05
Non-Factory Buildings	135.36	-	5.40	5.89	124.07	129.96
Plant & Machinery	14,037.64	2,156.99	1,643.31	647.96	2,291.74	12,394.34
Furniture & Fixture	190.08	0.25	16.17	16.17	32.34	173.91
Vehicles	165.34	10.98	15.29	20.16	35.45	150.04
Office Equipments	38.77	7.41	2.80	3.01	5.81	35.98
Total - Tangible Assets	24,616.28	2,175.63	1,826.77	832.70	2,659.62	22,789.51
(B) CAPITAL WORK IN PROGRESS						
Real estate Division	14.30	-	-	-	14.30	14.30
Plant & Machinery	1,660.51	1,694.94	2,156.99	1,198.46	1,198.46	1,660.51
Total - Capital Work In Progress	1,674.81	1,694.94	2,156.99	-	1,212.77	1,674.81
(C) INTANGIBLE ASSETS						
Overseas Project	-	-	-	-	-	-
Software Licenses	19.02	339.78	3.41	3.82	7.23	15.61
Total - Intangible Assets	19.02	339.78	-	3.82	7.23	15.61
(D) INTANGIBLES UNDER DEVELOPMENT						
SAP ERP	243.43	96.35	339.78	-	-	243.43
Total - Intangibles under development	243.43	96.35	339.78	-	-	243.43
TOTAL(A)+(B)+(C)+(D)	26,553.54	4,306.71	2,496.77	836.52	2,666.85	24,723.35

i. On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets

ii. Motor Vehicle includes Rs.10.98 lakhs in the name of one of the directors of the company

iii. Refer Note No.16 & 19 for assets provided as security.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Notes 1. Forming part of Financial statement****A. General Information**

India Steel Works Limited. ("the Company") is a public limited company, which is domiciled and incorporated in India with its registered office situated at Zenith Compound, Khopoli, Dist Raigad - 410203 Maharashtra.

The company is engaged in manufacturing and trading of steel products, like Hot rolled, Bars & Rods, Bright Bars extra.

B. Basis of preparation**(1) Statement of compliance with Ind AS**

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 29, 2019.

(2) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value (refer Accounting policy regarding financials instruments);
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- share-based payments - measured at fair value

(3) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The Indian Rupee (INR) is the functional and presentation currency of the company. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

C. Key estimates and assumptions

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgement, estimates and assumptions are required in particular for:

(1) Determination of the estimated useful lives

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

(2) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.



Notes forming part of the financial statements

Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

(3) Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilized.

(4) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(5) Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

(6) Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

(7) Liability for Sales Return

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

D. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



Notes forming part of the financial statements

E. Significant accounting policies

(1) Revenue recognition :

i. Sale of goods

Revenue from operations comprises of sales of goods after the deduction of discounts, goods and service tax and estimated returns. Discounts given by the Company includes trade discounts, volume rebates and other incentive given to the customers. Accumulated experience is used to estimate the provision for discounts. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

Revenue from the sale of goods are recognized when control of the goods has transferred to our customer and when there are no longer any unfulfilled obligations to the customer, This is generally when the goods are delivered to the customer depending on individual customer terms, which can be at the time of dispatch or delivery. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Company no longer have control over the inventory.

Our customers have the contractual right to return goods only when authorized by the Company. As at 31 March 2019, an estimate has been made of goods that will be returned and a liability has been recognized for this amount. An asset has also been recorded for the corresponding inventory that is estimated to return to the Company using a best estimate based on accumulated experience.

ii. Revenue from Contract with customer

Revenue from contract with customer is recognised when contract of goods or services is transferred to the customer at an amount that reflects the consideration to which company expect to be entitle in exchange for those goods or services.

iii. Dividend income

Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

iv. Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

(2) Foreign currency :

(i) Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Exchange differences are generally recognised in the Statement of Profit and Loss, except exchange differences arising from the translation of the following item which are recognized in OCI:

- Qualifying cash flow hedges to the extent that the hedges are effective.



Notes forming part of the financial statements

(3) Employment Benefits

(i) Short-term obligations

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The following post – employment benefit plans are covered under the defined benefit plans:

Gratuity :

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Terminal benefits

All terminal benefits are recognized as an expense in the period in which they are incurred.

(4) Income-tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in the OCI.



Notes forming part of the financial statements

(i) Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(5) Inventories

(i) Raw materials and stores, work in progress, traded and finished goods

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials and direct labour. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. but excludes borrowing costs. Costs are assigned to individual items of inventory on the FIFO basis. Except for store and spare which are on daily moving and is net off tax credits under various tax laws. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(6) Classification of Assets and Liabilities into Current / Non- Current

The company has ascertained its operating cycle as twelve months for the purpose of Current / Non Current classification of its Assets and Liabilities.

- (i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realize the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equipment unless it is restricted from being exchanged or used to settle a liability for at

**Notes forming part of the financial statements**

least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if;

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

(7) Property, plant and equipment

- (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

- (ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- (iii) Depreciation/ Amortizations

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives specified in parts C of schedule II to the Companies Act, 2013

Depreciation is charged on pro-rata basis for assets purchase during the year. Depreciation on the following assets is provided, based on the management estimate in view of possible technology obsolescence and product life cycle implication

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other equipment	5 Years



Notes forming part of the financial statements

Gain / Loss on disposal / de-recognition of property, plant and equipments are determined by comparing proceed with carrying amount and these are recognized in statement of profit & loss.

(8) Intangible assets

(i) Computer software

Recognition and measurement

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets viz. Computer software and product registration, which are acquired by the Company and have defined useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The intangible assets are amortized over the estimated useful lives as given below:

- Computer software 5 years

(9) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(10) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Operating Officer of the Company. The Company has identified only one segment i.e. steel business.

(11) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(12) Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.



Notes forming part of the financial statements

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognized but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

(13) Impairment of non-financial assets

Goodwill and intangible assets that have infinite useful life are not subjected to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The carrying values of other assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

(14) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(15) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(16) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year after deducting preference shares dividend if any

(17) Events Occurring after the reporting date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

(18) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



Notes forming part of the financial statements

NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amt Rs.	No. of Shares	Amt Rs.
Investment in Equity Instruments				
Others (Unquoted At Cost)				
Sai Wradha Power Ltd.	21,22,764	212.28	21,22,764	212.28
DNSB	5,330	0.53	5,330	0.53
Interfit India Limited	-	-	25,000	1.96
Indinox Steels Private Limited (Subsidiary) (Partly Paid up @ Rs.2)	50,000	1.00	-	-
TOTAL		213.81		214.77
Aggregate Amount of Quoted Investment & Market Value thereof		-		-
Aggregate amount of Unquoted Investments		213.81		214.77
Aggregate amount of impairment in value of Investments		-		-

NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Insurance Claim Receivable	1,120.27	1,120.27
TOTAL	1,120.27	1,120.27

NOTE 6: NON - CURRENT TAX ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
TDS Receivable	226.53	266.50
TOTAL	226.53	266.50

NOTE 7: OTHER NON-CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	342.09	342.09
Others		
Balances with Govt. Authorities under litigation	317.68	342.49
Inventory**		
Raw materials (including Consumables/Stores/Tools)	1,871.54	-
Work-in-progress	8,339.70	4,320.69
Finished goods	31.38	31.38
Stock in Trade	754.57	79.01
Stores and Spares	386.29	351.51
Advance to Suppliers / Expenses	504.96	482.03
Export Incentive Receivable	1.75	-
TOTAL	12,549.95	5,949.20

** Non and slow moving inventory as per the management policy at cost.



Notes forming part of the financial statements

NOTE 8: INVENTORIES

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
At Lower of Cost or Net Realisable Value		
Raw Materials	2,550.89	3,886.34
Raw Materials - Goods in Transit	12.65	68.46
Work in Process	9,737.84	11,076.89
Finished Goods	1,961.02	2,915.10
Stock in Trade (Trading)	54.24	675.56
Stores and Spares	782.15	562.39
TOTAL	15,098.79	19,184.74

NOTE 9: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Unsecured - Considered Good	1,203.26	2,671.88
Trade Receivables which have significant increase in Credit Risk	2,596.57	1,135.09
Unsecured Considered for Doubtful	1,226.24	1,183.97
	5,026.08	4,990.95
Less :- Allowance for unsecured doubtful debts	-1,226.24	-1,183.97
TOTAL	3,799.84	3,806.98

Notes :-

- The Trade Receivables are subject to confirmation and reconciliation if any.
- Refer Note No.40 for Related party balances.
- Refer Note No.37 for information about impairment, credit risk and market risk of trade receivables.

