

## FORM - A

(In pursuant of Clause 31 of the Listing Agreement )

1.	Name of the Company	BAJAJ STEEL INDUSTRIES LIMITED
2.	Annual Financial Statements for the Year Ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Un-Qualified
4.	Frequency of Observation	Not Applicable

Rohit Bajaj

ROHIT BAJAJ

DIN: 00511745

Managing Director & CEO



Manish Sharma

MANISH SHARMA

PAN: BIQPS4878D

Chief Financial Officer(CFO)

Deepak Batra

DEEPAK BATRA

DIN : 02979363

Chairman of Audit  
Committee

Sanjay Agarwal

SANJAY AGARWAL

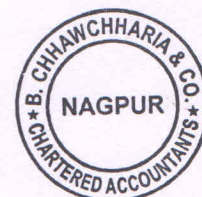
Partner

For B.Chhawchharia & Co  
Chartered Accountants

Firm Registration No. 305123E

Membership No. 66580

(Statutory Auditors of the Company)





# 53rd ANNUAL REPORT 2013-14

# BAJAJ STEEL INDUSTRIES LTD



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Largest and Modern Cotton Ginning & Pressing Machinery Manufacturer in India



**BAJAJ STEEL**  
**INDUSTRIES LTD.**

**BAJAJ STEEL INDUSTRIES LIMITED**  
**CORPORATE INFORMATION**

<p><b>BOARD OF DIRECTORS</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1. Shri Rohit Bajaj</td> <td style="width: 50%;">- Chairman &amp; Managing Director</td> </tr> <tr> <td>2. Shri Sunil Bajaj</td> <td>- Executive Director</td> </tr> <tr> <td>3. Shri Vinod Kumar Bajaj</td> <td>- Promoter Non Executive Director</td> </tr> <tr> <td>4. Shri Kamal Kishore Kela</td> <td>- Independent Director</td> </tr> <tr> <td>5. Shri Mohan Agrawal</td> <td>- Independent Director</td> </tr> <tr> <td>6. Shri Alok Goenka</td> <td>- Independent Director</td> </tr> <tr> <td>7. Shri Rajkumar Lohia</td> <td>- Independent Director</td> </tr> <tr> <td>8. Shri Rajiv Ranka</td> <td>- Independent Director</td> </tr> <tr> <td>9. Shri Deepak Batra</td> <td>- Independent Director</td> </tr> </table>		1. Shri Rohit Bajaj	- Chairman & Managing Director	2. Shri Sunil Bajaj	- Executive Director	3. Shri Vinod Kumar Bajaj	- Promoter Non Executive Director	4. Shri Kamal Kishore Kela	- Independent Director	5. Shri Mohan Agrawal	- Independent Director	6. Shri Alok Goenka	- Independent Director	7. Shri Rajkumar Lohia	- Independent Director	8. Shri Rajiv Ranka	- Independent Director	9. Shri Deepak Batra	- Independent Director
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8. Shri Rajiv Ranka	- Independent Director																		
9. Shri Deepak Batra	- Independent Director																		
<p><b>BOARD COMMITTEES</b></p> <p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>◆ Shri Deepak Batra, Chairman</li> <li>◆ Shri Rajiv Ranka, Member</li> <li>◆ Shri Alok Goenka, Member</li> </ul> <p><b>Nomination &amp; Remuneration Committee</b></p> <ul style="list-style-type: none"> <li>◆ Shri Deepak Batra, Chairman</li> <li>◆ Shri Rajiv Ranka, Member</li> <li>◆ Shri Alok Goenka, Member</li> </ul> <p><b>Shareholder/ Investor Grievance Committee</b></p> <ul style="list-style-type: none"> <li>◆ Shri Deepak Batra, Chairman</li> <li>◆ Shri Rajiv Ranka, Member</li> <li>◆ Shri Alok Goenka, Member</li> <li>◆ Shri Rohit Bajaj, Member</li> <li>◆ Shri Sunil Bajaj, Member</li> </ul> <p><b>CSR Committee</b></p> <ul style="list-style-type: none"> <li>◆ Shri Deepak Batra, Chairman</li> <li>◆ Shri Rajiv Ranka, Member</li> <li>◆ Shri Alok Goenka, Member</li> </ul> <p><b>COMPANY SECRETARY</b></p> <ul style="list-style-type: none"> <li>◆ Shri Jagdish Shirke</li> </ul> <p><b>CHIEF FINANCIAL OFFICER</b></p> <ul style="list-style-type: none"> <li>◆ Shri Manish Sharma</li> </ul>	<p><b>REGISTERED OFFICE</b> Imambada Road, Nagpur - 440 018(MH)</p> <p><b>BANKERS &amp; FINANCIAL INSTITUTIONS</b></p> <ul style="list-style-type: none"> <li>◆ Axis Bank Limited, Nagpur</li> <li>◆ State Bank of India, Nagpur</li> </ul> <p><b>SHARE TRANSFER AGENT</b> M/s Adroit Corporate Services (P) Ltd. 1st Floor, 19/20 Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai - 400 059 Tel : (022) 2859 0942/4442/4428/4060 E.mail : adroits@vsnl.net</p> <p><b>STATUTORY AUDITORS</b> M/s B. Chhawcharia &amp; Co. Chartered Accountants 602, Govind Estates Plot No. 172, Shivaji Nagar, Nagpur (M.S)</p> <p><b>MANUFACTURING FACILITIES</b></p> <ul style="list-style-type: none"> <li>◆ Imambada Road, Nagpur - 440018</li> <li>◆ Plot No. C-108, MIDC Hingna</li> <li>◆ Plot No. D- 5/2 , MIDC Hingna, Nagpur</li> <li>◆ Plot No. G-6 &amp; G-7 MIDC Hingna, Nagpur</li> <li>◆ Plot No. D-4 MIDC Hingna, Nagpur</li> </ul>																		



## **NOTICE TO MEMBERS**

NOTICE is hereby given that the Fifty Third (53rd) Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Monday, the 29th Day of September, 2014 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur - 440 001 (Maharashtra) to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon;
2. To Declare Dividend @ 40% (Rs 4/- per share) on Equity Shares of the Company for the year ended as on 31<sup>st</sup> March, 2014;
3. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, and other applicable provisions if any, including any statutory modifications or re-enactments thereof M/s B. Chhawchharia & Co, Chartered Accountants, Nagpur the retiring Statutory Auditors, be and hereby re-appointed as the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration as decided by the Board of Directors of the Company."

4. To appoint a Director in place of Shri Vinod Kumar Bajaj (DIN 00519541) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS :**

To consider and, if thought fit, to pass with or without modification(s) the following Resolutions as

### **SPECIAL RESOLUTION :**

5. **ENHANCEMENT OF THE BORROWING LIMITS OF THE COMPANY FROM ₹ 150.00 CRORES TO ₹ 250.00 CRORES & AUTHORISATION THEREOF :**

**"RESOLVED THAT** subject to the provisions of Section 180 (1)(c) of the Companies Act, 2013 and other applicable provisions if any, including any statutory modifications or re-enactments thereof and in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 29th October 2009, the Board of Directors of the Company be and are hereby authorised to borrow from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's business in the ordinary course of business), may exceed the aggregate of the Paid up Capital of the Company and its Free Reserves other than amount set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 250.00 Crores (Rupees Two Hundred and Fifty Crores only).



## BAJAJ STEEL INDUSTRIES LIMITED

**RESOLVED FURTHER THAT** Shri Rohit Bajaj (DIN 00511745) Managing Director or Shri Sunil Bajaj (DIN 00509786) Executive Director of the Company be and are hereby authorised to take such steps as may be necessary and to sign, execute the documents, deeds etc as may be required on behalf of the Company and to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for giving effect to this resolution."

### **6. CREATION OF CHARGE/ MORTGAGE/ HYPOTHECATION IN FAVOUR OF BANKS/ FINANCIAL INSTITUTIONS AS SECURITY AGAINST LOAN / FINANCIAL ASSISTANCE**

**"RESOLVED THAT** subject to the provisions of Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions if any, including any statutory modifications or re enactments thereof and in supersession of the resolution passed Under Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting of the Company held on 29th October, 2009 , the Board of Directors of the Company be and are hereby authorised to mortgage/ hypothecate/ charge the Company's movables & immovables properties and assets of all kinds, both present and future in the form of First and/or Second and or subservient mortgage/ charge and / or floating charge in such a manner as the Board may direct to or in favour of all or any of the banks and/ any other investing agencies, trustees for the holders of debentures / bonds/ other instruments which may be issued to and subscribed by all or any of the Banks/ any other investing agencies or any other persons /bodies corporate by way of private placement or otherwise availed by the Company of an amount not exceeding ₹ 250.00 Crores (Rupees Two Hundred and Fifty Crores only) at any time together with the interest thereon at respective agreed rates, compound interest, additional interest, liquidated damages, committed charges, premia on pre-payment or on redemption, cost, charges, expenses and all other money payable by the Company under the loan agreement/ arrangements entered into /to be entered into by the Company in respect of the said loan or any other form of financial assistance.

**RESOLVED FURTHER THAT** Shri Rohit Bajaj (DIN 00511745) Managing Director or Shri Sunil Bajaj (DIN 00509786) Executive Director of the Company be and are hereby authorised to take such steps as may be necessary and to sign, execute the documents, deeds etc as may be required on behalf of the Company and to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for giving effect to this resolution."

### **7. RE-APPOINTMENT OF SHRI ROHIT HARGOVIND BAJAJ (DIN 00511745) AS A CHAIRMAN CUM MANAGING DIRECTOR OF THE COMPANY W.E.F 01ST JULY, 2014 FOR A PERIOD OF FIVE (5) YEARS :**

**"RESOLVED THAT** pursuant to the provisions of Sections 196,197, 203 and any other applicable provisions of the Companies Act 2013 read with Schedule V of the Act and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, as may be required Shri Rohit Bajaj (DIN 00511745 ) be and is hereby re-appointed as a Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1st July, 2014, upon the terms and conditions as to remuneration appended to the notice and that the Board of Directors be and are hereby authorised to alter and vary such terms and condition of the said appointment and/or the remuneration subject to the same not exceeding the limits specified in Schedule V of the Companies Act 2013.



**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder, where in any financial year during the period of his office as a Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to Shri Rohit Bajaj (DIN 00511745), the minimum remuneration by way of salary, allowance and perquisites within limits prescribed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Overall Managerial Remuneration payable to the Managing Director and Whole Time Director/Executive Director(s) of the company shall not be exceeded the maximum limits i.e. Ten Percent (10%) of the Net Profits of the Company as laid down in Section 197(1) of the Companies Act 2013.

**RESOLVED FURTHER THAT** Shri Manish Sharma, Chief Financial Officer or Shri Jagdish Shirke, Company Secretary of the Company be and are hereby authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc as may be necessary in this regard.”

**8. RE-APPOINTMENT OF SHRI SUNIL HARGOVIND BAJAJ (DIN 00509786) AS AN EXECUTIVE DIRECTOR OF THE COMPANY W.E.F 01ST JULY, 2014 FOR A PERIOD OF FIVE (5) YEARS :**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act 2013 read with Schedule V of the Act and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, as may be required Shri Sunil Bajaj (DIN 00509786 ) be and is hereby re-appointed as an Executive Director of the Company for a period of 5 years w. e. f. 1st July, 2014, upon the terms and conditions as to remuneration appended to the notice and that the Board of Directors be and are hereby authorised to alter and vary such terms and condition of the said appointment and/or the remuneration subject to the same not exceeding the limits specified in Schedule V of the Companies Act 2013.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder, where in any financial year during the period of his office as an Executive Director, the Company has no profits or its profits are inadequate, the Company may pay to Shri Sunil Bajaj (DIN 00509786 ) the minimum remuneration by way of salary, allowance and perquisites within limits prescribed under Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Overall Managerial Remuneration payable to the Managing Director and Whole Time Director of the company shall not be exceeded the maximum limits i.e. Ten Percent (10%) of the Net Profits of the Company as laid down in Section 197(1) of the Companies Act 2013.

**RESOLVED FURTHER THAT** Shri Manish Sharma, Chief Financial Officer or Shri Jagdish Shirke, Company Secretary of the Company be and are hereby authorised to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings etc as may be necessary in this regard.”

## BAJAJ STEEL INDUSTRIES LIMITED

### 9. RE-APPOINTMENT OF SHRI ASHISH VINOD BAJAJ AS CHIEF EXECUTIVE OFFICER (CEO) OF SUPERPACK DIVISION OF THE COMPANY FOR THE FURTHER PERIOD OF ONE (1) YEAR:

“**RESOLVED THAT**, pursuant to applicable provisions of the Companies Act, 1956 together with the amended provisions of the Companies Act, 2013 as may be applicable ( including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, Shri Ashish Bajaj S/o Shri Vinod Kumar Bajaj be and is hereby re- appointed as Chief Executive Officer (CEO) of Superpack Division, A Division of Bajaj Steel Industries Limited, for the further period of One year w.e.f. 20.03.2014 on Monthly Remuneration appended to the notice.

**RESOLVED FURTHER THAT** the Monthly Remuneration, at any time hereinafter shall not exceed the Limits as prescribed under the Companies Act, including any revision /alteration thereof as the case may be and at any time the monthly remuneration exceeds the limit as prescribed under the Companies Act, the prior consent of the shareholders through Special Resolution and approval of the Central Government shall be required to be taken before making any such increased payment.

**RESOLVED FURTHER THAT** Shri Ashish Bajaj as a Chief Executive Officer of Superpack Division of the Company shall be solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliances including Statutory & Labour compliances applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed to the concerned authorities.

**RESOLVED FURTHER THAT** Shri Ashish Bajaj, Chief Executive Officer (CEO) of the Superpack Division shall have the general powers and authorities for operation of Superpack Division.”

### 10. APPOINTMENT OF SHRI SHALABH DEEPAK BATRA AS A GENERAL MANAGER (SALES & MARKETING - EXPORTS) OF THE COMPANY :

“**RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 1956 together with the amended provisions of the Companies Act, 2013 as may be applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, Shri Shalabh Batra S/o Shri Deepak Batra be and is hereby appointed as a General Manager (Sales & Marketing- Exports) of the Company w.e.f 20th March, 2014 at a Monthly remuneration appended to the notice.

**RESOLVED FURTHER THAT** the aforesaid remuneration will have all annual Increments / Enhancements / Revisions as per policy of the Company from time to time but not exceeding the limits prescribed under the Companies Act. The yearly increment / enhancement for time scale of pay shall be at the discretion of the Board of Directors of the Company and according to the policy of the Company.

**RESOLVED FURTHER THAT** the Monthly Remuneration, at any time hereinafter, shall not exceed the Limit as prescribed under the Companies Act, including any revision /alteration of the remuneration as the case may be and in case the same exceeds the limits the necessary compliance shall be done.”





**11. ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY CONTAINING REGULATIONS IN CONFORMITY WITH THE COMPANIES ACT, 2013 :**

**"RESOLVED THAT**, pursuant to the provisions of Section 14 & all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, the existing set of Articles of Association of the Company be and is hereby replaced and the new set of Articles be and is hereby approved and adopted as the Articles of Association of the Company in substitution, and to the entire exclusions of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Shri Rohit Bajaj (DIN00511745), Managing Director or Shri Jagdish Shirke, Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**12. APPOINTMENT OF SHRI RAJIV ISHWARLAL RANKA (DIN 00392438) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE TERM OF FIVE (5) YEARS :**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 , and other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Rajiv Ranka (DIN 00392438 ), Independent Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose term needs to fixed under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five(5) consecutive years upto 31st March, 2019 as a first term of his appointment."

**13. APPOINTMENT OF SHRI ALOK KUMAR RATANLAL GOENKA (DIN 00789716) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE TERM OF FIVE (5) YEARS :**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 , and other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or reenactment thereof for the time being in force, Shri Alok Goenka (DIN 00789716), Independent Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose term needs to fixed under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five(5) consecutive years upto 31st March, 2019 as a first term of his appointment."