NOTE 10: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks in Current Accounts	27.05	30.50
Cash on Hand	39.49	4.72
TOTAL	66.54	35.22

NOTE 11: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposits with banks*	34.92	28.68
Margin Money for Letter of Credit	132.51	-
TOTAL	167.42	28.68

Notes : Fixed Deposit of Rs. 34.92 lakhs as at 31st March 2019 (Previous Year as at 31st March 2018 Rs. 28.68 lakhs have been earmarked by bank against guarantee issued for MPCB).



Notes forming part of the financial statements

NOTE 12: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to related party	41.93	37.27
Loans to Employees	190.87	213.85
TOTAL	232.81	251.12

NOTE 13: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered good unless otherwise stated)		
Interest Receivable	76.23	52.99
Security Deposits	197.58	195.80
Claims Receivable from Suppliers	99.67	45.50
Insurance Claim Receivable	100.18	100.18
TOTAL	473.66	394.46

NOTE 14: OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered good unless otherwise stated)		
Capital Advances	106.32	102.35
Advances other than capital advances		
Advance to Employees	26.10	22.91
Advance to Suppliers / Expenses	206.15	144.93
Others		
Prepaid expenses	47.05	150.87
Export Incentive Receivable	-	1.75
Balances with Excisem,VAT and GST Authorities	102.01	337.74
FMS / FPS / MEIS Licence	0.07	7.07
Job Work Charges Accrued on FG	11.94	42.63
TDS Receivable from NBFC	0.88	0.98
TOTAL	500.52	811.22

NOTE 15: EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
Equity shares of Re 1/- each with voting rights	4,200.00	4,200.00
TOTAL AUTHORIZED SHARE CAPITAL	4,200.00	4,200.00
Issued, Subscribed & Paid Up		
Equity shares of Re 1/- each with voting rights	3,980.81	3,980.81
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	3,980.81	3,980.81



Notes forming part of the financial statements

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
Shares at the beginning	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Shares Issued	-	-	-	-
Less: Shares Forfeited / buyback	-	-	-	-
Shares at the end	39,80,80,925	3,980.81	39,80,80,925	3,980.81

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value Re 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

c) Details of Shareholders holding more than 5% equity shares

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Equity shares with voting rights :-				
Indiasteel International P.Ltd.	4,56,34,150	11.46%	4,56,34,150	11.46%
TB Investments Ltd.	2,70,00,000	6.78%	2,70,00,000	6.78%
Metal Industrial Pte Ltd (Formerly known as "UD Industrial Holding Pte Ltd.")	9,04,58,196	22.72%	9,04,58,196	22.72%
Khamgaon Land Development and Trading Co.Pvt.Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
Yeotmal Land Development and Trading Co.Pvt.Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
TOTAL	25,03,92,346	62.90%	25,03,92,346	62.90%

NOTE 16: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Term Loans		
Financial Institutions	52.61	69.23
	52.61	69.23
UNSECURED :		
Loans from Others	450.76	1,214.81
Preference Shares	4,615.50	4,190.63
	5,066.27	5,405.44
TOTAL	5,118.87	5,474.67

Notes :-

A Term Loans :

- Loans from Kotak Mahindra Prime Ltd. @9.75% p.a. interest are secured against hypothecation of motor vehicles. These loans are repayable in 48 equated monthly months installment of Rs.2.20 lakhs.

**Notes forming part of the financial statements**

- 2 Loans from Toyota Financial Services Ltd @10.25% p.a. interest are secured against hypothecation of motor vehicles. These loans are repayable in 48 equated monthly months installment of Rs.0.54 lakhs.
- 3 Loans from Sundaram Finance Ltd. @7.10% p.a. interest are secured against hypothecation of komatsu hydraulic excavator machine. These loans are repayable in 36 equated monthly months installment of Rs.0.82 lakhs.

B Preference Shares :**a) Details of Preference Shares**

Particulars	No of Shares	Amount (Lakhs)	No of Shares	Amount (Lakhs)
(a) Authorised Preference shares of Re 10/- each without voting rights	6,45,00,000	6,450.00	6,45,00,000	6,450.00
(b) Issued, Subscribed and fully paid up				
14% Cumulative Redeemable Preference shares of Re 10/- each without voting rights	20,00,000	200.00	20,00,000	200.00
0.01% Cumulative Redeemable Preference shares of Rs.10/- each without voting rights	5,36,71,310	3,625.04	5,36,71,310	3,231.36
0.01% Cumulative Redeemable Preference shares (Option Series) of Re 10/- each without voting rights	85,14,574	790.46	85,14,574	759.27
TOTAL	6,41,85,884	4,615.50	6,41,85,884	4,190.63

b) Terms of Issue of Preference Shares

- i) 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- ii) 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iii) 0.01% Cumulative Redeemable Shares (Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iv) For all the above preference shares; the company is in active negotiations with the preference shareholders for revised terms of redemption. Pending finalisation of negotiation with the preference shareholders, the amounts payable are stated as such and no change in the amount and its nature is recognised during the year. Financial expense on the preference shares as per INDAS guidelines is recognised and provided for.
- v) Subject to the approval of shareholders at the Annual General Meeting, board of directors have recommended dividend of 0.01% on @ 2,00,000 14% CRPS; 5,36,71,310 @ 0.01% CRPS without option and 85,14,574 @ 0.01% CRPS with option

c) Details of preference shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2019		As at 31 March, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without voting rights				
IDBI Ltd.	3,75,47,800	58.50%	3,75,47,800	58.50%
Punjab & Sind Bank	1,21,38,000	18.91%	1,21,38,000	18.91%
Oriental Bank of Commerce	56,98,413	8.88%	56,98,413	8.88%
TOTAL	5,53,84,213	86.29%	5,53,84,213	86.29%

**Notes forming part of the financial statements****NOTE 17: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Others		
Long term creditors	10,070.80	6,661.14
Interest accrued but not due on borrowings	759.38	559.94
TOTAL	10,830.18	7,221.08

** Non current liabilities, Long term creditors as per the management policy.

NOTE 18: PROVISIONS (NON-CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Gratuity	102.81	65.80
Compensated absences	32.34	21.99
TOTAL	135.16	87.78

NOTE 19: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED :		
Loans repayable on demand From banks (Refer Note below)	2,628.70	2,628.77
	2,628.70	2,628.77
UNSECURED :		
Preference Shares	1,554.65	1,554.65
	1,554.65	1,554.65
TOTAL	4,183.35	4,183.42

Notes: Kotak Mahindra Bank Ltd & DNS Bank Ltd. has sanctioned Cash Credit/WCDL facilities against the security by way of first pari passu charge on the fixed assets of the company, hypothecation of stock and book debts of the company and personal guarantees of some of the promoter directors of the Company.

NOTE 20: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	21,101.16	21,904.05
TOTAL	21,101.16	21,904.05

Notes :-

- The Company has called for balance confirmation of Trade Payables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation. The other balances of Trade Payables are also subject to confirmation.
- Trade Payables includes amount due to Related Parties Rs. 4868.58 lakhs as at 31st March 2019 (Previous Year as at 31st March 2018 Rs.512.50 lakhs).

**Notes forming part of the financial statements****iii. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors.

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	47.46	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.63	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

NOTE 21: FINANCIAL LIABILITIES - OTHERS (CURRENT)**(Rs. in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued	-	0.91
Others		
Capital Creditors	201.80	240.16
Employee Benefits payables	121.30	295.27
TOTAL	323.10	536.35

NOTE 22: OTHER CURRENT LIABILITIES**(Rs. in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customer	72.50	82.57
Statutory Liabilities	25.36	29.86
TOTAL	97.85	112.44



Notes forming part of the financial statements

NOTE 23: PROVISIONS (CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Bonus	29.24	30.38
Compensated absences	17.07	15.20
Gratuity	37.56	26.70
	83.86	72.28
Others Provision		
Electricity Expenses	-	-
Purchase Bills Not Booked	-	-
Others	123.49	166.46
	123.49	166.46
TOTAL	207.35	238.73

NOTE 24: REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products including excise	48,181.05	91,828.44
Sale of Services	4,943.47	4,900.57
Other Operating Income	54.89	-
TOTAL	53,179.42	96,729.01

NOTE 25: OTHER INCOME

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance Income	78.38	50.66
Dividend Income	3.87	0.06
Gain on Sale of Investment / Assets	24.34	
Other non-operating income**	2,471.04	2,903.13
TOTAL	2,577.64	2,953.85

**Other non-operating income includes liabilities no more payable.

NOTE 26: COST OF MATERIALS CONSUMED

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material Consumed	-	15,439.12
Stores / Spares Material Consumed	1,899.18	2,420.85
Steel Billets	38,673.12	31,746.14
Wire Rods/Coils	20.59	129.44
TOTAL	40,592.89	49,735.56



Notes forming part of the financial statements

NOTE 27: PURCHASE OF TRADED GOODS

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Traded Goods	4,540.48	35,706.06
TOTAL	4,540.48	35,706.06

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stocks :		
Finished Goods	2,946.48	2,138.64
Work in Progress	15,397.58	14,150.35
Stock In Trade	754.57	754.57
Less : Closing Stocks :		
Finished Goods	1,992.40	2,946.48
Work in Progress	18,077.54	15,397.58
Stock In Trade	808.81	754.57
NET CHANGE IN INVENTORIES	-1,780.12	-2,055.07

NOTE 29: EMPLOYEE BENEFIT EXPENSES

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	1,609.56	1,763.21
Directors Remuneration	235.71	224.63
Contribution to Provident and Other Funds	54.49	61.33
Gratuity Expenses (Refer Note No.39)	21.47	32.38
Leave Encashment Expenses (Refer Note No.39)	18.40	40.96
Staff Welfare Expenses	92.22	76.00
TOTAL	2,031.84	2,198.51

NOTE 30: FINANCE COST

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense		
On Borrowings	971.11	1,530.33
Others (Including Interest on delay / deferred payment)	13.86	50.39
Dividend on redeemable preference shares	198.67	82.58
Bank and other finance charges	146.59	11.13
TOTAL	1,330.22	1,674.43



Notes forming part of the financial statements

NOTE 31: OTHER EXPENSES

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power, Fuel and Utilities	5,808.36	5,753.98
Processing Charges	793.81	1,246.80
Lease Rent / Hire Charges	10.26	18.69
Water	12.83	9.46
Repairs to Building	21.88	39.51
Repairs to Plant and Machinery	38.56	179.01
Other Repairs	7.65	14.08
Packing Materials	53.96	69.13
Commission & Brokerage	17.94	34.32
Exhibition Expenses	83.99	16.23
Sales Promotion	18.85	14.33
Other Selling Expenses	0.12	0.25
Outward Freight Charges	280.96	432.86
Bad Debts Written off net of provisions	42.27	5.38
Travelling and Conveyance	166.79	176.53
Communication Expenses	17.39	18.14
Insurance	46.83	40.18
Rates and Taxes	190.64	185.92
Legal and Professional Fees	166.82	194.36
Printing & Stationery	15.59	14.07
Service Charges	6.01	9.60
Directors Sitting Fees	1.44	1.40
Motor Vehicle Expenses	70.32	79.85
Service Tax	-	5.82
CSR Expenses (Refer Note No.34)	6.83	9.46
Payment to Auditors		
- Audit Fees	8.00	5.00
- Tax Audit Fees	-	2.50
- Other Services	-	0.30
Foreign Exchange Fluctuation (Net)	349.33	486.49
Miscellaneous Expenses	254.44	209.79
TOTAL	8,491.87	9,273.43

**Notes forming part of the financial statements****NOTE 32: CONTINGENT LIABILITIES AND COMMITMENTS AND ASSETS****A. CONTINGENT LIABILITIES****Claims against the company not acknowledged as debts****(Rs. in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the company/disputed liabilities but not acknowledged as debts	2,315.92	2,315.92
Excise/Customs Matters decided in the companies favour in earlier years, in respect of which show cause notices have been received & contested	1,038.31	1,038.31
Sales Tax matters in respect of which show cause notices have been received & contested	-	11.24
Sales Tax matters - Disputed	160.11	-
Property Tax Disputed	302.90	224.84
Bank Guarantee	1.40	-
Letter of credit	964.41	-
Material Claim	217.48	-

Notes :-

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities
- (iii) Most of the issues of litigation pertaining to Central Excise/Sales Tax/Customs are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention.

B. COMMITMENTS**(Rs. in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account & not provided for	-	100.25
Net Capital Commitments	-	100.25

C. CONTINGENT ASSETS

Contingent assets are not recognized in financial statements as this may result in the recognition of income that may never be realised. However, Contingent assets (if any) are disclosed in the notes to the financial statements.

The Company has lodged a claim of Rs.9836.07 lakhs against suppliers on account of Contract Cancellation, Detention & Demurrage, Low recovery of material claims, Rate Difference ,etc. but not acknowledged by parties. The company is in process taking appropriate legal steps in this regard.