**14. APPOINTMENT OF SHRI MOHAN BRINDAWAN AGRAWAL (DIN 01028558) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE TERM OF FIVE (5) YEARS :**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 , and other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification (s) or re-enactment thereof for the time being in force, Shri Mohan Agrawal (DIN 01028558), Independent Director of the Company in respect of whom the Company has

## BAJAJ STEEL INDUSTRIES LIMITED

received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose term needs to fixed under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five(5) consecutive years upto 31st March, 2019 as a first term of his appointment."

**15. APPOINTMENT OF SHRI KAMAL KISHORE MOTILAL KELA (DIN00509008) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE TERM OF FIVE (5) YEARS :**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 , and other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Kamal Kishore Kela (DIN 00509008), Independent Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose term needs to fixed under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five(5) consecutive years upto 31st March, 2019 as a first term of his appointment."

**16. APPOINTMENT OF SHRI DEEPAK RAJENDRANATH BATRA (DIN : 02979363) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE TERM OF FIVE (5) YEARS :**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, and other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Deepak Batra (DIN 02979363), Independent Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose term needs to fixed under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five(5) consecutive years upto 31st March, 2019 as a first term of his appointment."

**17. APPOINTMENT OF SHRI RAJKUMAR RISHAB LOHIA (DIN : 00203659) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE TERM OF FIVE (5) YEARS :**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 , and other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Rajkumar Lohia (DIN 00203659), Independent Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose term needs to fixed under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five(5) consecutive years upto 31st March, 2019 as a first term of his appointment."

**Registered office:**

**Imambada Road,  
Nagpur - 440 018  
Dated : 07.08.2014**

**By order of the Board  
For Bajaj Steel Industries Limited  
Jagdish Shirke  
Company Secretary  
Membership No. FCS 6691**



## NOTES

- a) Relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolutions set under Item No. 5 to 17 is appended below.
- b) MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT APROXATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c) The Register of Members of the Company will remain closed from 30.08.2014 to 29.09.2014 (both days are inclusive).

Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March, 2014, when declared at Annual General Meeting, will be paid to the members whose names appear :

- i. as Beneficial Owners as per List to be furnished by the Depositories in respect of the Shares held in Demat Form as of the Book Closure Date.
  - ii. as Members on the Register of Members of the Company as on 30.08.2014 after giving effect to all valid Share Transfer in physical form which could be received by the Company / Transfer Agent up to end of the Business hours on 29.08.2014.
- d) Members are requested to :
    - i Intimate to the R&T Agent about the changes, if any, in their registered addresses, Dividend mandates etc.
    - ii Quote their Folio Number in all their correspondence.
  - e) Members who have multiple folios with identical order of name are requested to intimate to the R & T Agent these folios to enable the R & T Agent to consolidate all share holdings into one folio.
  - f) The Securities 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 the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s Adroit Corporate Services Private Limited, Mumbai for share transfer process.
  - g) Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 154 of the Companies Act 1956) dividend as recommended by the Board of Directors, if declared at the meeting will be dispatched/ remitted commencing on or after 07th October, 2014.
  - h) Dividend will be preferably paid through National Electronic Clearing Service (NECS), wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the shareholders. In case where the dividends cannot be paid through NECS, the same will be paid by Dividend Warrants.

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- i) In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956) the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.
- j) Accordingly, the unclaimed dividend in respect of financial year 2006- 07 is due for transfer to IEPF on 05th November, 2014. In terms of provisions of Section 124 of the Companies Act, 2013( corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the Company or IEPF after the said transfer.
- k) Members who have neither received nor encashed their dividend warrant(s) for the financial year 2006-07 to 2012-13, are requested to write to the Company, mentioning the relevant Folio No or DI ID and Client ID, for issuance of duplicate/ revalidated dividend warrant(s).
- l) In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those shareholders who have registered their email ids with their respective Depository Participants or with the Registrar & Transfer Agent of the Company.
- m) **Dematerialisation of Shares**  
This is to inform that 73.31 % of the total equity shares have already been dematerialized as of 31st March, 2014. Shareholders who have not dematerialized their shares are requested to get the same demated.
- n) **Registrar and Share Transfer Agent :**  
M/s Adroit Corporate Services Private Limited, 1st Floor, 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400 059 (Maharashtra) is Registrar and Share Transfer Agents. Therefore Shareholders of the Company are advised to send all future documents/correspondence such as request for Dematerialisation of Shares, Transfers of Shares, Change of Address, Change of Bank Mandate/ ECS and other Share related matters to M/s Adroit Corporate Services Private Limited at above mentioned address only.
- o) **Change of Information/ Bank Mandate :**  
The members/ shareholders holding shares in physical form are requested to notify/ update any change their address, Bank Mandate e.g. Name of bank, account number, branch address and ECS number to Registrar and Share Transfer Agent and/ or the Company or to their respective Depository Participants (DP), if the shares are held in electronic form.
- p) **Voting Through Electronic Means :**  
In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 53rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited.



The e-voting period commences on 22nd September, 2014 (9.00 am). and ends on 24th September, 2014 (5.00 PM) During this period members of the Company holding shares either in physical form or in dematerialized form, as on cut-off date of 30th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

**The instructions for members for voting electronically are as under :**

In case of members receiving e-mail :

- i) Open your web browser and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- ii) Click on "Shareholders" tab.
- iii) Now enter your User ID (For CDSL : 16 digits beneficiary ID, For NSDL : 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio No. Registered with the Company) and Image Verification as displayed and then Click on "Login".
- iv) If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- v) If you are a first time user follow the steps given below :
  - a) Now, fill up the following details in the appropriate boxes :

	<b>For Members Holding Shares in Demat Form</b>	<b>For Members Holding Shares in Physical Form</b>
<b>PAN *</b>	Enter your 10 Digit alpha - numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
<b>DOB #</b>	Enter the Date of Birth as recorded in your demat account or in the Company Records for the said Demat Account or Folio in DD/MM/YYYY format.	
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said demat account or folio	

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- b) After entering these details appropriately, click on "**SUBMIT**" tab.



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- c) Members holding shares in physical form will then reach directly to the EVSN voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- d) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- vi) Click on **"Electronic Voting Sequence Number (EVSN) -140813013** alongwith **"BAJAJ STEEL INDUSTRIES LIMITED"**. This will take you to the voting page.
- vii) On the voting page, you will see Resolution Description and against the same the option **"YES/No"** for voting. Select the option **"YES"** or **"NO"** as desired. The option **"YES"** implies that you assent to the Resolution and option **"NO"** implies that you dissent to the Resolution.
- viii) If you wish to view the entire Resolutions, click on the **"Resolutions File Link"**.
- ix) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- xi) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- xii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification Code & click on Forgot Password & enter the details as prompted by the system.
- xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **In case of members receiving the physical copy:**

- ◆ Please follow all steps from sl. no. (i) to sl. no. (xii) above to cast vote.



- ◆ The voting period begins on 22nd September, 2014 (9.00 am). and ends on 24th September, 2014 (5.00 PM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 30.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ◆ In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Q) Voting Through Physical Ballot Form :**

In terms of Clause 35B of the Listing Agreement, the members who do not have access to e-voting are requested to fill in the Physical Ballot Form enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before 24th September, 2014 (5.00 PM). The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored. M/s B.Chhawchharia & Co. Chartered Accountants (Sanjay Agarwal, Partner) Firm Registration No. 305123E, has appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding Three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least Two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, voting by show of hands will not be allowed in the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO. 05 :**

In terms of the resolution passed pursuant to Section 293(1)(d) of the Companies Act 1956 by the Members/Shareholders of the Company at their 48th Annual General Meeting held on 29th October, 2009, the Board of Directors of the Company were authorised to borrow over and above the aggregate of Paid Up Share Capital and Free Reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 150.00 crores.

Further, the Company's scale of operations has been increased & the company needs substantial funds through borrowings. In terms of Section 180 of the Companies Act, 2013, the borrowings of the Company in excess of the limit prescribed under the said section requires the special resolution of the Members instead of Ordinary Resolution Under the previous section 293 of the outgoing Companies Act, 1956.

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Accordingly, the consent of the Members by way of special resolution at the General Meeting is sought Under Section 180(1)(c) of the Companies Act, 2013.

The Directors recommend the resolution for approval of the members of the Company. None of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 05.

### **ITEM NO. 06 :**

In terms of the resolution passed pursuant to Section 293(1)(a) of the Companies Act, 1956 by the Members/Shareholders at their 48th Annual General Meeting held on 29th October, 2009 the Board of Directors of the Company were authorised to create mortgage and/or charge on the immovable and movable properties of the Company upto ₹ 150.00 crores.

Considering the need to avail additional financial assistance, over and above the present financial assistances, from Banks, Financial Institutions, Bodies Corporates, other Entities in ordinary course of business. This in turn would necessitate further creation of securities by way of mortgage/charge on all or some of the immovable and movable properties of the Company both present and future, in favour of the Banks, Financial Institutions, Bodies Corporates, other Entities upto an extent of ₹ 250.00 Crores.

To create mortgage/ charge upto the said limit, approval of the Members are required to be obtained pursuant to Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. The Directors recommend the resolution for approval of the members of the Company. None of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 06.

### **ITEM NO. 07 & 08 :**

Shri Rohit Bajaj (DIN 00511745) Chairman & Managing Director (CMD) and Shri Sunil Bajaj (DIN 00509786), Executive Director of the Company was appointed for a period of Five Years with effect from 1<sup>st</sup> July, 2009. The period of office of Shri Rohit Bajaj (DIN 00511745) and Shri Sunil Bajaj (DIN 00509786) Executive Director expired on 30<sup>th</sup> June, 2014.

The Board of Directors vide their Board Meeting held on 29<sup>th</sup> May, 2014 have re-appointed Shri Rohit Bajaj (DIN 00511745) Chairman & Managing Director (CMD) and Shri Sunil Bajaj (DIN.00509786 ), Executive Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> July, 2014 on recommendation of the Remuneration Committee of the Company vide its meeting held on 29<sup>th</sup> May, 2014, subject to approval of Members. The remuneration paid each to them, terms and conditions of their re-appointment have been fixed in line with Schedule V of the Companies Act 2013 as detailed hereunder, which are applicable to each of them:

The Terms and conditions in respect of remuneration :

- A) Salary : In the pay scale of ₹ 275000-15000- 350000/- per month.  
With such increments or addition as may be decided by the Board of Directors of the Company from time to time as on 1st April every year.
- B) Commission : 1% per annum of the net profits of the Company.



- C) Perquisites : Perquisites shall be allowed, in addition to salary and commission, Perquisites shall be restricted to an amount equal to the annual Salary or ₹ 9,00,000/- per annum, whichever is less. Perquisites are classified as under:

**Category - A**

- i) Housing : As per Policy of the Company
- ii) Medical : Reimbursement of all medical expenses incurred including reimbursement premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
- iii) Leave Travel Concession : Leave Travel Concession for self and family once in a year.
- iv) Club fees : Fees of clubs subject to a maximum of two clubs.
- v) Personal : Annual Premium of Personal Accident Insurance to be borne by Accident Policy the Company.

Note: For the purpose of perquisites stated in Part -B above "family" means the spouse, the dependents children and dependents parents of the appointee.

**Category - B**

- vi) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- vii) Gratuity payable shall not exceed half a month's salary for each completed year of service.

**Category -C**

- viii) Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of services. Encasement of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- ix) Such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed by the Board of Directors and the appointee.

The value of the perquisites evaluated as per Income Tax Rules, 1962, wherever applicable and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount equal to the Salary for the relevant period.

**Minimum Remuneration :**

In the event to loss or inadequacy of profits in any financial year during the currency of tenure of services of the above mentioned Directors, the Company may, subject to the requisite approvals pay the above mentioned Directors remuneration by way of Salary, Allowances, Perquisites not exceeding the maximum limits as laid down in Section II of Part II of Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof as may be for the time being, in force.

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### Other Terms :

Subject to superintendence, control and direction of Board of Directors, Shri Rohit Bajaj (DIN 00511745.) and Shri Sunil Bajaj (DIN 00509786) shall manage and conduct the business affairs of the Company. They shall not be paid any sitting fees for attending the meetings of the Board or Committee thereof.

In view of the provisions of Section 196,197, 203 and any other provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at Item No. 7 & 8 of the accompanying Notice for the approval of the Members. The re-appointment of Shri Rohit Bajaj (DIN 00511745) and Shri Sunil Bajaj (DIN 00509786) are appropriate and in the best interest of the Company.

Shri Rohit Bajaj (DIN 00511745) and Shri Sunil Bajaj (DIN 00509786) are interested in passing of the resolution in as much as it concern payment of remuneration to each of them as well as being relative of each other. Save as aforesaid, none of the other Directors and Key Managerial Personnels of the Company in any way concerned or interested financial or otherwise, in the resolution set out at Item No. 07 & 08.

### STATEMENT CONTAINING REQUIRED INFORMATION AS PER CATEGORY B OF PART II OF SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR THE ITEM NO 7 & 8 :

#### I. GENERAL INFORMATION :

##### Nature of Industry :

The Company is engaged in manufacturing of Cotton Ginning and Pressing Machinery and allied equipments, accessories and spare parts.

##### Date of Commencement of Commercial Production :

Bajaj Steel Industries Limited was incorporated as a Private Limited Company on 14th February, 1961, and subsequently it was converted into Public Limited Company on 7th October, 1985.

The Company is engaged in the following lines of activities : Manufacturing of Ginning , Pressing and allied machineries since 1961 and Manufacturing of Plastic Polymer Granules- Master batches from 26.03.1987

##### Financial Performance Based on Given Indicators :

(₹ in Lacs)

Particulars	2013 - 14	2012 - 13	2011 - 12
Gross Turnover	40693.60	28523.28	31339.38
Profit Before tax	1887.32	536.63	1058.32
Profit After Tax	1227.26	426.04	715.13
Dividend	94.00 (40%)	70.50 (30%)	70.50 (30%)

##### Export Performance and Net Foreign Exchange Collaborations :

FOB Value of the Company's Export during the year 2013-14 is Rs 7029.68 Lacs.





**Foreign Investments or Collaborators , if any ;**

**a) Technical Collaborations :**

The Company has the following Technical Collaborations to manufacture the Cotton Processing Machines :

Sr.No.	Name of the Products	Name of the Collaborators
1.	Ginning & Pressing Machines	Central Institute for Research on Cotton Technology (CIRCOT), ICAR, Govt of India, Mumbai
2.	Humidification System	Samuel Jackson Inc, USA

**b) Foreign Subsidiary :**

The Company has its 100% wholly owned Subsidiary with the name and style as "BAJAJ CONEAGLE LLC", A Limited Liability Company having its office at Prattville, Alabama, USA on April 02, 2012 With the physical presence at USA, the Company is able to tap the US & International Market of Continental Products.

**II. INFORMATION ABOUT THE APPOINTEE :**

**A) SHRI ROHIT BAJAJ (DIN 00511745)**

**Background Details :**

Shri Rohit Bajaj (DIN 00511745.) holds Bachelor Degree in Arts and having Vast Experience of more than 30 years . During his tenure as a Managing Director the Company had made many improvements in its product line .i.e. Ginning Machines, Master Batches etc. He is holding 55,325 Equity Shares comprising of 2.35 % of the paid up Capital of the Company.

He has widely traveled and has also visited foreign countries to keep abreast of the latest development in technology and marketing. He has wide interest in social activities and was Vice President of Vidarbha Industries Association, Nagpur, a premier industry association of this region.

**Past Remuneration :**

Shri Rohit Bajaj (DIN 00511745.) was drawing an aggregate Annual remuneration of ₹ 33.36 Lacs.