Notes forming part of the financial statements

NOTE 33: CORPORATE SOCIAL RESPONSIBILITY

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Companies Act, 2013	6.83	9.44
Amount spent during the year on:		
Construction / Acquisition of any Asset		
On purposes other than (1) above	6.83	9.46
Total Paid	6.83	9.46
Gross Total	6.83	9.46

NOTE 34: EXCEPTIONAL ITEMS

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurance Claim written off	-	76.53
	-	-

NOTE 35: EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year as per Statement of Profit & Loss	(537.98)	419.45
Weighted Average No. of Equity Shares for of Face Value Rs. 10 each	39,80,80,925	39,80,80,925
Earnings Per Share - Basic	(0.14)	0.11

NOTE 36: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

(Rs. in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total interest bearing financial liabilities	8,851.46	8,443.28
Less : Cash and Cash Equivalents	66.54	35.22
Adjusted Net Debt	8,784.92	8,408.06
Total Equity	17,410.60	18,001.26
Adjusted Equity	17,410.60	18,001.26
Adjusted Net Debt to adjusted Equity Ratio	0.50	0.47

**Notes forming part of the financial statements****NOTE 37: FINANCIAL RISK MANAGEMENT AND POLICIES**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk*(Rs. in lakhs)*

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial Liabilities - Borrowings	5,118.87	5,474.67
Total	5,118.87	5,474.67

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security against guarantee issued by bank to company's trade payables. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(a) (iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible

**Notes forming part of the financial statements****Exposure to Currency risk**

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

Foreign Currency in lakhs

Unhedged Exposure	Foreign Currency	As at March 31, 2019	As at March 31, 2018
Financial Assets			
Trade and other receivables	USD	47.96	48.38
Financial Liabilities			
Trade and other payables	USD	180.95	181.51
	EURO	27.44	39.55

Sensitivity analysis to currency risk

(Rs. in lakhs)

Foreign Currency	As at March 31, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	-275.97	275.97	-259.77	259.77
EURO	-63.97	63.97	-95.66	95.66
Total	-339.95	-355.43	-355.43	355.43

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof

**Notes forming part of the financial statements**

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance of expected loss provision	1,183.97	1,402.96
Add : Provisions made (net)	42.27	5.38
Less : Utilisation for impariment / de-recognition	-	224.37
Closing balance	1,226.24	1,183.97

Other Financial Assets

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2018, 2017 and 1st April, 2016 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	6,673.52	-	7,029.32
Interest accrued but not due on borrowings	759.38	-	559.94	-
Working Capital Loans from Banks	2,628.70	-	2,628.77	-
Trade Payables	21,101.16	-	21,904.05	-
Other Financial Liabilities	323.10	10,070.80	536.35	6,661.14
	24,812.35	16,744.32	25,629.11	13,690.46
	-	-	-	-

**Notes forming part of the financial statements****(d) Collateral**

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 16 and Refer Note No. 19 for the detailed terms and conditions of the collaterals pledged.

NOTE 38: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT**(a) Classification of Financial Assets and Liabilities**

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
<u>At amortised Cost</u>		
Investments	213.81	214.77
Loans	232.81	251.12
Trade Receivables	3,799.84	3,806.98
Cash & Cash Equivalents	66.54	35.22
Other Bank Balances	167.42	28.68
Other Financial Assets	1,593.93	1,514.73
Total Financial Assets	6,074.34	5,851.50
Financial Liabilities		
<u>At amortised Cost</u>		
Borrowings	9,302.22	9,658.09
Trade Payable	21,101.16	21,904.05
Other Financial Liabilities	11,153.28	7,757.43
Total Financial Liabilities	41,556.66	39,319.57

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair Value Hierarchy

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
<u>Level 2</u>		
Loans	54.38	61.12
Security Deposits	-	-
Total	54.38	61.12
Financial Liability		
<u>Level 2</u>		
Borrowings	6,420.91	5,954.09
Other Financial Liability	759.38	559.94
Total	7,180.30	6,514.03

**Notes forming part of the financial statements****Measurement of Fair Values:**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value
- The fair values of loans given to employees and other parties, and security deposit given is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

Financial Instruments measured at fair value

Type	Valuation Technique
Loans & Security Deposits given	Discounted Cash Flows :The valuation model considers the present value of expected receipt /payment discounted using appropriate discounting rates
Preference Shares	
Loans from others	

NOTE 39: EMPLOYEE BENEFITS**Retirement Benefits**

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2019

(A) Details of defined benefit obligation and plan assets**(a) Retiring Gratuity****I Components of Employer Expenses****Rs. In Lakhs**

Particulars	Gratuity	
	31st March 2019	31st March 2018
Current Service Cost	15.37	24.97
Interest Cost	6.10	7.41
Actuarial (Gain)/Loss	41.92	-46.04
Total Expenses/(Gain) recognized in the Profit & Loss Account	63.39	-13.66

II Net Asset/ (Liability) recognized in Balance Sheet**Rs. In Lakhs**

Particulars	Gratuity	
	31st March 2019	31st March 2018
Present value of Funded Obligation	140.37	92.50
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet	-140.37	-92.50

**Notes forming part of the financial statements****III Change in Defined Benefit Obligations (DBO)**

Rs. in lakhs

Particulars	Gratuity	
	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	92.50	115.23
Current Service Cost	15.37	24.97
Interest Cost	6.10	7.41
Actuarial (Gain)/Loss	41.92	-46.04
Benefit Paid	-15.51	-9.08
Closing Balance of Present Value of Obligation	140.37	92.50

IV Changes in the Fair Value of Plan Assets

Rs. In Lakhs

Particulars	Gratuity	
	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	15.51	9.08
Benefit Paid	-15.51	-9.08
Fair Value of Plan Assets as at 31st March	-	-

V Actuarial Assumption

(Rs. in lakhs)

Particulars	Gratuity	
	31st March 2019	31st March 2018
Discount Rate (Per Annum)	6.91%	7.20%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	UPTO AGE 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Not applicable since the company has Nil Plan assets

VII Movement in net liability recognized in Balance Sheet

Rs. In Lakhs

Particulars	Gratuity	
	31st March 2019	31st March 2018
Net Opening Liability	92.50	115.23
Employer expenses as above	21.47	32.38
Contribution paid	-15.51	-9.08
Other Comprehensive Income (OCI)	41.92	-46.04
Closing Net Liability	140.37	92.50



Notes forming part of the financial statements

VIII Gratuity - Sensitivity Analysis

Rs. In Lakhs

Particulars	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	146.43	134.79	96.54	88.77
Discount Rate (1% movement)	134.58	146.76	88.64	96.75

(b) Compensated Absences

I Components of Employer Expenses

Rs. In Lakhs

Particulars	Compensated Absence (PL)	
	31st March 2019	31st March 2018
Current Service Cost	14.51	26.20
Interest Cost	2.13	3.66
Actuarial (Gain)/Loss	10.77	-42.67
Total Expenses/(Gain) recognized in the Profit & Loss Account	27.41	-12.81

II Net Asset/ (Liability) recognized in Balance Sheet

Rs. In Lakhs

Particulars	Compensated Absence (PL)	
	31st March 2019	31st March 2018
Present value of Funded Obligation	49.41	37.19
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet	-49.41	-37.19

III Change in Defined Benefit Obligations (DBO)

Rs. In Lakhs

Particulars	Compensated Absence (PL)	
	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	37.19	59.31
Current Service Cost	14.51	26.20
Interest Cost	2.13	3.66
Actuarial (Gain)/Loss	10.77	-42.67
Benefit Paid	-15.19	-9.30
Closing Balance of Present Value of Obligation	49.41	37.19

IV Changes in the Fair Value of Plan Assets

Rs. In Lakhs

Particulars	Compensated Absence (PL)	
	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	15.19	9.30
Benefit Paid	-15.19	-9.30
Fair Value of Plan Assets as at 31st March	-	-

**Notes forming part of the financial statements****V Actuarial Assumption**

Rs. In Lakhs

Particulars	Compensated Absence (PL)	
	31st March 2019	31st March 2018
Discount Rate (Per Annum)	6.91%	7.20%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Not applicable since the company has Nil Plan assets

VII Movement in net liability recognized in Balance Sheet

Rs. In Lakhs

Particulars	Compensated Absence (PL)	
	31st March 2019	31st March 2018
Net Opening Liability	37.19	59.31
Employer expenses as above	16.64	29.85
Contribution paid	-15.19	-9.30
Other Comprehensive Income (OCI)	10.77	-42.67
Closing Net Liability	49.41	37.19

VIII Compensated Absence (PL) - Sensitivity Analysis

Rs. In Lakhs

Particulars	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	51.41	47.57	38.52	35.97
Discount Rate (1% movement)	47.49	51.53	35.91	38.61

(B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - 54.49 Lakhs (Previous year 61.33 Lakhs)

NOTE 40: RELATED PARTY**List of related parties****A Enterprise in which Key Managerial Personnel and their relatives have significant Influence :**

01. Isinox Limited
02. ISL Global PTE Ltd.
03. Inoxware P.Ltd.
04. Indiasteel International P.Ltd.
05. Isiworld Steel (I) P.Ltd.
06. Isicom Traders P.Ltd.
07. Isistar Exports P.Ltd.
08. Isimetal (I) P.Ltd.
09. Isisales India Pvt. Ltd.