**Job Profile and suitability :**

Shri Rohit Bajaj (DIN 00511745.) has been serving the Company for more than 3 decades and as a member of the Senior Management Team brought many changes during his tenure as a Managing Director . The Company under the leadership of Shri Rohit Bajaj (DIN 00511745.), Managing Director expanded rapidly. Today the company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants machineries.

Further, the Company under his leadership became a focused entity and the market driven focus has allowed the Company to enter into another growth phase. With the proposed expansion and new projects the company is expected to register growth, both in top line and bottom line.

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### **Remuneration Proposed :**

The terms of remuneration are detailed in the notice.

### **Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person :**

The proposed remuneration is not commensurate with his experience and responsibility and significantly below par with the industry levels while compared to the salaries and incentives paid to the Managing Director of Companies of similar size.

### **Pecuniary Relationship Directly / Indirectly with the company or Managerial Personal if any :**

Shri Rohit Bajaj (DIN 00511745.) has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his capacity of a Managing Director and the shares held by him in the company.

### **B) SHRISUNIL BAJAJ (DIN 00509786)**

#### **Background Details :**

Shri Sunil Bajaj (DIN 00509786) holds Bachelor Degree in Engineering from Manipal Institute of Technology, Karnataka. After completion of Education he has joined the Board of the Company - Bajaj Steel Industries Limited, as an Executive Director. He is holding 63,325 Equity Shares comprising of 2.69 % of the paid up Capital of the Company.

#### **Past Remuneration :**

Shri Sunil Bajaj (DIN 00509786) was drawing an aggregate Annual remuneration of ₹ 33.36 Lacs.

#### **Recognition or Awards :**

Shri Sunil Bajaj (DIN 00509786) , Executive Director of the Company has recently been awarded with Honorary Fellowship of International Society for Cotton Improvement for his notable contribution in the field of development of cotton industry.

#### **Job Profile and suitability :**

Shri Sunil Bajaj (DIN 00509786) is having an experience of over 25 years in Steel and Plastic Industry and as a member of the Senior Management Team is managing day to day affairs of the Company.

Further, Shri Sunil Bajaj (DIN 00509786) is actively involved in the up gradation and introduction of its new products. He has traveled abroad several times for finding out the new developments in manufacture of Steel and Plastic Products, which was implemented by the Company to increase the production of the Company.

#### **Remuneration Proposed :**

The terms of remunerations are detailed in the notice.

### **Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person :**

The proposed remuneration is not commensurate with his experience and responsibility and significantly below Executive Director of Companies of similar size.



**Pecuniary Relationship Directly / Indirectly with the company or Managerial Personal, if any :**

Shri Sunil Bajaj (DIN 00509786) has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his capacity of a Executive Director and the shares held by him in the company.

**III. DISCLOSURES :**

- a) Shareholders of the Company shall be informed of the remuneration package of the managerial person:

The remuneration package of Shri Rohit Bajaj (DIN: 00511745), Managing Director and Shri Sunil Bajaj (DIN 00509786 ) Executive Director of the Company has been stated in detail in the explanatory statement attached to the notice.

- b) Disclosure under the Heading Corporate Governance : The required disclosure has been made in the Directors' Report.

**ITEM NO.09 :**

Shri Ashish Bajaj was appointed as a Chief Executive Officer (CEO) of the SUPERPACK Division of the Company for Two (2) years 20.03.2010 and was further re-appointed period of One (1) year each ie. on 20.03.2012 & 20.03.2013, in compliance with Section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit), Rules, 2011 which was duly approved by the shareholders/members of the Company.

Looking at his background and valuable experience the Board of Directors vide their Board Meeting held on 06th February, 2014 further re-appointed Shri Ashish Bajaj for further period of One (1) year w.e.f. 20.03.2014, in compliance with Section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit), Rules, 2011 subject to the approval of members /shareholders at the ensuing annual general meeting of the Company. The details of the monthly remuneration are as under :

**Monthly Remuneration :**

Basic Salary	:	₹ 1,55,000/-
Bonus	:	As per policy of Superpack Division.
Provident Fund	:	As per policy of Superpack Division.
Perquisites	:	
◆ House Accommodation	:	15% of Salary (including bonus). ₹ 15,000/- per month towards Furniture Hire Charges.
◆ Medical	:	Reimbursement of expenses incurred for self & family subject to ceiling of Two (2) months salary in a year.
◆ Leave Travel Concession	:	Leave Travel concession for self and family.
◆ Club Fees	:	Fees of club subject to maximum of two clubs.
◆ Personal Insurance	:	Annual premium of Personal Accident insurance shall not exceed ₹ 20,000/- .

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Total Perquisites in addition to salary restricted to amount equal to amount salary or ₹ 9,00,000/- per annum. The total Remuneration including monetary benefits of all perquisites/ facilities mentioned above shall not exceed ₹ 2,50,000/- per month or ₹ 30,00,000/- per annum. At any time, in case of remuneration more than ₹ 2,50,000/- per month during the tenure, the prior consent of the Members through Special Resolution and approval of the authorities, if any shall be required in accordance with the provisions of the Companies Act, 2013.

Shri Ashish Bajaj as a Chief Executive Officer of Superpack Division of the Company shall be solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliances including Statutory & Labour compliances applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed to the concerned authorities.

The Directors recommend the resolution for approval of the members of the Company. Shri Vinod Kumar Bajaj (DIN 00519541) being relatives of Shri Ashish Bajaj may therefore be deemed to be interested in passing of the resolution to that extent.

Save as aforesaid none of the other Directors & Key Managerial Personnels of the Company are in any way concerned or interested financial or otherwise, in the resolution set out at Item No. 09.

### **ITEM NO 10 :**

Shri Shalabh Batra S/o Shri Deepak Batra (DIN 02979363 ) was appointed as a 'General Manager (Sales & Marketing- Exports)' of the Company w.e.f. 20<sup>th</sup> March, 2014 in terms of Section 314 (1B) of the Companies Act 1956 read with Director's Relatives (Office or Place of Profit) Rules 2003 and other applicable provisions of the Companies Act 1956, at the meeting of the Board of Directors of the Company held on 06<sup>th</sup> February, 2014, subject to the consent of members of the Company at General Meeting held for first time after holding of such office or place of profit.

The Terms and Conditions of the remuneration are as under :

Particulars	Payable Per Month ( In ₹ )
Basic Salary	61,132
Dearness Allowance	1,000
House Rent Allowance	12,426
Transport Allowance	800
MTLR(17.5% Variable Amount (Basic + DA)	10,873
Education Allowance	200
Other Allowance	11,405
Medical Allowance	1,250
Provident Fund @12% of 6500	780
Bonus	700
Gratuity	2,987
<b>Monthly CTC</b>	<b>1,03,553</b>
Retention Amount (Monthly)	3,106



The Directors recommend the resolution for approval of the members of the Company. Shri Deepak Batra (DIN 02979363 ) being relatives of Shri Shalabh Batra may therefore be deemed to be interested in passing of the resolution to that extent. Save as aforesaid none of the other Directors & Key Managerial Personnels of the Company in any way concerned or interested financial or otherwise, in the resolution set out at Item No.10.

**ITEM NO.11 :**

The existing Articles of Association (AOA) of the Company are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013.

With the Companies Act, 2013 coming into force, several regulations of the existing AOA of the Company require alteration or deletions in several articles. It is therefore considered expedient to wholly replace the existing AOA set of Articles.

The new AOA to be substituted in place of existing AOA are based on Table "F" of the Act which sets out the model Articles of Association for a Company limited by Shares.

The Directors recommend the resolution for approval of the members of the Company. Save as aforesaid none of the other Directors & Key Managerial Personnels of the Company are in any way concerned or interested financial or otherwise, in the resolution set out at Item No.11. The proposed new draft of AOA is being uploaded on the Company's website for perusal by the members

**ITEM NO 12 :**

Shri Rajiv Ranka (DIN 00392438) is an Independent Director of the Company since 18.10.2007 appointed in terms of Clause 49 of the Listing Agreement. He is a member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee & Shareholder / Investor Grievance Committee, of the Board of Directors of the Company. Shri Rajiv Ranka (DIN 00392438) is holding 100 Equity Shares of the Company

Shri Rajiv Ranka (DIN 00392438), BE -Mechanical from Birla Institute of Technology and Science has setup an SSI unit Duro Foam in Nagpur in 1983. He joined the management of Kinetic Engineering Limited as an Incharge of Material Projects till 1987 and was instrumented in setting up of Kinetic Honda project in Pithampur. In 1987, he becomes the Managing Director of Jayahind Industries Limited which is the largest die casting foundry in the country and was instrument of setting auto electrical division for two wheeler in collaboration with Mitsuba & Toya Deuso of Japan. He has also worked as head materials at Bajaj Tempo Limited. In 1993, he had promoted M/s Alpha Foam Limited in Pune which manufactures Polyurethane foam, seats plastics, vacuum parts, Polyethylene Foam, Spun bond non woven fabric & Spunlace Non woven fabric.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rajiv Ranka (DIN 00392438) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 31st March, 2019. A notice has received from a member proposing Shri Rajiv Ranka (DIN 00392438) as a candidate for the office of Directors of the Company. In the opinion of the Board, Shri Rajiv Ranka (DIN 00392438) fulfills the condition specified in the Companies Act, 2013 and rules made



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thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Rajiv Ranka (DIN 00392438) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Rajiv Ranka (DIN 00392438) as an Independent Director, for approval by the members / shareholders of the Company.

Except Shri Rajiv Ranka (DIN 00392438) being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at Item No. 12. The Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

### **ITEM NO 13 :**

Shri Alok Goenka (DIN 00789716) is an Independent Director of the Company since 18.10.2007 appointed in terms of Clause 49 of the Listing Agreement. He is a member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee & Shareholder / Investor Grievance Committee, of the Board of Directors of the Company. Shri Alok Goenka (DIN 00789716) is holding 100 Equity Shares of the Company.

Shri Alok Goenka (DIN 00789716) B. Tech (IIT Kanpur) & M.S. - USA is having more than 15 years of experience in management of plastic processing and agricultural farming. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Alok Goenka (DIN 00789716) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Alok Goenka (DIN 00789716) as a candidate for the office of Directors of the Company.

In the opinion of the Board, Shri Alok Goenka (DIN 00789716) fulfills the condition specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Alok Goenka (DIN 00789716) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Alok Goenka (DIN 00789716) as an Independent Director, for approval by the members / shareholders of the Company.

Except Shri Alok Goenka (DIN 00789716) being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at Item No. 13. The Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

### **ITEM NO 14 :**

Shri Mohan Agrawal (DIN 01028558) is an Independent Director of the Company since 23.08.1989 & holding 100 Equity Shares of the Company. He is Bachelor of Science and was the Past President of Vidarbha Industries Association (VIA), Nagpur from 1998 to 2008 and was also involved in family Steel Trading Business & Setting up Non-Conventional Energy Power Plant.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Mohan Agrawal (DIN 01028558) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 31st March,



2019. A notice has received from a member proposing Shri Mohan Agrawal (DIN 01028558) as a candidate for the office of Directors of the Company.

In the opinion of the Board, Shri Mohan Agrawal (DIN 01028558) fulfills the condition specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Mohan Agrawal (DIN 01028558) as an Independent Director. Accordingly, the Board has recommended the resolution in relation to appointment of Shri Mohan Agrawal (DIN 01028558) as an Independent Director, for approval by the members / shareholders of the Company.

Except, Shri Mohan Agrawal (DIN 01028558) being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at Item No. 14. The Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

**ITEM NO 15 :**

Shri Kamal Kishore Kela (DIN 00509008) is an Independent Director of the Company since 23.08.1989 & holding 100 Equity Shares of the Company. Shri Kamal Kishore Kela (DIN 00509008), M.A. Economics, a reputed industrialist and having more than 50 year of experience in sales, administration.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Kamal Kishore Kela (DIN 00509008) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 31st March, 2019. A notice has received from a member proposing Shri Kamal Kishore Kela (DIN 00509008) as a candidate for the office of Directors of the Company. In the opinion of the Board, Shri Kamal Kishore Kela (DIN 00509008) fulfills the condition specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Kamal Kishore Kela (DIN 00509008) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Kamal Kishore Kela (DIN 00509008) as an Independent Director, for approval by the members / shareholders of the Company.

Except, Shri Kamal Kishore Kela (DIN 00509008) being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at Item No. 15. The Explanatory Statement may also be regarded as a disclosure Under Clause 49 of the Listing Agreement with Stock Exchange.

**ITEM NO 16 :**

Shri Deepak Batra (DIN : 02979363) is an Independent Director of the Company since 01.09.2010 appointed in terms of Clause 49 of the Listing Agreement & holding 100 Equity Shares of the Company. Shri Deepak Batra (DIN : 02979363), Chartered Accountants is having more than 20 years of experience in the field of finance, accounts, commerce and industry.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Deepak Batra (DIN : 02979363) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 31st March,

## BAJAJ STEEL INDUSTRIES LIMITED

2019. A notice has been received from a member proposing Shri Deepak Batra (DIN : 02979363) as a candidate for the office of Directors of the Company. In the opinion of the Board, Shri Deepak Batra (DIN : 02979363) fulfills the condition specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Deepak Batra (DIN 02979363) as an Independent Director .

Accordingly, the Board recommends the resolution in relation to appointment of Shri Deepak Batra (DIN 02979363) as an Independent Director, for approval by the members / shareholders of the Company.

Except, Shri Deepak Batra (DIN 02979363) being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested , financial or otherwise in the resolution set out at Item No. 16. The Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

### **ITEM NO 17 :**

Shri Rajkumar Lohia (DIN 00203659) is an Independent Director of the Company since 18.10.2007 appointed in terms of Clause 49 of the Listing Agreement & holding 100 Equity Shares of the Company. Shri Rajkumar Lohia (DIN 00203659) , Chartered Accountants is having more than 36 years of experience in the field of Commerce and Industry. He started Lohia Starlinger Limited in 1981 which is the largest domestic producer of machinery for Plastic Woven Fabric. He had received several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Rajkumar Lohia (DIN 00203659) being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Rajkumar Lohia (DIN 00203659) as a candidate for the office of Directors of the Company. In the opinion of the Board, Shri Rajkumar Lohia (DIN 00203659) fulfills the condition specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Rajkumar Lohia (DIN 00203659) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Rajkumar Lohia (DIN 00203659) as an Independent Director, for approval by the members / shareholders of the Company.

Except, Shri Rajkumar Lohia (DIN : 00203659) being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested , financial or otherwise in the resolution set out at Item No. 17. The Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 53rd Annual Report and the Audited Accounts of the Company for the Financial Year ended 31st March, 2014. The New Companies Act, 2013 has been passed which replaced the Companies Act, 1956 and since this Report as to Financial year that commenced prior to 1st April, 2014, the contents therein are governed by the relevant provisions / schedules / rules of the Companies Act, 1956, in compliance with the General Circular No 08/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs, Government of India, New Delhi.