**Notes forming part of the financial statements**

10. Emgee Homes P.Ltd.
11. Gupta Housing P.Ltd.
12. Yeotmal Land Development & Trading Co.P.Ltd.
13. Shree Vaishnav Industries Pvt.Ltd.
14. G.L.Engineering Industries Pvt.Ltd.
15. India Steel Industries
16. India Steel International

B Key Managerial Personnel :**Executive Directors :**

01. Mr.Ashwin H. Gupta
02. Mr.Sudhir H Gupta
03. Mr.Varun S.Gupta
04. Mr.Dipak Gaur

Independent Directors :

01. Mr.T R Bajalia
02. Mr.Bimal Desai
03. Mrs.Kavita Joshi
04. Mrs.Riddhi Shah

C Subsidiary :

01. Indinox Steels Private Limited

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
PURCHASE						
Purchase of Goods	43,575.06	3,790.95			43,575.06	3,790.95
Purchase of FMS / MEIS Licence	-	137.93			-	137.93
Purchase of Plant & Machinery	106.12	-			106.12	-
			-	-	-	-
Total	43,681.18	3,928.88	-	-	43,681.18	3,928.88
SALES						
Sale of Goods	27,423.91	53,036.13			27,423.91	53,036.13
			-	-	-	-
Total	27,423.91	53,036.13	-	-	27,423.91	53,036.13
LICENCE FEES						
Licence Fees Paid	169.92	168.84			169.92	168.84
Rent Paid	5.81	5.37			5.81	5.37
			-	-	-	-
Total	175.73	174.21	-	-	175.73	174.21



Notes forming part of the financial statements

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
LABOUR CHARGES INCOME						
Labour Charges Received	5,305.51	5,547.74	-	-	5,305.51	5,547.74
Total	5,305.51	5,547.74	-	-	5,305.51	5,547.74
LABOUR CHARGES EXPENSES						
Labour Charges Paid	224.02	437.53	-	-	224.02	437.53
Total	224.02	437.53	-	-	224.02	437.53
PROFESSIONAL FEES						
Professional Fees - Legal Advice	-	-	-	4.98	-	4.98
Total	-	-	-	4.98	-	4.98
REMBURSEMENT OF EXPENSES						
Staff Salary	4.18	3.87	-	-	4.18	3.87
Total	4.18	3.87	-	-	4.18	3.87
DIRECTORS REMUNERATION						
Mr.Ashwin H. Gupta			52.88	52.88	52.88	52.88
Mr.Sudhir H Gupta			47.60	47.60	47.60	47.60
Mr.Varun S.Gupta			42.32	42.32	42.32	42.32
Mr.Dipak Gaur			71.40	55.30	71.40	55.30
Director Perquisites			21.83	26.53	21.83	26.53
DIRECTORS SITTING FEES			1.44	1.40	1.44	1.40
Total	-	-	237.48	226.03	237.48	226.03



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Subsidiary		Total	Total
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
OUTSTANDING BALANCES						
RECEIVABLES						
ISL Global PTE Ltd.	651.34	3,147.16	-	-	651.34	3,147.16
Isisales India Pvt. Ltd.	420.53	420.53	-	-	420.53	420.53
Indinox Steels Private Limited	-	-	1.07	-	1.07	-
Total	1,071.87	3,567.69	1.07	-	1,072.94	3,567.69
PAYABLES						
Isinox Limited	4,864.90	-	-	-	4,864.90	-
Inoxware P.Ltd.	3.68	3.68	-	-	3.68	3.68
Shree Vaishnav Industries Pvt.Ltd.	-	508.82	-	-	-	508.82
Total	4,868.58	512.50	-	-	4,868.58	512.50
DEPOSITS						
India Steel Industries	40.50	37.27	-	-	40.50	37.27
Total	40.50	37.27	-	-	40.50	37.27

Notes.

(a) Related party relationship is identified by the management and relied upon by the auditors.

(b) Amount in respect of related parties have been made provisions for doubtful debts of Rs.420.53 lakhs.

41 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

42 Segment Information:

The company is exclusively in the steel business segment and as such there are no reportable segments as defined by AS-17 on segment reporting, as issued by the Institute of Chartered Accountants of India (ICAI)

43 Figures in brackets indicate previous year's figures.

**As per Our Report Of Even Date Attached
For Laxmikant Kabra & Company
Chartered Accountants
Firm Registration No. 117183W**

For and on behalf of the Board

**CA Laxmikant Kabra
Proprietor
M.N.101839**

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

**Varun S. Gupta
Chief Financial Officer
DIN: 02938137**

**Dipti Vartak
Company Secretary
FCS 9057**

Place : Mumbai

Date : 29th May 2019



NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of **INDIA STEEL WORKS LIMITED (CIN:L29100MH1987PLC043186)** will be held on Wednesday, 18th September, 2019 at 11.30 am at the Registered office of the Company at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors' thereon.
2. To declare dividend @0.01% amounting on total paid up Preference share capital of the company for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Varun Gupta (DIN-02938137) who retires by rotation and being eligible, offers himself for re-appointment.

The Shareholders are requested to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the Company, be and is hereby accorded to the re-appointment of Mr. Varun Gupta (DIN): 02938137 as a "Director", to the extent that he is required to retire by rotation."

4. Re-appointment of Statutory Auditor 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 the ordinary resolution passed by the Members at the 31st Annual General Meeting of the Company and the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the re-appointment of M/s Laxmikant Kabra & Co, Chartered Accountants (Firm Registration No. 117183W), as the Statutory Auditors of the Company for the financial year ending on 31st March, 2020, at such remuneration as may be determined by the Board of Directors and the said Auditors, be and is hereby ratified and confirmed.

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

SPECIAL BUSINESS:

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

"RESOLVED THAT subject to the provisions of sections 2(94), 161, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, approvals and permissions and as are agreed to by the Board of Directors (Hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to appoint Mr. Sudhir H. Gupta (DIN-00010853), as "Managing Director" of the Company upon the terms and conditions as set out herein below:

Period: 3 years with effect from 1st October, 2019 with liberty to either party to terminate by giving two month notice in writing to the other.

A. Salary: Rs. 2.25 Lacs p.m.

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



- a. Accommodation: Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.
- b. Medical Reimbursement: For self and family in accordance with the rules of the Company, and shall further also includes reimbursement of Life insurance, accidental insurance and Mediclaim Insurance for self and family.
- c. Leave Travel Assistance: For self and family in accordance with the rules of the Company.
- d. Leave: Leave on full pay as per rules of the Company
- e. Provident Fund/ Gratuity/ pension: As per the rules of the Company
- f. Insurance: Personal Accident insurance of an amount, the total annual premium of which does not exceed to Rs. 0.20 Lacs per annum.
- g. Car: Free use of Company's car including maintenance and operations together with driver for official purpose.
- h. Telephone: Free telephone facility at residence.
- i. Entertainment: Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
- j. Other Perquisites: Travelling and halting allowances for self and spouse on actual basis.