The Highlights of the Financial performance for the year under review are as below :

### **FINANCIAL RESULTS :**

( In ₹ )

	<u>31.03.2014</u>	<u>31.03.2013</u>
<b>SALES AND OTHER INCOME</b>	<b><u>4,11,44,65,108</u></b>	<b><u>2,88,59,81,619</u></b>
Profit before Interest & Depreciation	<u>34,79,76,297</u>	<u>17,89,69,137</u>
Less : Interest	7,09,16,187	6,61,28,559
Depreciation	<u>8,83,27,927</u>	<u>5,91,77,574</u>
	<b><u>18,87,32,183</u></b>	<b><u>5,36,63,004</u></b>
Add : Extra Ordinary Item		
Profit Before Tax	(-)	(-)
	<b><u>18,87,32,183</u></b>	<b><u>5,36,63,004</u></b>
<b>Provision for Taxation :</b>		
Current Year : 6,54,93,000		1,69,19,866
Deferred Tax : 5,13,000		(58,61,000)
Tax for Earlier : -		-
Year/Adjustment : -----		-----
	<b><u>6,60,06,000</u></b>	<b><u>1,10,58,866</u></b>
<b>Net Profit</b>	<b><u>12,27,26,183</u></b>	<b><u>4,26,04,138</u></b>
Add : Balance Brought Forward from previous year		
	<u>1,77,43,784</u>	<u>1,83,33,332</u>
	<b><u>14,04,69,967</u></b>	<b><u>6,09,37,470</u></b>
<b>Less : Appropriations :</b>		
Proposed Dividend	94,00,000	70,50,000
Corporate Dividend Tax	15,97,530	11,43,686
Transfer to General Reserve	10,00,00,000	3,50,00,000
<b>Balance Carried Forward to Balance Sheet</b>	<b><u>2,94,72,437</u></b>	<b><u>1,77,43,784</u></b>
	<b><u>14,04,69,967</u></b>	<b><u>6,09,37,470</u></b>

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### **DIVIDEND :**

Your Directors are pleased to recommend the Equity Dividend @ 40% i.e. ₹ 4/- per share. The Dividend as recommended would involve an outflow of ₹ 94,00,000/- (Rupees Ninety Four Lacs only) towards Dividend and ₹ 15,97,530/- (Rupees Fifteen Lacs Ninety Seven Thousand Five Hundred and Thirty only) towards Corporate Dividend Tax, resulting in a total outflow of ₹ 1,09,97,530/- (Rupees One Crore Nine Lacs Ninety Seven Thousand Five Hundred and Thirty only). The dividend will be distributed to the members whose names appear on the register of members as on record date.

### **WORKING & FUTURE PROSPECTS :**

During the year under review, the turnover of the Company increased gradually from ₹ 285.23 crores in 2012-13 to ₹ 406.94 Crores in 2013-14 representing a growth of 42.67%. The increase in turnover is attributable to the new developed products as well as to explore the new markets. The profitability of the Company has also been increased from ₹ 4.26 Crores in 2012-13 to ₹ 12.27 Crores in 2013-14.

The working of both the Divisions of the Company is given as below:

### **STEEL DIVISION :**

The Steel Division is concentrating in its core business of manufacturing Cotton ginning and Pressing machineries which has a great potential to expand, considering the increasing cotton cultivation in India & abroad. The Company had successfully launched few new products like Cotton Delinting Machines and Decorticating Machines, Pre-fabricated Industrial Sheds etc.

### **PLASTIC DIVISION (SUPERPACK) :**

The sale / disposal of the Superpack Division is expected to complete at the earliest. However, the performance of the unit has improved during the year achieving the Gross Turnover of ₹ 129.38 Crores in 2013 - 14 against ₹ 112.96 Crores during the Financial Year 2012-13.

Shri Vinod Kumar Bajaj and Shri Ashish Bajaj are looking after the Superpack Division of the Company. Looking at the valuable experience and background of Shri Ashish Bajaj, the Board of Directors has re-appointed Shri Ashish Bajaj for further period of One (1) year w.e.f. 20.03.2014, in compliance with Section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit), Rules, 2011 subject to approval of the members at the ensuing AGM. Further, Shri Ashish Bajaj, Chief Executive Officer of Superpack Division of the Company is solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliances including Statutory & Labour compliances applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed with the concerned authorities.

### **FOREIGN SUBSIDIARY :**

During the year 2012-13, the Company had incorporated its 100% Foreign Subsidiary namely M/s BAJAJ CONEAGLE LLC, A Limited Liability Company having its office at Prattville, Alabama, USA. With the physical presence at USA, the Company is able to tap the US & International Market of Continental Products.

### **CREDIT RATING:**

Your Directors are glad to inform that CRSIL has further reviewed and rated in respect of Bank facilities of the Company. The ratings are as under :



<b>Total Bank Loan Facilities Rated</b>	<b>₹ 82.00 Crores</b>
Long - Term Rating	CRISILA/Stable (Reaffirmed)
Short- Term Rating	CRISILA1 (Reaffirmed)

**AUDITORS AND AUDITORS' REPORT :**

M/s B. Chhawchharia & Co., Chartered Accountants, Nagpur retires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from all of them to the effect that their re-appointment, if made would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for the re-appointment.

The observations made by the auditors read together with the relevant notes thereon, are self-explanatory and do not call any comments.

**COST AUDITORS AND COST AUDIT REPORT :**

M/s Rakesh Mishra & Co, Cost Accountants, was appointed as Cost Auditors of the Company to conduct the audit of cost Accounts maintained by the Company. The Company has received the Cost Audit Report dated 07.08.2014 from the Cost Auditor for the Financial Year 2013-14 and the same is being filed with the Ministry of Corporate Affairs in terms of the provisions of the Companies Act, 1956.

**PUBLIC DEPOSITS :**

The total public deposits as on 31st March, 2014 amounted to ₹ 2, 83,000/- (Rupees Two Lacs Eighty Three Thousand only) and the same has repaid in the current financial year. As on date, there is no deposit lying due, unpaid and unclaimed with the Company. The Company has also filed necessary returns with MCA.

**INDUSTRIAL RELATIONS :**

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of employees.

**DIRECTORS :**

In view of the provisions of the Companies Act, 2013 ('Act') Shri Vinod Kumar Bajaj (DIN 00519541) has now become retiring Director and retires from the Board by rotation this year and being eligible, offers himself for re-appointment. The information as required to be disclosed under Clause 49 of the Listing Agreement in case of re-appointment of Directors is provided in the Notice of the ensuing Annual General Meeting.

Pursuant to Section 149(4) of the said Act, every listed company is required to appoint at least one third of its Directors as Independent Directors. The Board already has more than half of its Directors in the category of Independent Directors in terms of the provisions of Clause 49 of the Listing Agreement. Further, as per Section 149(10) & (11) of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board and shall not hold office in the Company for more than two consecutive Terms of five years each. However, any tenure of existing independent Director on the date of commencement of the Act shall not be counted as a term under those sub-sections.



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In view of the same, it becomes necessary to appoint & fix the term of existing Independent Directors of the Company in accordance with Section 149 of the Act and therefore, the Board, in its meeting held on 7th August, 2014 appointed existing Independent Directors under Clause 49 as 'Independent Directors' pursuant to provisions of the said Act, subject to approval of shareholders. As required under the said Act and the rules made there under, the same is now put up for approval of the members at the ensuing AGM. Necessary details have been annexed to the notice of the Meeting in terms of Section 102 of the said Act. The Independent Directors have submitted the Declaration of Independence, as required under Section 149(6) of the Act, declaring that they meet the criteria of Independence.

Further, the Board has re-appointed Shri Rohit Bajaj as Chairman & Managing Director of the Company and Shri Sunil Bajaj as a Executive Directors at their meeting held on 29th May, 2014 for a period of five years with effect from 1st July, 2014 whose period of office were expiring on 30th June, 2014. The re-appointment shall be subject to approval of the members of the Company at ensuing AGM. The Board has recommended the re-appointment at the ensuing AGM.

### **CORPORATE GOVERNANCE :**

Your Directors wish to inform you that your Company is committed to achieve the standards of Corporate Governance and continue to lay emphasis on the same. Disclosures required to made under the heading 'Corporate Governance' Under Clause (IV) sub-Clause (E) of Clause 49 of the Listing agreement are made herein below:

- i) The Company does not pay any remuneration to it's Non-Executive Director. The elements of remuneration package payable to Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director are detailed out in the Corporate Governance Report which has been part of this Annual Report.
- ii) Various components of remuneration payable to Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director are detailed out in the Corporate Governance Report which has been a part of this Annual Report .
- iii) No stock options are offered by the Company.

A separate report on Corporate Governance is provided in this Annual Report together with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement. A Certificate of the CEO/MD & CFO of the Company in terms of sub-clause (v) of Clause 49 of the Listing Agreement, interalia confirming the correctness of the financial Statements, adequacy of the internal control measures and reporting of matters to the Audit committee is also annexed. All Board members and Senior management personnel have affirmed compliance with the code of conduct for the year 2013-14.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

During the year under review, pursuant to Section 135 of the Companies Act, 2013 the Company has constituted the Corporate Social Responsibility (CSR) committee under the Chairmanship of Shri Deepak Batra, Chartered Accountant, an Independent Director of the Company and consisting of other Independent Directors viz. Shri Rajiv Ranka and Shri Alok Goenka.



#### **AUDIT COMMITTEE :**

The Audit committee of the Board is under Chairmanship of Shri Deepak Batra, Chartered Accountant, who is an Independent Director of the Company and consisting of other Independent Directors viz. Shri Rajiv Ranka and Shri Alok Goenka as a practice of good Corporate Governance.

#### **COMMITTEES IN TERMS OF COMPANIES ACT 2013 & REVISED CLAUSE 49 - CORPORATE GOVERNANCE OF THE LISTING AGREEMENT:**

The Company has already constituted the Remuneration & Shareholder / Investor Grievance & Share Transfer Committee in terms of Clause 49 of the Listing Agreement. Pursuant to Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Board at their Meeting held on 29th May, 2014, has re-designated & constituted the 'Nomination & Remuneration Committee', Stakeholders Relationship Committee / Shareholder / Investors Grievance Committee and Share Transfer Committee in terms of Section 178 of the Act and Revised Clause 49 of the Listing Agreement.

With the re-designation/constitution of the Committees as stated above, the Company has all the committees in terms of Companies Act, 2013 and Revised Clause 49 of the Listing Agreement.

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

A Management & Discussion Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is presented in a separate section forming part of the Annual Report

#### **PARTICULARS OF EMPLOYEES :**

As per Annexure attached with this Report.

#### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND:**

The Dividends declared by the Company which remain unpaid / unclaimed for a period of Seven (7) years are required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Members are requested to claim their unpaid / unclaimed Dividend, if any, and declare and pay for the financial years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 & 2012-13.

The Company has already transferred unpaid / unclaimed balance for the year 2005-06 to Investor Education & Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956. Further, the unpaid/unclaimed balance of year 2006-07 would be transferred to the Investor Education and Protection Fund Account in the current Financial Year by the Company.

#### **CONSERVATION OF ENERGY :**

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy as far as possible. Further, the details of Rule 2(A)(d) of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

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### TECHNOLOGY ABSORPTION :

The technological developments on Ginning & Pressing Machinery has acted as an driving force in structural shift from old outdated to more productive advance machinery. The technology used by the Company is updated as a continuous exercise. The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products. At present, the Company is working on various products under the able leadership of Shri Sunil Bajaj, Executive Director. Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products to trap the market throughout the year.

### FOREIGN EXCHANGE EARNINGS AND OUTGO :

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Traveling and other matters etc. are shown in the Notes No. 13(a), 13(b) & 13(c ) respectively of Notes on Accounts. To avoid repetition, the members are requested to refer to these Notes.

### LISTING OF SHARES :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd, Delhi Stock Exchange Limited and the Calcutta Stock Exchange Limited. The Company has paid annual listing fees of the Stock Exchanges for the financial year 2013- 2014. There are no trading of Company's shares at Delhi Stock Exchange and the Calcutta Stock Exchange.

### DIRECTORS RESPONSIBILITY STATEMENT :

As per provision of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures and in compliance with the laws.
- b) The accounting policies have been consistently applied and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and the Profit and Loss Account of the Company for the period.
- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

### ACKNOWLEDGEMENT :

The Directors are grateful to the Bankers and Financial Institutions for their continued support, co-operation and assistance during the year. The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year.

**FOR AND ON BEHALF OF THE BOARD  
FOR BAJAJ STEEL INDUSTRIES LIMITED**

**DATED : 07.08.2014  
PLACE : NAGPUR**

**ROHIT BAJAJ  
CHAIRMAN & MANAGING DIRECTOR**



## **ANNEXURE TO THE DIRECTOR'S REPORT**

**INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 2011 AND FORMING PART OF THIS DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED AS ON 31ST MARCH, 2014 :**

Name	Age	Qualification	Date Of Joining	Designation	Remuneration (Per Annum)	Experience	Last Employment	Equity Shares held in the Company
Shri M.K. Sharma	55	M. Com	19.10.1996	President	Rs 72.00 Lacs	More than 35 years	Worked as a Chief Commercial Manager & Director Casting Ltd, Fujairah U.A.E.	100 Equity Shares

**NOTES :**

- i. Experience includes number of years of service elsewhere, wherever applicable;
- ii. Shri M. K. Sharma is not a relative of any Director of the Company;
- iii. Further, Shri M. K. Sharma is in full time employment with the Company;
- iv. The details of aforesaid are available at the Registered Office of the Company for inspection.

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

{ Pursuant to Clause 49 of the Listing Agreement }

Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Vinokumar Gangabisan Bajaj</b>	25.01.1937	01.07.1980	Chartered Accountant
Expertise in specific functional areas	Shri Vinodkumar Gangabisan Bajaj (DIN:00519541) is having more than 35 years of experience in Plastic Industry. He was the Vice President of Plastic Woven Sacks Manufacturers association for three years (1986 to 1988)		
Directorship held in other Companies	<ul style="list-style-type: none"> <li>◆ Associated Biscuit Company Limited</li> <li>◆ Bajaj Polyblends Private Limited</li> <li>◆ Bajaj Superpack Limited</li> <li>◆ Bajaj Superpack (I) Pvt. Ltd</li> </ul>		
Membership/ Chairmanship of Committee	NIL		
Shareholding in Bajaj Steel Industries Ltd.	13,300 Equity Shares		

## BAJAJ STEEL INDUSTRIES LIMITED

Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Rohit Hargovind Bajaj</b>	27.09.1951	01.07.1980	B.A.
Expertise in specific functional areas	Shri Rohit Hargovind Bajaj (DIN 00511745) has been serving the Company for more than three decades. The Company under his leadership became a focussed entity and the market driven focus has allowed the Company to enter into another growth phase. He was the Vice President of Vidarbha Industries Association (VIA) Nagpur, a premier industry association of this region.		
Directorship held in other Companies	<ul style="list-style-type: none"> <li>◆ Bajaj Polymin Limited</li> <li>◆ Bajaj Cotgin Private Limited</li> <li>◆ Bajaj Plastics Private Limited</li> <li>◆ Luk Bricks Private Limited</li> <li>◆ Rohit Machines &amp; Fabricators Limited</li> <li>◆ Ridhi Vinimay Private Limited</li> <li>◆ Sidhi Vinimay Private Limited</li> <li>◆ Plast Masterbatches Limited</li> <li>◆ Tashi India Limited</li> <li>◆ Bajaj Reinforcements LLP - Designated Partner</li> </ul>		
Membership/Chairman-ship of Committee	Bajaj Steel Industries Limited ◆ Investor Grievance / Share Transfer Committee - Member		
Shareholding in Bajaj Steel Industries Ltd.	55,325 Equity Shares		
Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Sunil Hargovind Bajaj</b>	09.02.1954	01.10.1985	BE- Mechanical From Manipal Institute of Technology Karntaka
Expertise in specific functional areas	Shri Sunil Hargovind Bajaj (DIN : 00509786) is having more than 25 years of experience in Steel & Plastic Industries. He is actively involved in the up-gradation and introduction of new products of the Company. He has been awarded with Honorary Fellowship of International Society for Cotton Improvement for his notable contribution in the field of development of cotton industry.		
Directorship held in other Companies	<ul style="list-style-type: none"> <li>◆ Bajaj Polymin Limited</li> <li>◆ Rukmani Metals &amp; Gaseous Limited</li> <li>◆ Bajaj Plastics Private Limited</li> <li>◆ Ridhi Vinimay Private Limite</li> <li>◆ Sidhi Vinimay Private Limited</li> <li>◆ Plast Masterbatches Limited</li> <li>◆ Tashi India Limited</li> </ul>		
Membership/Chairman-ship of Committee	Bajaj Steel Industries Limited ◆ Investor Grievance / Share Transfer Committee -Member		
Shareholding Bajaj Steel Industries Ltd.	63325 Equity Shares		



Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Rajiv Ishwarlal Ranka</b>	18.11.1953	18.10.2007	BE - Mechanical from Birla Institute of Technology and Science
Expertise in specific functional areas	<p>Shri Rajiv Ishwarlal Ranka (DIN : 00392438) has setup an SSI unit Duro Foam in Nagpur in 1983. He joined the management of Kinetic Engineering Limited as an Incharge of Material Projects till 1987 and was instrumented in setting up of Kinetic Honda project in Pithampur. In 1987 he became the Managing Director of Jayahind Industries Limited which is the largest diecasting foundry in the country and was instrument of setting auto electrical division for two wheeler in collaboration with Mitsuba &amp; Toya Deuso of Japan. He has also worked as head materials at Bajaj Tempo Limited.</p> <p>In 1993, He incorporated M/s Alpha Foam Limited in Pune which manufactures Polyurethane foam, seats plastics, vaccume parts, Polyethylene Foam, Spunbond non woven fabric &amp; Spunlace Non woven fabric.</p>		
Directorship held in other Companies	M/s Alpha Foam Limited		
Membership/ Chairmanship of Committee	Bajaj Steel Industries Limited ♦ Audit Committee - Member ♦ Investor Grievance / Share Transfer Committee - Member ♦ Remuneration Committee - Member ♦ CSR Committee - Member		
Shareholding in Bajaj Steel Industries Ltd	100 Equity Shares		

Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Alok Ratanchand Goenka</b>	19.12.1956	18.10.2007	B.Tech ( IIT Kanpur) M.S- USA
Expertise in specific functional areas	Shri Alok Ratanchand Goenka (DIN : 00789716) is having more than 14 years of experience in management of plastic processing and agricultural farming		
Directorship held in other Companies	♦ Savatram Dairy Products Limited ♦ Akay Mouldings Private Limited		
Membership/ Chairmanship of committee	Bajaj Steel Industries Limited ♦ Audit Committee - Member ♦ Investor Grievance / Share Transfer Committee - Member ♦ Remuneration Committee - Member ♦ CSR Committee - Member		
Shareholding in Bajaj Steel Industries Ltd	100 Equity Shares		



## BAJAJ STEEL INDUSTRIES LIMITED

Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Mohan Brindawan Agrawal</b>	18.03.1951	23.08.1989	B.Sc
Expertise in specific functional areas	Shri Mohan Brindawan Agrawal (DIN: 01028558) is actively Involved in family Steel Trading Business & Setting up Non-Conventional Ener Eney Power Plant. He was also the Past President of Vidarbha Industries Association (VIA) from 1998-2008 10 Times in continuation.		
Directorship held in other Companies	<ul style="list-style-type: none"> <li>◆ Abhishek Steels (Nagpur) Limited</li> <li>◆ Rajesh Steel Industries Limited</li> <li>◆ Gautam Rolling Mills (Nagpur) Limited</li> <li>◆ Vidarbha Energy &amp; Infrastructure Limited</li> <li>◆ Gandevi Tradelinks Private Limited</li> <li>◆ Nagpur Cancer Hospital &amp; Research Institute Pvt Ltd</li> </ul>		
Membership/ Chairmanship of Committee	NIL		
Shareholding in Bajaj Steel Industries Ltd.	100 Equity Shares		

Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Kamalkishore Motilal Kela</b>	13.07.1936	23.08.1989	M.A. (Economics)
Expertise in specific functional areas	Shri Kamalkishore Motilal Kela (DIN:00509008) a reputed industrialist and having more than 50 year of experience in sales, administration.		
Directorship held in other Companies	<ul style="list-style-type: none"> <li>◆ M P Veeners Private Limited</li> <li>◆ V.K. Vinimay Pvt. Ltd., Kolkata</li> </ul>		
Membership/ Chairmanship of committee	NIL		
Shareholding in Bajaj Steel Industries Ltd	100 Equity Shares		



Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Deepak Rajendranath Batra</b>	30.07.1957	03.03.2010	Chartered Accountant
Expertise in specific functional areas	Shri Deepak Rajendranath Batra (DIN : 02979363) is having more than 20 years of experience in the field of finance, accounts, commerce and industry.		
Directorship held in other Companies	NIL		
Membership/ Chairmanship of committee	Bajaj Steel Industries Limited ♦ Audit Committee - Chairman ♦ Investor Grievance / Share Transfer Committee - Chairman ♦ Remuneration Committee - Chairman ♦ CSR Committee -Chairman		
Shareholding in Bajaj Steel Industries Ltd.	100 Equity Shares		

Name of Director	Date of Birth	Date of Appointment	Qualification
<b>Shri Rajkumar Rishab Lohia</b>	21.08.1953	18.10.2007	B.A.(Economics)
Expertise in specific functional areas	Shri Rajkumar Rishab Lohia (DIN : 00203659) is having more than 36 years of experience in the field of Commerce and Industry. He also serves as a Director on the Board of a number of other Indian Companies including J.K. Cement Limited, Lohia Starlinger Limited. He started Lohia Starlinger Limited in 1981 which is the largest domestic producer of machinery for Plastic Woven Fabric.		
Directorship held in other Companies	♦ Lohia Filaments Machines Ltd ♦ Lohia Packaging Machines Ltd ♦ Lohia Sales & Services Ltd ♦ JK Cement Ltd ♦ Lohia Corp Ltd ♦ Plastic Machinery Manufacturers Association of India		
Membership/ Chairmanship of committee	J.K. Cement Limited ♦ Audit Committee - Member ♦ Shareholders Grievance Committee - Member ♦ Remuneration Committee - Chairman		
Shareholding in Bajaj Steel Industries Ltd.	100 Equity Shares		

## BAJAJ STEEL INDUSTRIES LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS

#### FORWARD LOOKING STATEMENTS:

##### 1. Disclaimer

These financial statements have been prepared in compliance with the requirements of the provisions of the Companies Act, 2013 ( to the extent notified) & the Companies Act, 1956 (to the extent applicable) and Generally Accepted Accounting Principles (GAAP) in India. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development , market position, expenditures and financial results are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward - looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

##### 2. Future Trend & Opportunities :

The technological developments on Ginning & Pressing Machinery has acted as an driving force in structural shift from old outdated to more productive advance machinery. By and large the good pace of technology development and dissemination has been witnessed in India in the last 10 years. The continuous thrust of Government, research institutes like Central Institute for Research on Cotton Technology, organizations like Cotton association of India and machinery manufactures towards technological developments will prove a driving force for the further improvement of cotton ginning and pressing machinery in future. The growth rate for utilization of cotton is about 10-15%, at present and among all the natural fibers cotton constitutes about 80% of the total consumption of natural fibers in the world. There are various possibilities to increase the use of cotton for diversified product manufacture, thus the requirement of modernization machinery is going to increase which will improve the working of the company in the core business. Further, the company has planned to take up the other areas of cotton ginning & pressing factories such as building structures, electrical panels, fire diversion, humidification systems and advanced material handling systems which will result in substantially higher value for orders as compared to earlier orders only for core machinery.

#### INDUSTRY STRUCTURE & DEVELOPMENT :

Primarily, the Company is having two Divisions viz Steel Division and Superpack (Plastic) Division. Steel Division of the Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants located at Imambada Road and C-108, Hingna Industrial Area, Hingna, Nagpur , Plot No. G-108, MIDC Butibori & Plot No. G-6 & G-7, MIDC Hingna, Nagpur - Maharashtra.

The Superpack Division of the Company is for manufacturing of Masterbatches. However, the sale / disposal of the Superpack Division is expected to complete at the earliest . Further, the Major thrust of the Management is on the operation of Steel Division of the Company which is its core business.



The strong vision and dedication of the promoters has put the Company as one of the biggest manufacturers of Cotton Ginning and Pressing Machineries with distinction of having only company in the world with capabilities for manufacturing Cotton Ginning Machines for all the three major cotton ginning technologies being used in the world and enjoying more than two-thirds of the market share in India while rapidly expanding wings in the other cotton growing countries of the world.

The Company has entered technical collaborations to manufacture the Cotton Processing Machines with following companies / institutes:

Sr. No	Name of Machines	Name of Collaborators
1.	Ginning and Pressing Machines	Central Institute for Research on Cotton Technology (CIRCOT), ICAR, Govt of India Mumbai
2.	Humidification System	Samuel Jackson Inc. of USA

These collaborations have enabled the company to expand its goodwill and to tap new areas of business.

During the year 2012 - 13, the Company had incorporated its 100% Subsidiary with the name and style as "BAJAJ CONEAGLE LLC", A Limited Liability Company having its office at Prattville, Alabama, USA.

With the physical presence at USA, the Company is able to tap the US & International Market of Continental Products.

#### **RATING AGAINST BANK FACILITIES :**

The CRSIL Ltd has further reviewed and rated in respect of Bank facilities of the Company. The ratings are as under :

<b>Total Bank Loan Facilities Rated</b>	<b>₹ 82 .00 cores</b>
Long - Term Rating	CRISIL A / Stable (Reaffirmed)
Short- Term Rating	CRISIL A1(Reaffirmed)

#### **DEVELOPMENT & EXPANSION :**

The Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants / Machineries. The facilities are equipped with the state of art machines with latest technologies and managed by team of engineers.

The Company had successfully developed new products viz. Brush Delinter, Single Screw Conveyor, Up packing Press , Saw Gins & Dryers

#### **EXPORT POTENTIAL OF GINNING MACHINES :**

Like Indian economy, agriculture always remains the base of most of the developing countries. The company has successfully exported its cotton processing machines to Peru, Tajikistan, Strickland, Myanmar, Bangladesh, Egypt, Pakistan, Madagascar, Nigeria, Zimbabwe, Zambia, Uganda, Tanzania, Malawi, Ethiopia etc.

## BAJAJ STEEL INDUSTRIES LIMITED

The demand for spare parts for ginning machines and allied equipments are increasing manifold. In order to meet this demand, the company has opened a depot at Ahmadabad and planning to open more depots in other cotton growing areas in India.

### **SEGMENT WISE - PRODUCT WISE PERFORMANCE :**

The Steel Division of the Company consists of manufacturing of Cotton Ginning & Pressing machineries and its spare parts & accessories.

During the year, the Steel Division has achieved a Turnover of ₹ 322.90 cores and Superpack Division has achieved a turnover of ₹ 129.38 cores. The details of segment wise revenue, Results & capital employed has been mentioned in Notes to the Accounts in this Annual Report.

### **THREATS**

In the current global uncertain economic environment certain risks may gain more prominence either on a standalone basis or when taken together. Your Company has already initiated in this direction by resorting to man power review, cutting unnecessary costs, etc. Moreover, cotton being a seasonal industry based on agricultural output any adverse effect on cotton crop may affect sales of the company.

### **RISK AND CONCERNS :**

The challenges ahead are to find out ways and means to reduce the energy consumption of per kg lint produced, to bring down the processing costs, to further improve fiber quality, to further increase the productivity and efficiency of machines and to standardize the machinery used for each level of operation in the Ginning & Pressing Factories and Delineating & Decorticating Factories.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure :

1. That all assets and resources are used efficiently and are adequately protected.
2. That all the internal policies and statutory guidelines are complied with; &
3. The accuracy and timing of financial reports and management information is maintained.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES :**

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs.



## **CORPORATE GOVERNANCE REPORT**

### **1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

#### **Introduction :**

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Company's philosophy on Corporate Governance is guided by strong emphasis on transparency, accountability, responsibility, fairness, integrity and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company's beliefs on Corporate Governance are intended at supporting the management of the Company for competent conduct of its business and ensuring long term value for shareholders, employees, customers and statutory authorities.

The Company is committed to implement the standards of good Corporate Governance and endeavors to preserve nurture these core values in all its activities with an aim to increase and sustain its corporate value through growth and innovation.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchange, the details are set out below :

### **2. BOARD OF DIRECTORS**

#### **Composition :**

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in which the Company's shares are listed.

The Composition of the Board are as under :

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Shri Rohit Bajaj	Chariman & Managing Director	Promoter (Executive)
Shri Sunil Bajaj	Executive Director	Promoter (Executive)
Shri Vinod Kumar Bajaj	Director	Promoter (Non- Executive)
Shri Alok Goenka	Director	Independent (Non-Executive)
Shri Rajiv Ranka	Director	Independent (Non-Executive)
Shri Mohan Agrawal	Director	Independent (Non-Executive)
Shri Kamal Kishore Kela	Director	Independent (Non-Executive)
Shri Rajkumar Lohia	Director	Independent (Non-Executive)
Shri Deepak Batra	Director	Independent (Non-Executive)



## BAJAJ STEEL INDUSTRIES LIMITED

Category of Directors	Number of Directors	Percentage to the Board
Executive Director (including Managing Director)	2	22 %
Non-Independent (Non-Executive)	1	11 %
Independent(Non-Executive )	6	67 %

Attendance of each Director at the Board Meeting, Last Annual General Meeting and Number of other Directorship/ Chairmanship of Committee of each Director's of various Companies.

Name of Director	Attendance Particular		No. of other Directorships and Committee Membership/Chairmanship		
	Board Meeting	Last AGM	Other Directorship (Including Pvt Ltd Company)	Other Committee Membership	Other Committee Chairmanship
Shri Rohit Bajaj	5	Yes	9	1	None
Shri Sunil Bajaj	5	Yes	7	1	None
Shri Vinod Kumar Bajaj	5	Yes	4	None	None
Shri Alok Goenka	2	No	2	3	None
Shri Rajiv Ranka	3	No	1	3	None
Shri Mohan Agrawal	3	No	6	None	None
Shri Kamal Kishore Kela	4	No	2	None	None
Shri Rajkumar Lohia	NIL	No	6	2	1
Shri Deepak Batra	4	Yes	-	None	4

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 (I) (C )(ii). All the Directors have made the requisite disclosure regarding Committee position held by them in other Companies.

### Meetings Held :

The Board met 5 (Five times) on the following dates during the financial year 2013 - 14 :

May 30, 2013	November 14, 2013
August 10, 2013	February 06, 2014
October 12, 2013	



Disclosure on Remuneration package of Wholetime Directors during the financial year 2013 - 2014

Sr. No.	Name of Directors	Salary & Salary	Other benefits & Perks	Performance linked incentive	Retirement Benefits	Bonus/ Commission	Stock Options during the year	Total
1.	Shri Rohit Bajaj	25,11,000	1,92,000	-	-	6,33,784	-	33,36,784
2.	Shri Sunil Bajaj	25,11,000	1,92,000	-	-	6,33,784	-	33,36,784

Provident Fund Contribution of ₹ 3,01,320/- - (Rupees Three Lacs One Thousand Three Hundred and Twenty only ) for each of the above Directors has not been included.

Details of payment made to Directors other that Whole-time Directors during the financial year 2013 - 14 :

Sr. No.	Name of the Director	Sitting Fee		Total
		Board Meeting	Committee Meeting	
1.	Shri Vinod Kumar Bajaj	10000	-	10000
2.	Shri Kamal Kishore Kela	8000	-	8000
3.	Shri Mohan Agrawal	6000	-	6000
4.	Shri Rajiv Ranka	6000	3000	9000
5.	Shri Rajkumar Lohia	NIL	-	NIL
6.	Shri Deepak Batra	8000	4000	12000
7.	Shri Alok Goenka	4000	3000	7000

**3. AUDIT COMMITTEE :**

**Composition**

The Audit Committee of the Board of Directors comprises of :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

All the members of the Committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit , internal controls etc. The Composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

## BAJAJ STEEL INDUSTRIES LIMITED

### Terms of Reference :

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

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair ;
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees ;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors ;
- d) Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval ;
- e) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems ;
- f) Discussing with the auditors any significant findings and follow up there on ;
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board ;
- h) Discussion with the auditors before the audit commences, about the nature and scope of the audit as well as post - audit discussion to ascertain any area of concern ;
- i) To look into the reasons, if any, for substantial defaults in the payments to the depositors, creditors , shareholders (in case of non- payment of declared dividend)

### Meetings Held :

The Audit Committee met 4 (Four times) on the following dates during the financial year 2013 - 14 :

May 30, 2013	November 14, 2013
August 10, 2013	February 06, 2014

Attendance of each Director at the Audit Committee Meeting are as under :

Sr. No	Name of the Director	Meeting Attended
1.	Shri Deepak Batra	3
2.	Shri Alok Goenka	2
3.	Shri Rajiv Ranka	3

#### 4. NOMINATION & REMUNERATION COMMITTEE :

##### Composition :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member



Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee/

**Terms of Reference :**

- a) To appraise the performance of Managing and Executive Director , &
- b) To determine and recommend to the Board, compensation payable to the Managing and Executive Director .