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

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

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

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

6. REAPPOINTMENT OF MR. DEEPAK KUMAR GAUR AS A WHOLE-TIME DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT subject to the provisions of sections 2(94), 161, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, approvals and permissions and as are agreed to by the Board of Directors (Hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to appoint Mr. Deepak Kumar Gaur (DIN-07636636), as a "Whole-time Director" of the Company upon the terms and conditions as set out herein below:

Period: 3 years with effect from 9th November, 2019 with liberty to either party to terminate by giving three months notice in writing to the other.



Remuneration and Perquisites

- A) Salary: Rs. 6,13,327 Lakhs p.m.
- B) Perquisites: in addition to salary the Whole Time Director shall also entitled to following perquisites and allowances
- Bonus: Annual Bonus as declared by the Company.
 - Leave: Leave on full pay as per the rules of the Company.
 - Provident fund / Gratuity /Pensions: as per rules of the Company.
 - Insurance: Personal Accident Insurance of an amount as per the Company policy
 - Car: free use of Company's car including maintenance and operations together with Driver for official purpose.
 - Other perquisites: Chauffeur Driven car with fully reimbursed petrol and maintenance expenses.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost. The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual incentive in the range of 15 to 30 percent of the CTC, minimum of 15 %.

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

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

7. APPROVAL OF REMUNERATION PAYABLE TO COST AUDITOR

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vishesh Naresh Patani (Membership No. 30328) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

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

8. APPROVAL OF ARRANGEMENTS/TRANSACTIONS WITH RELATED PARTIES

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

RESOLVED THAT pursuant to the provisions of the clause 49(VII) of the Equity Listing Agreement with the Stock Exchange and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify / approve all existing contracts / arrangements / agreements and to enter into contract (s) / transaction(s) with "G L Engineering Industries private Limited", "Shree Vaishnav Industries Private Limited", "Isinox Limited", "ISL Global Pte Ltd", "UAB ISL Lithuania" "ISL Europe Spolka Z.o.o" and "ISL Italia Spa" related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of financial year 2018-19; having the following details and as detailed in the Explanatory Statement annexed hereto:



Description of Contract	Total cumulative contract value with Related Party (Rs. In Crore)
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out / availing job-work and hire of facilities, availing / rendering of marketing/ business transfer and other services, leasing of factory / office premises/facilities or any other transactions.	1446

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

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

9. APPOINTMENT OF BRANCH AUDITORS:

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

"**RESOLVED THAT** pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of section 143(8) of the Act and to fix their remuneration."

10. APPOINTMENT OF MR. T R BAJALIA AS CHAIRMAN OF THE COMPANY

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

"**RESOLVED THAT** subject to applicable provisions of the Companies Act, 2013, read with the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, approvals and permissions and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to appoint Mr. T R Bajalia, as "Chairman" of the Company w.e.f. 14th August, 2019."

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

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

- B. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
- C. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.



- D. Statement as required under section 102 (1) of the Companies Act, 2013, in respect of special business is annexed hereto.
- E. The Register of Members and the share transfer books of the Company will remain closed from **Thursday 12th September, 2019 to Wednesday 18th September, 2019** both days inclusive.
- F. The dividend, if declared at the Annual General Meeting, would be paid/dispatched after 18th September, 2019 to those persons or their mandates: (a) whose names appear as Beneficial Owners as at the end of the business hours on Wednesday 11th September, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before Wednesday 11th September, 2019.
- G. The Registrar and Transfer Agent of the Company M/s. Link Intime India Pvt Ltd is handling registry work in respect of shares held both in physical form and in electronic / demat form.
- H. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
- I. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. for assistance in this regard.
- J. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with TSRDL in case the shares are held by them in physical form.
- K. Electronic copy of the 32nd Annual Report (including the Notice) of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the Members whose E-mail Ids are registered with the Company/Depository Participant(s) for communication purposes. For Members other than the above, physical copies of the Annual Report are being sent in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- L. Members may also note that an electronic copy of the 32nd Annual Report including Notice along with attendance slip and proxy form will be available on the Company's website at www.indiasteel.in. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making such a request for the same free of cost. For any communication, the shareholders may also send their request to the Company's investor E-mail Id: cosec@indiasteel.in
- M. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.
- N. Non-Resident Indian Members are requested to inform Link Intime India Pvt Limited, immediately of change in their residential status on return to India for permanent settlement.
- O. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- P. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.



- Q. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- R. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

S. Voting through electronic means

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) of the Company by 'remote e-voting' (e voting at a place other than the venue of the AGM). The business may be transacted through remote e-voting services provided by the National Securities Depository Limited (NSDL).
2. The facility for voting through polling paper shall also be made available to those shareholders who are present at the 32nd AGM, but have not cast their votes by availing the remote e-voting facility. The Members who have exercised their voting through the remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
3. The Company has appointed Ms. Khyati Shah, Practicing Company Secretary (C.P.No. 9574) as Scrutinizer for conducting the remote e- voting and voting process at the AGM in a fair and transparent manner.
4. The instructions to members for voting electronically are as under :

The e-voting period commences on 15th September, 2019 at 9.00 a.m. and ends on 17th September, 2019 at 5.00 p.m.

During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date** of 11th September, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11th September, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in

The facility for voting through remote e-voting / ballot paper / Poling Paper shall be made available at the AGM/ EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details will be as per details given below :

- a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
- b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).



- c) For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail cskhyatishah@gmail.com to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

Regd. Office:

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

Place: Mumbai

Date: 14/08/2019

By order of the Board
India Steel Works Limited

Sudhir Gupta

Managing Director

DIN:00010853

**ANNEXURE TO THE NOTICE**

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

ITEM NO. 5: REAPPOINTMENT OF MR. SUDHIR H.GUPTA AS MANAGING DIRECTOR OF THE COMPANY

Mr. Sudhir H. Gupta (58) has Degree in Science and Law from University of Mumbai. He has more than 30 years of experience in the steel industry. He has been the Jt. Managing Director since the year 1991 and re-designated as Managing Director of the Company from 30th day of June, 2009.

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

The Board of Directors of the Company at its meeting held on 14th August, 2019 has, subject to the approval of members, re-appointed Mr. Sudhir H. Gupta, as Managing Director of the Company, for a period of 3 (three) years with effect from 1st October, 2019 at the remuneration approved by the Nomination & Remuneration Committee and also by the Board.

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

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

The said Director will perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to superintendence, guidance and control of the Board. The appointment may be terminated by giving the other 2 (two) months' prior notice in writing. Mr. Sudhir H. Gupta satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

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

- i. Payment of Remuneration is approved by the Board as well as the Nomination & remuneration committee of the Company.
- ii. The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;
- iii. a statement along with a notice calling the general meeting referred to in clause (iii) is given to the shareholders containing the following information, namely:—

- I. General Information :

- (1) Nature of Industry : Manufacturing of Stainless Steel and alloy steel long products.

- (2) Date or expected date of commencement of commercial production: Existing Company, already commenced from 1987.