**Remuneration Policy :**

The Company's pays remuneration to its Managing Director and Executive Director by way of salary, perquisites , allowances and commission. Salary is paid within the overall limits approved by the members of the Company subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956 (Corresponding to Section 197 of the Companies Act, 2013).

**Meetings Held :**

The Remuneration Committee met 1 (One times) on the following dates during the Financial year 2013 - 14 ie. on May 30, 2013

**Attendance of each Director at the Remuneration committee Meeting are as under :**

Sr. No	Name of the Director	Meeting Attended
1.	Shri Deepak Batra	1
2.	Shri Alok Goenka	1
3.	Shri Rajiv Ranka	—

**5. STAKEHOLDER'S RELATIONSHIP COMMITTEE :**

**Composition :**

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Alok Goenka	Member
3.	Shri Rajiv Ranka	Member
4.	Shri Rohit Bajaj	Member
5.	Shri Sunil Bajaj	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

**Terms of Reference :**

To look into redressal of investors' complaints and request such as transfer of shares / debentures, non - receipt of dividend, annual reports etc

## BAJAJ STEEL INDUSTRIES LIMITED

### Meetings Held :

The Share Transfer Committee met 13 (Thirteen Times) on the following dates during the financial year 2013- 2014 :

April 19,2013	August 23, 2013
April 26,2013	September 27, 2013
May 17, 2013	October 04, 2013
July 19, 2013	February 14, 2014
July 26, 2013	February 28, 2014
August 08, 2013	March 07, 2014
March 21, 2014	

Attendance of each Director at the Share Transfer committee Meeting are as under :

Sr. No	Name of the Director	Meeting Attended
1.	Shri Deepak Batra	-
2.	Shri Alok Goenka	-
3.	Shri Rajiv Ranka	-
4.	Shri Rohit Bajaj	13
5.	Shri Sunil Bajaj	13

### Name, Designation and Address of Compliance Officer :

**Shri Jagdish Shirke**

Company Secretary

**Bajaj Steel Industries Limited**

Imambada Road, Nagpur- 440018

E. mail : cs@bajajngp.com

### 6. CODE OF CONDUCT :

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. All Directors and Senior Management Personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors of the Company.



**7. DETAILS ON GENERAL BODY MEETINGS :**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Day</b>	<b>Time</b>
2010-11	VIA Hall, Udyog Bhawan, Civil Lines, Nagpur- 440 001	21.09.2011	Wednesday	4.00 P.M
2011-12	VIA Hall, Udyog Bhawan, Civil Lines, Nagpur- 440 001	26.09.2012	Wednesday	4.00 P.M
2012-13	VIA Hall, Udyog Bhawan, Civil Lines, Nagpur- 440 001	25.09.2013	Wednesday	4.00 P.M

**Special Resolution passed at the last three Annual General Meetings (AGM) :**

**A) At the AGM held on September 21, 2011 :**

- ◆ Payment of managerial remuneration to Shri Rohit Bajaj, Managing Director of the Company in absence of adequate profits or no profit in any financial year to paid/payable for a succeeding three Financial Year commencing from 2011-2012, during the currency of his tenure as Managing Director of the Company under respective slab of Section II of Part II of Schedule XIII of the Companies Act, 1956 .
- ◆ Payment of managerial remuneration to Shri Sunil Bajaj, Executive Director of the Company in absence of adequate profits or no profit in any financial year to paid/payable for a succeeding three Financial Year commencing from 2011 - 2012, during the currency of his tenure as Executive Director of the Company under respective slab of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**B) At the AGM held on September 26, 2012 :**

- ◆ Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company under Section 314 of the Companies Act, 1956;
- ◆ Revision in Remuneration payable to Shri Lav Bajaj, Business Development Executive of the Company Under Section 314(1B) of the Companies Act, 1956;
- ◆ Revision in Remuneration payable to Shri Vedant Bajaj, Business Executive of the Company Under Section 314(1B) of the Companies Act, 1956;
- ◆ Appointment of Mrs. Devika Bajaj as Business Executive of the Company Under Section 314(1B) of the Companies Act, 1956;
- ◆ Revision in Remuneration of Shri Rohit Bajaj, Managing Director & Shri Sunil Bajaj, Executive Director by way of increase in salary.

**C) At the AGM held on September 25, 2013 :**

- ◆ Re-appointment of Shri Ashish Bajaj as Chief Executive Officer(CEO) of Superpack Division of the Company under Section 314 of the Companies Act, 1956;



## BAJAJ STEEL INDUSTRIES LIMITED

### 8. DISCLOSURES :

#### Related Party Disclosures:

Names	Category
Shri Rohit Bajaj , Managing Director	Key Managerial Personnel
Shri Sunil Bajaj , Executive Director	Key Managerial Personnel
Shri Ashish Bajaj (CEO- Superpack Div.)	Key Managerial Personnel
Shri Lav Bajaj	Relative of Key Managerial Personnel
Shri Vedant Bajaj	Relative of Key Managerial Personnel
Smt. Devika Bajaj	Relative of Key Managerial Personnel
Shri Jagdish Shirke	Company Secretary
Shri Manish Sharma	Chief Financial Officer

#### Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence :

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plasticoats Private Limited, Bajaj Global Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Gangalaxmi Agrotech Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited ,Luk Plastcon Limited, Plast Master Batches Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited ,Tashilndia Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd , Bajaj Superpack Ltd, Bajaj Gintech Pvt. Ltd., Bajaj Plastics Pvt. Ltd., Bajaj Cotgin Pvt. Ltd & Bajaj Reinforcements LLP.

#### Statutory Compliance, Penalties :

The Company has complied with the requirements of the Stock Exchange / SEBI and Statutory Authority on all matters related to the capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

#### CEO/ CFO Certification :

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended March 31, 2014.

### 9. NON-MANDATORY REQUIREMENTS :

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.



The status of compliance with Non- Mandatory requirements is as under :

The Company has set up a Remuneration Committee pursuant to Clause 49 of the Listing Agreement. The board terms of reference of the Committee are to appraise the performance of Managing / Executive Directors, determine and recommend to the Board, compensation payable to Managing / Executive Directors.

#### 10. MEANS OF COMMUNICATION :

**Website** : The Company's website [www.bajajngp.com](http://www.bajajngp.com) contains a separate dedicated section "Investor Relations" where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form.

**Financial Results** : The Annual, Half Yearly and quarterly results are regularly posted by the Company on its website [www.bajajngp.com](http://www.bajajngp.com) These are also submitted to the Stock Exchanges in accordance with the Listing Agreement and published in Indian Express(English), Loksatta (Marathi Edition)

**Annual Report** : Annual Report containing inter- alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to Members and other entitled thereto.

**Corporate Filing** : Announcements, Quarterly, Shareholding Pattern etc., of the Company regularly filed and are also available on the website of The Bombay Stock Exchange Ltd [www.bseindia.com](http://www.bseindia.com)

#### 11. GENERAL SHAREHOLDER INFORMATION :

##### Annual General Meeting :

Date and Time	:	29th Day of September, 2014 at 4.00 P.M.
Venue	:	VIA Hall, Udyog Bhawan, Civil Lines, Nagpur - 440001
Financial Year	:	April to March
Book Closure Date	:	30.08.2014 to 29.09.2014 (both days are inclusive)
Dividend payment date	:	07.10.2014
Listing on Stock Exchanges	:	The Company's shares are listed on the Bombay Stock Exchange Limited, The Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited

The Company has paid the Annual Listing fees for the Financial Year 2013 -14

##### Scrip Code :

The Bombay Stock Exchange Limited : 507944

#### 12. STOCK MARKET DATA :

The Equity Shares of the Company have been listed during the year on The Bombay Stock Exchange Limited (BSE), The Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited. Equity Shares of ₹ 10/- each.

## BAJAJ STEEL INDUSTRIES LIMITED

	The Bombay Stock Exchange Limited (BSE)	
	Monthly High Price (in ₹ )	Monthly Low Price (in ₹ )
April, 2013	106.40	80.55
May, 2013	105.00	76.50
June, 2013	89.80	62.55
July, 2013	80.00	57.60
August, 2013	68.80	58.05
September, 2013	72.30	58.00
October, 2013	66.45	60.10
November, 2013	106.95	61.10
December, 2013	117.55	104.10
January, 2014	126.70	106.20
February, 2014	168.35	109.10
March, 2014	212.85	145.00

Market data of trading at The Delhi Stock Exchange and The Calcutta Stock Exchange are not available

ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS/ INVESTOR	
<b>For all matters relating to shares and Dematerialisation of shares, Change of Address etc be sent to :</b>	<b>For all matters relating to Annual Reports / Dividend:</b>
<b>M/s Adroit Corporate Services Private Ltd.</b> 1st Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai - 400 059 Tel: 022- 28590942 / 4442 / 4428 / 4060 E-mail : adroits@vsnl.net	The Company Secretary Bajaj Steel Industries Limited Imambada Road, Nagpur - 440018 Tel : 0712- 2720071 - 80 Fax : 0712-2728050 E-mail : cs@bajajngp.com

### Share Transfer Process :

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agent and the share certificates are returned within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respects and confirmation in respect of the request for Dematerialisation of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) expeditiously.



**Distribution of Shareholding as on 31st March, 2014:**

Category	No. of shareholders	Percentage(%)	No. of shares	Percentage (%)
Up to - 500	3947	94.49	489094	20.81
501 - 1000	116	2.78	90935	3.87
1001 - 2000	50	1.20	72348	3.08
2001 - 3000	17	0.41	42603	1.81
3001 - 4000	5	0.12	16780	0.71
4001 - 5000	8	0.19	38669	1.65
5001 - 10000	6	0.14	43305	1.84
10001 & Above	28	0.67	1556266	66.23
<b>TOTAL</b>	<b>4177</b>	<b>100.00</b>	<b>2350000</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March, 2014**

Sr. No	Category	No. of Holders	No. of Shares	Percentage(%)
1.	Promoters	25	860650	36.62
2.	Non Resident Individuals/ FIIs	396	77841	3.31
3.	Corporate Bodies	98	486890	20.72
4.	Indian Public	3610	784332	33.38
5.	Banks /Mutual Funds	2	500	0.02
6.	Clearing Members/ Broker etc	46	139787	5.95
<b>TOTAL</b>		<b>4177</b>	<b>2350000</b>	<b>100</b>

**Dematerialize of Shares (as on 31st March, 2014) :**

Percentage of Share held in

Physical form	:	26.69%
Electronic Form with NSDL	:	54.16 %
Electronic Form with CDSL	:	19.15 %

Shares of the Company were actively traded on the Bombay Stock Exchange Limited and hence have good liquidity.

**Secretarial Audit :**

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

The Statutory Auditor of the company carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL/ CDSL)

**BAJAJ STEEL INDUSTRIES LIMITED**

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE  
CONDITIONS OF CORPORATE GOVERNANCE UNDER  
CLAUSE 49 OF THE LISTING AGREEMENT**

**TO THE MEMBERS OF  
BAJAJ STEEL INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s Bajaj Steel Industries Limited ("the Company") for the Year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with all material respect by the Company.

**FOR M/S B.CHHAWCHHARIA & CO.  
CHARTERED ACCOUNTANTS**

**SANJAY AGARWAL  
PARTNER**

**Firm Registration No. 305123E  
Membership No. 66580**

**DATE : 05.06.2014  
PLACE : NAGPUR**



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)**  
**AND CHIEF FINANCIAL OFFICER (CFO)**

We , Shri Rohit Bajaj , CEO & CMD and Shri Manish Sharma, Chief Financial Officer of M/s Bajaj Steel Industries Limited , to the best of our knowledge and belief hereby certify that:

1. We have reviewed the Audited Financial Statements and the cash flow statements for the Year ended as on 31st March, 2014 and that to the best of our knowledge and belief that :
  - a) the Financial Statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there are no deficiencies in the design or operation of internal control.
4. We have indicated to the Auditors and the Audit Committee that there are no :
  - a) significant changes in internal control during the year ended as on 31.03.2014;
  - b) significant changes in accounting policies during the year ended as on 31.03.2014, if any that the same have been disclosed in the notes of the statements;
  - c) instances of significant frauds of which I am aware, that involves management or other.

**PLACE : NAGPUR**

**ROHIT BAJAJ**

**MANISH SHARMA**

**DATE : 29.05.2014**

**CEO & CMD**

**Chief Financial Officer**

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/ Management Personnel for the financial year 2013-2014.

**PLACE : NAGPUR**

**ROHIT BAJAJ**

**DATE : 29.05.2014**

**CEO & CMD**

## BAJAJ STEEL INDUSTRIES LIMITED

### AUDITOR'S REPORT (STANDALONE)

**To the Members of M/s Bajaj Steel Industries Limited**

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

We have audited the accompanying financial statements of M/s Bajaj Steel Industries Limited, (The Company) which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.





### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
  - c) the Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For B. CHHAWCHHARIA & CO.  
Chartered Accountants**

**Ketan Chhawchharia  
Partner**

**Firm Registration No.305123E  
Membership No. 63422**

**Place : Nagpur  
Date : 29th May, 2014.**

## BAJAJ STEEL INDUSTRIES LIMITED

### ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31st March, 2014.

- (i) a) As informed, proper records showing full particulars including quantitative details and situation of fixed assets are being compiled by the Company.  
b) Some of the Fixed Assets were physically verified during the year by the Management in accordance with a program of verification which, in our opinion, provides for physical verification of fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
c) In our opinion and according to the information and explanations given to us, the Company has not disposed substantial part of its fixed assets during the year.
- (ii) a) According to the information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals.  
b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
- (iii) The Company has not granted/taken any loan, secured or unsecured, to/from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness, if any, in internal control system.
- (v) a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 are being updated in the register required to be maintained under that section.  
b) In our opinion and according to the information and explanations given to us, the transactions that were made in pursuance of contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 and aggregating during the year to ₹ 5,00,000/- or more, in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or other relevant provision of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.
- (vii) In our opinion and according to the information and explanations given to us, the Company has a formal internal audit system commensurate with the size of the Company and nature of its business.



- (viii) As informed to us, the Company is maintaining cost records as specified under section 209(1)(d) of the Companies Act, 1956, read with Companies (Cost Accounting records) Rules, 2011, to the extent applicable to the Company. We have, however, not made a detailed examination of such records.
- (ix) In our opinion and according to the information and explanations given to us:
- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited on account of any dispute except as detailed in Annexure I.
- (x) There are no accumulated losses in the Company and the Company has not incurred any cash loss in the year under review or in the immediately preceding year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. All the Shares and Securities held as investments are in company's own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company for the year under review, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The company has not made any preferential allotment of shares during the year under review to Companies, persons or parties covered u/s 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year under review.
- (xx) The Company has not raised any money by public issue during the year under review.
- (xi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the year.

**For B. CHHAWCHHARIA & CO.**  
**Chartered Accountants**  
**Ketan Chhawchharia**  
**Partner**  
**Firm Registration No.305123E**  
**Membership No. 63422**

**Date: 29th May, 2014**  
**Place : Nagpur**

## BAJAJ STEEL INDUSTRIES LIMITED

Annexure 1 as referred in clause [ix (b)] of the Annexure to our Report of even date for the year ended 31st March, 2014

Name of the Statute	Nature of the Dues	Amount (Lacs)	Relating to the Year	Forum where dispute Pending
Central Sales Tax Act, 1956	Non submission of Forms	2.16	2001-02	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	1.83	2002-03	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	7.09	2003-04	Deputy Commissioner, Sales Tax, Nagpur
Bombay Sales Tax Act, 1956	Non submission of Forms	2.75	2003-04	Deputy Commissioner, Sales Tax, Nagpur
Central Excise Act, 1944	Duty on material cleared after job work	0.43	Oct-03 to Apr-04	Assistant Commissioner Chindwara
The Customs Act, 1962	Duty and Penalty on import of material	136.60	2002-03 & 2003-04	CESTAT, Mumbai
Madhya Pradesh Commercial Tax Act, 1994	Demand on regular assessment	0.27	2002-03	Assistant Commissioner Commercial Tax (Appeal) Chindwara
Madhya Pradesh Entry Tax Act, 1976	Entry Tax on Stock transferd goods	0.38	2010-11	Deputy Commissioner Commercial Tax (Appeal) Chindwara
Madhya Pradesh Entry Tax Act, 1976	Entry Tax on Stock transferd goods	0.06	2011-12	Deputy Commissioner Commercial Tax (Appeal) Chindwara
Income Tax Act, 1961	Demand under Section 143 (3) of the Income Tax Act, 1961	0.24 1.22 17.40 20.56	2003-04 2004-05 2007-08 2008-09	Commissioner of Income Tax (Appeal)
Central Sales Tax Act, 1956	Non Submission of Forms	0.54	2006-07	Deputy Commissioner Commercial Tax (Appeal) Chindwara

**For B. CHHAWCHHARIA & Co.  
Chartered Accountants**

**Ketan Chhawchharia  
Partner**

**Firm Registration No.305123E  
Membership No. 63422**

**Date : 29th May, 2014  
Place: Nagpur**



## BALANCE SHEET AS AT 31ST MARCH, 2014 (STANDALONE)

Particulars	Note No.	AS AT 31.03.2014		AS AT 31.03.2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	23,500,000		23,500,000	
Reserves & Surplus	2	697,762,683		586,034,030	
			721,262,683		609,534,030
<b>Non-current Liabilities</b>					
Long Term Borrowings	3	335,568,644		16,153,496	
Other Long Term Liabilities	4	10,631,681		9,641,681	
Long Term Provisions	5	34,484,475	380,684,800	31,569,405	57,364,582
<b>Current Liabilities</b>					
Short Term Borrowings	6	312,630,087		473,350,154	
Advance from Customers	7	205,533,700		203,617,195	
Trade Payables	8	425,555,597		418,459,960	
Other Current Liabilities	9	184,729,650		143,956,283	
Short-term Provisions	10	10,997,530		8,193,686	
			1,139,446,564		1,247,577,278
			<u>2,241,394,047</u>		<u>1,914,475,890</u>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Fixed Assets: 11					
Tangible Assets		542,933,579		307,446,051	
Intangible Assets		6,299,384		13,670,010	
Capital Work in Progress		38,997,763		251,039,840	
		588,230,726		572,155,901	
<b>Non-Current Investments</b>					
Deferred Tax Assets (Net)	12	77,575,239		38,404,889	
Long-term loans and advan.	13	10,606,000		11,119,000	
	14	20,058,376		3,652,217	
			696,470,341		625,332,007
<b>Current Assets</b>					
Inventories	15	596,324,824		521,742,142	
Trade Receivable	16	456,007,420		400,975,616	
Cash & Bank Balances	17	305,239,557		225,077,916	
Short Term Loans & Advan.	18	187,351,905	1,544,923,706	141,348,209	1,289,143,883
			<u>2,241,394,047</u>		<u>1,914,475,890</u>

SIGNIFICANT ACCOUNTING  
POLICIES AND OTHER NOTES  
ON FINANCIAL STATEMENTS 29

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Ketan Chhawchharia

Partner

Firm Registration No. 305123E

Membership No. 63422

Date : 29th May, 2014

Place : Nagpur

Sunil Bajaj

Executive Director

Manish Sharma

Chief Financial Officer

Jagdish Shirke

Company Secretary

Rohit Bajaj

Managing Director

K.K. Kela

Deepak Batra

Directors

Rajiv Ranka

Vinod Kumar Bajaj

Alok Goenka

Directors

## BAJAJ STEEL INDUSTRIES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (STANDALONE)

Particulars	Note No.	2013-2014 ₹	2012-2013 ₹
<b>Income</b>			
Revenue from Operations	19	4,069,359,952	2,852,328,070
Other Income		45,105,156	33,653,549
Total (A)		<u>4,114,465,108</u>	<u>2,885,981,619</u>
<b>Expenses</b>			
Cost of materials consumed	21	2,609,448,517	1,938,274,791
Purchases	22	489,250	118,750
Manufacturing & Processing Charges	23	443,994,367	293,257,486
Changes In Inventories	24	15,756,883	5,210,499
Employee benefit expense	25	293,731,084	230,363,119
Finance Costs	26	70,916,187	66,128,559
Depreciation & Amortization expense		88,327,927	59,177,574
Other Expenses	27	403,068,710	239,787,837
Total (B)		<u>3,925,732,925</u>	<u>2,832,318,615</u>
<b>Profit before tax (A-B)</b>		188,732,183	53,663,004
Tax Expenses :	28		
i) Current Tax		65,493,000	16,919,866
ii) Deferred Tax		513,000	(5,861,000)
<b>Total Tax Expense</b>		<u>66,006,000</u>	<u>11,058,866</u>
<b>Profit for the year</b>		<u>122,726,183</u>	<u>42,604,138</u>
Earning Per Share (On Shares of nominal value of ₹ 10/- each)			
Basic & Diluted		52.22	18.13

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants	Sunil Bajaj	Rohit Bajaj
Ketan Chhawchharia	Executive Director	Managing Director
Partner	Manish Sharma	
Firm Registration No. 305123E	Chief Financial Officer	Rajiv Ranka
Membership No. 63422		K.K. Kela    Vinod Kumar Bajaj
Date : 29th May, 2014	Jagdish Shirke	Deepak Batra    Alok Goenka
Place : Nagpur	Company Secretary	Directors        Directors



## NOTES TO THE ACCOUNTS

AS AT  
31.03.2014  
₹

AS AT  
31.03.2013  
₹

### 1. SHARE CAPITAL

Authorised :		
15,000,000 Equity Shares of ₹ 10 each	150,000,000	150,000,000
Issued, Subscribed and Paid up :		
2,350,000 Equity Shares of ₹ 10 each fully paid up	23,500,000	23,500,000
	<u>23,500,000</u>	<u>23,500,000</u>

- a) Details of shareholders holding more than 5%  
Of the Equity Shares :-

Name of Shareholder	As at 31-Mar-14		As at 31-Mar-13	
	Number	% Holding	Number	% Holding
Bajaj Exports Pvt. Ltd.	213,800	9.10	213,800	9.10
Vidarbha Tradelinks Pvt. Ltd.	209,000	8.89	209,000	8.89
Smt Gayatri Devi Bajaj	151,400	6.44	151,400	6.44
Sri Lalchand Chandanmal Mutha	128,723	5.48	128,723	5.48

- b) "Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 4/- (P.Y: ₹ 3/-)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

### 2. RESERVES & SURPLUS

#### Capital Reserve

Capital Subsidy	5,286,746	5,286,746
On re-issue of forfeited Equity Shares	3,500	3,500
On Forfeiture of money received against Share warrants	9,900,000	9,900,000
	<u>15,190,246</u>	<u>15,190,246</u>

#### Securities Premium Reserve

General Reserve		
As per last Account	515,000,000	480,000,000
Add : Amount transferred from surplus in Profit & Loss Account	100,000,000	35,000,000
	<u>615,000,000</u>	<u>515,000,000</u>

#### Surplus/(Deficit) in the statement of Profit and Loss

Balance as per last Account	17,743,784	18,333,332
Profit for the year	122,726,183	42,604,138



## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
Less: Appropriations		
Proposed Equity dividend	(9,400,000)	(7,050,000)
Corporate Dividend Tax	(1,597,530)	(1,143,686)
Transfer to General Reserve	(100,000,000)	(35,000,000)
	<u>29,472,437</u>	<u>17,743,784</u>
	<u>697,762,683</u>	<u>586,034,030</u>

### 3. LONG -TERM BORROWINGS

#### **SECURED LOANS**

##### A) Term Loans:

From Banks:

AXIS Bank Limited -Term Loan-1(Buyer's credit)	23,416,904	26,060,670
------------------------------------------------	------------	------------

Secured by first charge on entire moveable and immoveable fixed assets of Company's unit situated at plot No- G-108, Butibori, MIDC, present and future, collateral security by way of extension of exclusive charge on entire current assets of Steel Division of Company and personal guarantee of the Managing and Executive Director of the Company.

Terms of Repayment : Quarterly Installment of ₹ 35.72 Lacs each to be deposited with the Bank as FDR which shall be utilised for repayment at the end of the tenor.

From Others:

SICOM Limited	-	24,000,000
---------------	---	------------

Secured by first charge on the entire fixed assets and movable assets, present and future, situated at Plot No. C-108, MIDC, Hingna, Nagpur and floating charge on all other assets of the Company and by personal guarantee of the Managing and Executive Director of the company.

Terms of Repayment : Quarterly Installments of ₹ 60 Lacs each.

##### B) Vehicle Loans from :

a) ICICI Bank Limited	-	76,803
b) HDFC Bank Limited	872,740	2,008,583
c) Karur Vysya Bank Limited	40,552	1,852,105
d) AXIS Bank Limited	6,209,755	6,142,264

- Secured by hypothecation of vehicles financed by them

Terms of Repayment :

₹ 6275903/-under 36 EMI Scheme

₹ 847144/-under 60 EMI Scheme



NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>UNSECURED LOANS</b>		
A) From Related parties	323,801,799	-
Terms of Repayment : Repayable after 31.03.2016.		
B) Fixed Deposits	283,000	283,000
	<u>354,624,750</u>	<u>60,423,425</u>
Less : Current Maturity (Refer Note No. 9)	19,056,106	44,269,929
	<u>335,568,644</u>	<u>16,153,496</u>
<b>4. OTHER LONG TERM LIABILITIES</b>		
Deposits	10,631,681	9,641,681
	<u>10,631,681</u>	<u>9,641,681</u>
<b>5. LONG TERM PROVISIONS</b>		
Provision for Employees Benefits:		
- Gratuity	26,969,218	24,810,808
- Leave Encashment	7,515,257	6,758,597
	<u>34,484,475</u>	<u>31,569,405</u>
<b>6. SHORT-TERM BORROWINGS</b>		
<b>Loan Repayable on Demand</b>		
<b>Secured</b>		
(i) Working Capital Loans from :		
a) State Bank of India	-	65,940,873
Secured by first charge on Stocks and Book debts and second charge on the fixed assets of the company situated at Sausar and Imambada Road, Nagpur and by personal guarantee of the Managing Director, Executive Director, a Director and an Ex-Director and C.E.O. of Superpack Division of the Company.		
B) IDBI Bank Ltd.	72,062,317	-
Secured by first charge on entire current assets (Present and future) of Master Batch unit of Superpack division of the Company, equitable mortgage on the building, structures and machineries situated at Company's premises at Sausar and charge on Plot No's B12, B12/1, B/13, B13/1, B14, B14/1 at MIDC Industrial Estate, Hingna, Nagpur held in the name of a related Company and corporate guarantee of the said related Company and also by personal guarantee of a Director and C.E.O of Superpack Division of the Company.		

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
c) AXIS Bank Limited	207,793,915	104,120,734
Secured by first charge on entire current assets of Steel Division of the Company, present & Future, collateral security by way of extension of exclusive second charge on the entire moveable and immoveable fixed assets, present and future, situated at plot No- G-108, Butibori, MIDC, Nagpur and assets acquired out of term loan-1 installed at C-108,G-6 & G-7 Hingna Nagpur and exclusive second charge on the fixed assets proposed to be acquired out of term loan-2 and by personal guarantee of the Managing and Executive Director of the Company.		
(ii) Overdraft from :		
a) HDFC Bank Limited	4,924,451	5,808,530
b) AXIS Bank Limited	13,015,002	-
c) Karur Vysya Bank Limited	14,834,402	11,250,000
- Secured by pledge of certain Fixed Deposit Receipts		
<b>Unsecured</b>		
From Related parties	-	286,230,017
	<u>312,630,087</u>	<u>473,350,154</u>
<b>7. ADVANCE FROM CUSTOMERS</b>		
Customer Advance	160,008,573	180,379,882
Security Money against debtors	45,525,128	23,237,313
	<u>205,533,700</u>	<u>203,617,19</u>
<b>8. TRADE PAYABLES</b>		
Sundry Creditors	397,982,925	387,220,137
Acceptances	27,572,672	31,239,823
	<u>425,555,597</u>	<u>418,459,960</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (Refer Note No. 3)	19,056,106	44,269,929
Interest accrued but not due on borrowings	423,459	390,304
Unclaimed Dividends	1,828,007	1,694,863
Other liabilities	163,422,077	97,601,187
	<u>184,729,650</u>	<u>143,956,283</u>
<b>10. SHORT-TERM PROVISIONS</b>		
Proposed Dividend	9,400,000	7,050,000
Corporate Dividend Tax	1,597,530	1,143,686
	<u>10,997,530</u>	<u>8,193,686</u>



**NOTES TO THE ACCOUNTS**

**11. FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK			
	AS AT 01.04.2013 ₹	ADDITIONS ₹	DEDUCTIONS ₹	AS AT 31.03.2014 ₹	UPTO 31.03.2013 ₹	FOR THE YEAR ₹	ADJUSTMENTS ₹	UPTO 31.03.2014 ₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>(A) TANGIBLE ASSETS :</b>										
LAND										
- Freehold	1,185,092	-	-	1,185,092	-	-	-	-	1,185,092	1,185,092
- Leasehold	11,202,078	-	-	11,202,078	-	-	-	-	11,202,078	11,202,078
BUILDING	196,628,964	207,891,182	-	404,520,146	96,015,094	24,459,885	-	120,474,979	284,045,167	100,613,870
PLANT AND MACHINERY	427,857,424	93,923,106	6,723,868	515,056,662	280,047,541	42,638,817	6,541,398	316,144,960	198,911,702	147,809,883
OFFICE EQUIPMENTS	49,554,316	10,382,516	-	59,936,832	33,955,242	6,009,736	-	39,964,978	19,971,854	15,599,074
FURNITURE AND FIXTURES	21,489,929	349,202	-	21,839,131	12,534,246	1,626,469	-	14,160,715	7,678,416	8,955,683
VEHICLES	47,765,594	4,327,503	1,770,426	50,322,671	25,685,223	6,189,594	1,491,416	30,383,401	19,939,270	22,080,371
TOTAL (A)	755,683,397	316,873,509	8,494,294	1,064,062,612	448,237,346	80,924,501	8,032,814	521,129,033	542,933,579	307,446,051
<b>(B) INTANGIBLE ASSETS :</b>										
TECHNICAL KNOW HOW	38,048,672	-	-	38,048,672	24,466,517	7,379,872	-	31,846,389	6,202,283	13,582,155
PATENTS	124,400	32,800	-	157,200	36,545	23,554	-	60,099	97,101	87,855
TOTAL (B)	38,173,072	32,800	-	38,205,872	24,503,062	7,403,426	-	31,906,488	6,299,384	13,670,010
<b>(C) CAPITAL WORK IN PROGRESS :</b>										
BUILDING	185,179,131	41,575,847	191,070,052	35,684,926	-	-	-	-	35,684,926	185,179,131
PLANT AND MACHINERY	53,376,924	1,394,269	53,725,723	1,045,470	-	-	-	-	1,045,470	53,376,924
PRE-OPERATIVE EXPENSES	12,483,785	3,922,649	14,139,067	2,267,367	-	-	-	-	2,267,367	12,483,785
TOTAL (C)	251,039,840	46,892,765	258,934,842	38,997,763	-	-	-	-	38,997,763	251,039,840
GRAND TOTAL (A + B+ C)	1,044,896,309	363,799,074	267,429,136	1,141,266,247	472,740,408	88,327,927	8,032,814	553,035,521	588,230,726	-
PREVIOUS YEAR FIGURES	929,614,794	120,831,067	5,549,552	1,044,896,309	416,753,695	59,177,574	3,190,861	472,740,408	-	572,155,901