- (3) Financial performance based on given indicators

(Rs. In Lacs)

Sr. No	Particulars	For the year ended	For the year ended	For the year ended
		31.03.2017	31.03.2018	31.03.2019
1	Net sales / Income	114,907.79	96,729.01	53,179.42
2	Other operating Income	1,004.11	2,953.85	2,577.64
3	Total Expenditure	113,973.28	97,512.45	54,966.85
4	Finance Cost	1,900.44	1,674.43	1,330.22



Sr. No	Particulars	For the year ended	For the year ended	For the year ended
		31.03.2017	31.03.2018	31.03.2019
5	Profit/(loss) before Tax	38.18	495.98	-540.01
6	Tax Expenses	-3.25	0	2.04
7	Net Profit/(loss): For the year	29.07	508.15	-590.67
8	Profit/(Loss) b/f from previous years			

- (4) The Foreign Exchange earned in terms of actual inflows during the year is **NIL** and the Foreign Exchange outgo during the year in terms of actual outflows is **Rs. 103,101,710.77/**
- (5) Foreign Investments or Collaborators, if any: Nil
- (6). Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

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

ITEM NO.6: REAPPOINTMENT OF MR. DEEPAK KUMAR GAUR AS A WHOLE-TIME DIRECTOR OF THE COMPANY

The Board of Directors of the Company appointed, pursuant to the provisions of sub-section (1) of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and on the basis of the recommendation of Nomination & Remuneration Committee, Mr. Deepak Kumar Gaur (DIN 07636636), who was appointed as an Additional Director w.e.f. 9th November, 2016 after expiry of his term at Annual General Meeting which was held on held on 9th August, 2017 appointed as Whole time Director of the company with the approval of shareholders in Meeting for the period of 3years.

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

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

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

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

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

ITEM NO. 7: APPROVAL OF REMUNERATION PAYABLE TO COST AUDITOR

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31st, 2020 as per the following details:

Name of the Cost Auditor: Vishesh N. Patani

Audit fees: Rs. 150,000/-

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31st, 2019.



None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

ITEM NO.8: APPROVAL OF ARRANGEMENTS/TRANSACTIONS WITH RELATED PARTIES

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

However, pursuant to Regulation 23 with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders through special resolution is required for all 'material related party transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year 10% or more of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with "G L Engineering Industries private Limited", " Shree Vaishnav Industries Private Limited", "Isinox Limited", "ISL Global Pte Ltd", "UAB ISL Lithuania" "ISL Europe Spolka Z.o.o" and "ISL Italia Spa". related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to 10% or more of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2019:-

Sr. No	Nature of Transaction	FY: 2019-20 Estimated Annual Value of Contracts & Services [in Rs. crore]
Sale of Goods & rendering of Services by the Company to Isinox Limited		
1	Sale and Job work income	900
Total Income		900
Purchase of Goods & receiving of Services by the Company from Isinox Limited		
1	Purchase and Job Work Charges / Hire Charges	540
2	Rent	6
Total Expenditure		546
Total Transaction Value		1446

The other particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

- Name of the related parties: "G L Engineering Industries Private Limited", "Shree Vaishnav Industries Private Limited", "Isinox Limited", "ISL Global Pte Ltd", "UAB ISL Lithuania" "ISL Europe Spolka Z.o.o" and "ISL Italia Spa".
- Name of the director or key managerial personnel who is related, if any: Mr. Sudhir H Gupta, Mr. Varun S Gupta, Mr. Deepak Kumar Gaur, Mr. T R Bajalia, Mrs. Kavita Joshi and Ms. Devika Bhootka
- Nature of relationship: Isinox Ltd., is owned by the aforesaid Promoter Directors and their relatives. Mr. Deepak Kumar Gaur is a Technical Director on Board of both the Companies though he does not have any shareholding in either of the Companies. ISL Global Pte Ltd is a wholly owned subsidiary of Isinox limited.
- Nature of the Contract or arrangement : purchases, sells, availing services and also rendering services, giving advances against its orders, providing and accepting short term Inter Corporate Deposits to/from the Company in normal course of business at commercial terms, from time to time, on an on-going concern basis. Isinox Ltd. has also entered into a long-term 'Conversion Agreement' JOB WORK AGREEMENT with the Company with effect from 1st April 2014.



5. Material Terms of the Contract or arrangement including the value: The Contracts/arrangements/Agreements are renewable mutually for further periods as the Board may deem fit. The business value of the transactions could be up to Rs. 1446 crores. p.a.(based on last year's operational value).
6. Any other information relevant or important for the members to take a decision on the proposed resolution: All transactions are mutually beneficial to the business of both the Companies wherein pricing and other commercial terms are determined on the basis of prevalent market terms. Both the Companies are also subject to the transfer pricing norms prevalent in the Country.

Except Mr. Sudhir H Gupta, Mr. Varun S Gupta, Mr. Deepak Kumar Gaur, Mr. T R Bajalia and Mrs. Kavita Joshi, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. In view of the above, it is proposed to seek approval of the members of the Company through Special resolution for the above transactions and the related parties are abstained from voting on the said resolution. None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution except for their holdings in the shares of the Company and to the extent of their memberships and/ or directorships in the Isinox Limited and ISL Global Pte Ltd.

The Board recommends the Resolution at Item Nos.8 of the Notice for approval of the Members.

ITEM NO. 9. APPOINTMENT OF BRANCH AUDITOR

The Company has branch outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint NATARAJAN & SWAMINATHAN, Chartered Accountants of Singapore, branch auditors in consultation with the Company's Auditors and fix their remuneration.

The Board recommends the Resolution at Item No.9 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 9 of the accompanying Notice.

ITEM NO. 10. APPOINTMENT OF MR. T.R. BAJALIA AS CHAIRMAN OF THE COMPANY:

The Board of Directors of the Company on basis of recommendation of the Nomination and Remuneration Committee decided to appoint Mr. Tilak Raj Bajalia, non executive-Independent Director as Chairman of the Company w.e.f 14th August, 2019.

Mr. T.R. Bajalia has been appointed as Independent Director of the Company w.e.f. 13th May, 2015 in the Company and considering his experience, performance, knowledge of the business and decision making power the Board has unanimously decided to propose his name for the Chairmanship of the Company.

There was a hollow due to death of previous Chairman of the Company as on 7th May, 2019 which the Directors has a hope will be filled up by Mr. T R Bajalia.

Except the appointee Directors no other Directors are interested in the resolutions set out at item nos. 5, 6 and 10 of the notice with regard to their appointment. The relatives of the said appointee Directors may be deemed to be interested in the resolutions set out at item no. 5, 6 and 10 of the notice, to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Resolution at Item 5, 6 and 10 for approval by the Members.

Regd. Office:

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

Place: Mumbai
Date: 14.08.2019

By order of the Board
India Steel Works Limited

Sudhir Gupta
Managing Director
DIN:00010853



INDIA STEEL WORKS LIMITED

(CIN: L29100MH1987PLC043186)

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

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

ATTENDANCE SLIP

Reference Folio No./ Client ID _____

No. of Shares _____

Name of shareholder _____

I/We hereby record my/our presence at the 32nd ANNUAL GENERAL MEETING of the Company held on Wednesday, 18th September, 2019 at 11:30 a. m. at the Registered Office of the Company at India Steel Works Complex, Zenith Compound, Khopoli, Raigad - 410203, Maharashtra.

Signature of the Shareholder/Proxy

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

TEAR HERE



INDIA STEEL WORKS LIMITED

(CIN: L29100MH1987PLC043186)

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

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

PROXY FORM-MGT-11

Name of the member(s):

E-mail ID:

Registered address:

Folio No/DP ID-Client ID:

I/We, being the member (s) ofshares of the above named company, hereby appoint (1)

Name:	
E-mail Id:	
Address	
Signature	

or failing him

(2)

Name:	
E-mail Id:	
Address	
Signature	

or failing him

(3)

Name:	
E-mail Id:	
Address	
Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on the Wednesday, 18th September, 2019 at 11:30 a.m at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Resolutions	For	Against
ORDINARY BUSINESS			
1	Adoption of Financial Statements for the year ended 31st March, 2019.		
2	Declaration of Dividend on fully paid up Preference shares.		
3	Re-appointment of Mr. Varun S. Gupta Director of the Company, who retires by rotation.		
4	Re-appointment of M/s. Laxmikanth Kabra & Co., Chartered Accountants, Auditors of the Company & fixing remuneration.		
SPECIAL BUSINESS			
5	Approval to the re-appointment of Mr. Sudhir H. Gupta as Managing Director of the Company.		
6	Approval to the re-appointment of Mr. Deepak Kumar Gaur as Whole-Time Director of the Company.		
7	Ratification of Remuneration payable to Cost Auditor.		
8	Approval of arrangements / transactions with related parties.		
9	Approval to the appointment of Branch Auditors.		
10	Appointment of Mr. T. R. Bajalia as chairman of the company.		

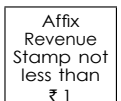
Signed.....this..... day of.....2019.

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder




Notes:

- Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 32nd Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

TEAR HERE

QUALITY CERTIFICATIONS



भारतीय मानक ब्यूरो
BUREAU OF INDIAN STANDARDS
एनपीएम प्रणाली प्रमाणन प्रणाली
LICENSE FOR THE QUALITY MANAGEMENT SYSTEMS CERTIFICATION
एनपीएम प्रणाली प्रमाणन प्रणाली, एनपीएम प्रणाली प्रमाणन प्रणाली
(A Licencee by National Accreditation Board for Certification Bodies, New Delhi)

एनपीएम नं. 7004308.0
Licence No. QM/L- 7004308.0


1. भारतीय मानक ब्यूरो (BIS) (1986 चा 83) चा अन्वये नं. 1000 नं. 1000
By virtue of the powers conferred on it by the Bureau of Indian Standards Act 1986 (50) of 1986, the Bureau hereby grants to

२. इंडिया स्टील वर्क्स लिमिटेड *M/s India Steel Works Limited,*
झेनिथ कंपाउन्ड, खोपोली *Zenith Compound, Khopoli*
डिस्ट. रायगड - 410 203, महाराष्ट्र *Dist: Raigad - 410 203, Maharashtra*

३. या लायसेन्सचा प्रभाव 2018 च्या 28 दिवसांपासून 2020 च्या 31 दिवसांपासून असेल असे दर्शविलेले आहे.
This licence shall be valid from 28 May 2018 to 31 March 2020 and may be renewed as provided in the regulations.
या लायसेन्सचा प्रभाव २०१८ च्या २८ दिवसांपासून २०२० च्या ३१ दिवसांपासून असेल असे दर्शविलेले आहे.
Signed, Sealed and dated this Eighty day of June Two Thousand Eighteen


एनपीएम प्रणाली प्रमाणन प्रणाली
एनपीएम प्रणाली प्रमाणन प्रणाली
एनपीएम प्रणाली प्रमाणन प्रणाली
THE BUREAU OF INDIAN STANDARDS

NOTICE: The current compliance cycle is from 11-02-2017 to 10-01-2020. This certificate has been issued to indicate the compliance to ISIRI-9001:2015 from 01-10-2019 and is valid from the date of compliance.



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एनपीएम नं. 7004308.0 वी लायसेन्स
Schedule to Licence No. QM/L-7004308.0

याचो: *२. इंडिया स्टील वर्क्स लिमिटेड*
झेनिथ कंपाउन्ड, खोपोली
डिस्ट. रायगड - 410 203, महाराष्ट्र





Issued to: *M/s India Steel Works Limited,*
Zenith Compound, Khopoli
Dist: Raigad - 410 203, Maharashtra

एनपीएम
SCHEDULE

३. या लायसेन्सचा प्रभाव 2018 च्या 28 दिवसांपासून 2020 च्या 31 दिवसांपासून असेल असे दर्शविलेले आहे.
Products/Services/Processes with respect to which the firm has been granted the licence for Quality Management Systems Certification:

"Manufacture and Supply of Alloy, Non-alloy & Stainless steel- Billets, Bars, Wire rods, Sections and Bright Bars."

एनपीएम प्रणाली प्रमाणन प्रणाली
NATIONAL ACCREDITATION BOARD FOR CERTIFICATION BODIES
THE BUREAU OF INDIAN STANDARDS

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CERTIFICATE

The TÜV NORD Systems GmbH & Co. KG
certifies that the company
India Steel Works Ltd.
Zenith Compound, Khopoli
Dist. Raigad - 410 203
Maharashtra, India

has been verified and recognized as material manufacturer according to
AD 2000-Merkblatt W0
Certificate-No.: 07/203/1409/WP/1160/17
File No.: 811 535 8233 / 525-6/18

Production site: **See Above**
The scope of approval is available in the annex "scope of approval".
The company fulfills the following essential requirements:
Facilities for appropriate manufacturing and testing, appropriate procedures for manufacturing of the products, qualified personnel for manufacturing and testing of the products and a quality management system with appropriate records which ensures proper manufacture of the products as well as compliance with the requirements specified in the national specification.

This certificate is valid until
September 2020

Essex, 26.07.2017

Notar: *[Signature]*

Annex: Scope of approval
Region: Essex
Lagepunkt: 26
07/21 Essex
Tel.: +49 (0) 201 450-1202
Fax: +49 (0) 201 450-3360
E-Mail: Notar@tuv-nord.de

TÜV NORD Systems GmbH & Co. KG
Dritte Sternstraße 11, 33501 Herford, Germany

Notified Body (0045)
TÜV Pressure Equipment
Merkblatt
TÜV NORD Systems GmbH & Co. KG
Dritte Sternstraße 11, D-33501 Herford
EPFEC

© TÜV NORD 2017



CERTIFICATE

Quality-Assurance System for material manufacturer
according to Pressure Equipment Directive 2014/68/EU

Certificate no.: **07/203/1409/WZ/1160/17**

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

Herewith we certify that the manufacturer has established and applies a quality-assurance system related to the material. This QA System has been subjected to a specific assessment acc. to directive 2014/68/EU, annex 1, point 4.3 with regard to the materials mentioned in the scope of approval.

Approved acc. to directive 2014/68/EU	QA-System in relation to materials, EN 764-5, section 4.2 and AD2000-Merkblatt W0
Certification file no.:	811 535 8233
Audit report file no.:	811 430 2629 (TN India)
Scope of approval (product / material)	Manufacture & Supply of Stainless Steel Billets, Bars, RCS, Wire Rods, Sections and Bright Bars
Production site:	Zenith Compound, Khopoli, Dist. Raigad - 410 203, Maharashtra, India
The certificate is valid until:	September 2020
Only valid in conjunction with a valid certificate acc. to EN ISO 9001	

Essex, 26.07.2017

Notar: *[Signature]*

Region: Essex
Lagepunkt: 26
07/21 Essex
Tel.: +49 (0) 201 450-1202
Fax: +49 (0) 201 450-3360
E-Mail: Notar@tuv-nord.de

Notified Body (0045)
TÜV Pressure Equipment
Merkblatt
TÜV NORD Systems GmbH & Co. KG
Dritte Sternstraße 11, D-33501 Herford
EPFEC

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If undelivered Please Return to :



INDIA STEEL WORKS LIMITED

INNER VISION. GLOBAL ACTION

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