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹		AS AT 31.03.2013 ₹		
	Face Value	No. Of Shares	As At 31.03.2014	No. Of Shares	As At 31.03.2013
	₹	Nos	₹	Nos	₹
<b>12. NON-CURRENT INVESTMENTS</b>					
I. In Capital of a wholly Owned Foreign Subsidiary -Unquoted Bajaj Coneagle LLC	N.A	N.A	43,291,550	N.A	15,621,200
II. In fully paid up Equity Shares of companies					
<b>(i) Quoted:</b>					
Wopolin Plastics Limited	10	85,850	1,788,050	85,850	1,788,050
Less: Provision for diminution in value of Investments			1,788,049		1,788,049
			1		1
Ushita Trading & Agencies Ltd	10	90,000	2,117,975	90,000	2,117,975
<b>(ii) Unquoted :</b>					
Associated Biscuits Co.Ltd.	100	3,800	627,000	3,800	627,000
Nagpur Nagrik Sahakari Bank Ltd.	50	1	50	1	50
Shikshak Sahakari Bank Ltd.	25	24	600	24	600
<b>(III) In fully paid up Preference Shares of a company</b>					
<b>Unquoted :</b>					
Associated Biscuits Co.Ltd. - 11% Non Cumulative Convertible Preference Shares	10	3,800	38,063	3,800	38,063
<b>(IV) In Units of Mutual Funds</b>					
<b>Unquoted :</b>					
Kotak Bond-Plan A-Growth	10	-	-	-	10,000,000
Kotak FMP Series-131	10	-	10,000,000	-	-
IIFL-Income Opportunities Fund	10	-	21,500,000	-	10,000,000
			<u>77,575,239</u>		<u>38,404,889</u>
Aggregate amount of Quoted Investments			2,117,976		2,117,976
Aggregate amount of Unquoted Investments			75,457,263		36,286,913
Market Value of Quoted Investments			2,880,000		2,880,000
Repurchase value of units of Mutual Funds			31,473,987		20,061,182
<b>13. DEFERRED TAX ASSETS (NET)</b>					
Deferred Tax Liability on Fiscal allowance of fixed assets			5,349,000		4,007,000
Less: Deferred Tax Assets on Employees Benefits			11,747,000		10,316,000
Fiscal Allowances on provisions			4,208,000		4,810,000
			<u>10,606,000</u>		<u>11,119,000</u>


**NOTES TO THE ACCOUNTS**

	<b>AS AT 31.03.2014</b>	<b>AS AT 31.03.2013</b>
	₹	₹
<b>14. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Deposits	6,487,984	3,194,294
Capital Advances	<u>13,570,392</u>	<u>457,923</u>
	<u>20,058,376</u>	<u>3,652,217</u>
<b>15. INVENTORIES</b>		
Stores, spares and fuel	24,284,436	19,657,993
Raw Materials (Includes Stock in Transit ₹ 2408279/-; P.Y. ₹ 6243501/-)	355,698,484	269,985,362
Semi-finished Goods	165,306,911	193,313,712
Finished Goods	<u>51,034,993</u>	<u>38,785,075</u>
	<u>596,324,824</u>	<u>521,742,142</u>
<b>16 TRADE RECEIVABLES</b>		
Due for more than six months		
Considered Good		
- Secured	14,547,183	21,041,430
- Unsecured	115,318,612	62,689,592
Considered Doubtful		
- Unsecured	12,381,366	14,824,100
Others		
Considered good		
- Secured	52,305,813	69,148,979
- Unsecured (*)	<u>273,835,811</u>	<u>248,095,615</u>
	468,388,786	415,799,716
Less: Provision for Doubtful Debts	12,381,366	14,824,100
	<u>456,007,420</u>	<u>400,975,616</u>
* Includes due from foreign Subsidiary	20,774,788	8,450,053
* includes due from firms and private limited companies in which director is a partner /director/member	478,147	489,861
<b>17. CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Cash-in-hand	1,000,922	411,003
Cheques in hand	6,230,013	-
Balances with Scheduled Banks :		
In Current Account	57,661,427	39,948,454
In Unclaimed Dividend Account	1,828,007	1,694,863
Other Bank Balances		
In Fixed Deposit Account (*)	<u>238,519,187</u>	<u>183,023,595</u>
	<u>305,239,557</u>	<u>225,077,916</u>
* Pledged	99,988,868	45,200,756
* Maturing after 12 Months	5,600,000	100,799

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Balances with Government Authorities	105,559,808	74,442,847
Due from foreign Subsidiary	1,350,570	11,741,338
Advances recoverable in cash or in kind or for value to be received	63,512,278	41,638,967
Taxation advance and refundable (Net of provisions)	16,929,249	13,525,057
	<u>187,351,905</u>	<u>141,348,209</u>
Due from Directors	-	66,287
Due from Private Companies in which directors are Member/Director	125,266	252,256
<b>19. REVENUE FROM OPERATION</b>		
(a) Sale of products		
Finished Goods	4,401,905,203	3,099,919,076
Traded Goods	601,145	216,968
(b) Sale of Services	22,455,610	16,249,330
(c) Other Operating Revenue		
Scrap Sales	52,820,840	35,919,190
	<u>4,477,782,798</u>	<u>3,152,304,564</u>
(d) Less:- Excise Duty	408,422,846	299,976,494
	<u>4,069,359,952</u>	<u>2,852,328,070</u>
<b>19.1 Details of products sold</b>		
Finished Goods:		
a) DR Gin	722,215,920	420,480,273
b) Bale Press Machine	456,344,374	332,070,461
c) Auto Feeder	187,424,290	109,098,988
d) Automation Parts	605,561,663	478,082,944
e) Master Batches	1,290,892,306	1,128,265,031
f) Others	1,139,466,651	631,921,378
	<u>4,401,905,203</u>	<u>3,099,919,076</u>
Traded Goods:		
Liliput Gins	601,145	216,968
	<u>601,145</u>	<u>216,968</u>
<b>19.2 Detail of sale of services:</b>		
Erection and Commissioning Charges	22,455,610	16,249,330
	<u>22,455,610</u>	<u>16,249,330</u>
<b>20. OTHER INCOME</b>		
Rent	-	22,742
Interest (Includes TDS ₹ 1,397,813/-; P.Y. ₹ 1,686,996/-)	17,805,109	21,359,425
Profit on sale of fixed assets (Net)	1,192,344	-
Foreign Exchange Variation	3,000,635	3,071,738
Miscellaneous Income	20,664,335	8,146,259
Provision for Doubtful debts written back	2,442,733	1,053,385
	<u>45,105,156</u>	<u>33,653,549</u>




**NOTES TO THE ACCOUNTS**
**AS AT**  
**31.03.2014**  
 ₹

**AS AT**  
**31.03.2013**  
 ₹

**21. COST OF MATERIALS CONSUMED**

(a) Steel Division				
Iron and Steel		692,994,391		432,819,140
Castings		388,228,296		229,621,324
Ball Bearings		59,042,751		41,506,365
Others		615,309,862		490,918,237
(b) Plastic Division				
Polymers		566,961,439		486,319,533
Mineral Powders		239,742,589		222,587,463
Chemicals		47,169,189		34,502,729
		<u>2,609,448,517</u>		<u>1,938,274,791</u>
		₹	%	₹
Imported		490,675,166	18.80	433,394,225
Indigenous		<u>2,118,773,352</u>	<u>81.20</u>	<u>1,504,880,566</u>
		<u>2,609,448,518</u>	<u>100.00</u>	<u>1,938,274,791</u>

**22. PURCHASES**

Liliput Gins		489,250		118,750
		<u>489,250</u>		<u>118,750</u>

**23. MANUFACTURING & PROCESSING CHARGES**

Stores and spares consumed (indigenous)		191,707,142		103,530,198
Power & Fuel		20,245,751		16,492,093
Job work charges		72,745,429		39,752,748
Erection and Commissioning Charges		21,829,185		17,360,126
Processing charges		137,466,860		116,122,321
		<u>443,994,367</u>		<u>293,257,486</u>

**24. CHANGES IN INVENTORIES**

Opening Stock :				
Finished Good		38,785,075		54,680,348
Work-in-progress		193,313,712		182,628,938
		<u>232,098,787</u>		<u>237,309,286</u>
Less: Closing Stock:				
Finished Goods		51,034,993		38,785,075
Work-in-progress		165,306,911		193,313,712
		<u>216,341,904</u>		<u>232,098,787</u>
		<u>15,756,883</u>		<u>5,210,499</u>

**25. EMPLOYEE BENEFIT EXPENSE**

Salary, Wages, bonus and allowances		268,658,494		211,413,626
Directors' Remuneration		8,939,675		6,013,567
Contribution to Provident & Other Funds		10,383,145		9,432,092
Staff & Labour welfare expenses		5,749,770		3,503,834
		<u>293,731,084</u>		<u>230,363,119</u>

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>26. FINANCE COSTS</b>		
Interest		
- On Term Loan	2,463,060	6,543,363
- Fixed/Trade Deposits	710,809	753,834
- Others	65,272,734	58,366,363
Loan Processing & Other Financial Charges	2,469,584	465,000
	70,916,187	66,128,559
<b>27. OTHER EXPENSES</b>		
Rent	14,635,605	9,639,120
Rates and Taxes	2,288,638	2,182,784
Insurance	4,373,895	2,802,642
Discount on sales	14,375,228	10,810,940
Freight & other Expenses (Net)	66,288,306	27,167,007
Tavelling and Conveyance	47,837,172	41,252,773
Sales Commission	106,531,551	43,092,272
Repairs and Maintenance :		
To Machineries	3,967,190	4,504,295
To Building	5,948,288	3,920,017
To Others	12,109,369	7,292,228
Directors' sitting Fees	52,000	62,000
Auditors' Remuneration :		
For Statutory Audit	1,250,000	1,000,000
For Tax Audit	250,000	150,000
For Internal Audit	30,000	30,000
For Other Services	417,850	263,100
Irrecoverable Debts and Advances written off	9,258,695	2,185,364
Miscellaneous expenses	110,858,777	78,979,843
Provision for Doubtful Debts	-	3,822,903
Items relating to previous year (Net)	2,589,854	579,544
Loss on sale of Fixed Assets (Net)	-	51,004
	403,068,710	239,787,837
<b>28. TAX EXPENSES</b>		
Current tax		
Income Tax	65,300,000	23,900,000
Wealth Tax	193,000	191,000
Income tax Adjustments	-	(7,171,134)
	65,493,000	16,919,866
Deferred Tax		
Deferred Tax	513,000	(5,861,000)
	66,006,000	11,058,866



## **NOTES TO THE ACCOUNTS**

### **29. SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE ACCOUNTS**

#### **1. Significant Accounting Policies:**

**i) Accounting Convention:**

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards in India, the provisions of the Companies Act, 1956 and the Companies Act, 2013.

**ii) Valuation of Fixed Assets:**

- a) Fixed assets are valued at cost less depreciation/amortization.
- b) Capital Work-in-Progress is valued at Cost.

**iii) Depreciation and Amortization:**

- a) Depreciation on tangible assets is provided on written down value method in accordance with the provisions of schedule XIV of the Companies Act, 1956.
- b) Intangible assets are amortized over the period of useful life of the assets as estimated by the Management.

**iv) Treatment of Expenditure during construction:**

The expenditure including Pre-Operative expenditure, incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

**v) Inventories:**

**Inventories are valued as follows:**

Raw Materials, Stores, Spares and Fuel:- Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods:- Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

**vi) Obsolescence and damaged materials:**

The inventories are periodically reviewed to ascertain dormant/ obsolescence materials and necessary adjustments are made thereof.

**vii) Investments:**

Non Current investments are valued at cost except that provision is made to recognize the permanent diminution in their value. Investments intended to be held for less than one year are classified as current investments and are valued at lower of cost and market value.

## BAJAJ STEEL INDUSTRIES LIMITED

### viii) Foreign Exchange Variations:

Closing balances of current assets and current liabilities relating to foreign currency transactions are converted into Rupees at prevailing rates or at the rate of forward cover. Export sales are recorded in rupee amount by applying the exchange rate existing at the time of discounting the bills of exchange with the bankers or at closing rate of exchange.

### ix) Sales and other income:

- i) Sales exclude sales tax/Value Added Tax.
- ii) Revenue recognition is postponed to a later date only when it is not possible to estimate it with reasonable accuracy.
- iii) Other income is accounted on accrual basis except where the receipt of income is uncertain.

### x) Employees Benefits:

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

### xi) Taxes on Income :

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### xii) Impairment of assets:

Impairment loss in the value of assets as specified in Accounting Standard 28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

### xiii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

## 2) Contingent liabilities (not provided for) in respect of :- (₹ In Lacs)

	<u>2013-2014</u>	<u>2012-2013</u>
a) Excise duty	0.43	0.43
b) Customs Duty	136.60	136.60
c) Sales Tax	21.04	35.38
d) Income Tax	301.57	301.57
e) Entry Tax	0.58	2.24
	..69..	



- 3) Estimated amount of contracts to be executed on Capital accounts and not provided for ₹ 517.99 lacs (P.Y. ₹ 15.01 lacs), advance there against ₹ 135.70 lacs (P.Y. ₹ 4.58 lacs).
- 4) According to the accounting system consistently followed by the Company, excise duty payable on finished goods is accounted for at the time of removal of the same for sale. Had the said liability been provided, the same would have resulted in higher value of inventory having no impact on the profit for the year.
- 5) a) Due to insufficient information from suppliers regarding their SSI status, the amount due to Small scale Industrial Undertakings cannot be ascertained.
- b) In absence of adequate information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the Company is unable to identify such suppliers, hence the Information required under the said Act, cannot be ascertained.
- 6) a) Computation of net profit U/s. 198 read with Section 309(5) of Companies Act, 1956 for calculating Directors' Commission:

	<u>2013-2014</u>	<u>2012-2013</u>
i) Managing Director and Executive Director:	₹	₹
Profit Before Tax	188,732,183	53,663,004
Add: Directors' remuneration	9,542,315	6,583,807
Sitting fees	52,000	62,000
Provision for Doubtful debts	-	3,822,903
	<u>198,326,498</u>	<u>64,131,714</u>
Less: Profit on Sale of Fixed Assets above its original cost	-	-
Profit on sale of Investments	-	-
Provision for Doubtful debts Written back	2,442,733	1,053,385
	<u>195,883,765</u>	<u>63,078,329</u>
Commission payable to the Managing Director and the Executive Director each @1% on the net profit restricted to their annual salary and overall managerial remuneration of 10% of profits	<u>3,917,675</u>	<u>1,261,567</u>

- 7) On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2014
- 8) Certain Balances under Advance from Customers, Trade Payables, Capital Advances, Trade Receivables and Advances Recoverable in cash or in kind or value to be received are subject to Confirmation.
- 9) Related parties and transactions with them as specified in the Accounting Standard-18 on "Related Party Disclosures" issued by the ICAI has been identified and given below;
- Enterprises where Control Exists:  
Bajaj Coneagle LLC (Wholly Owned Foreign Subsidiary)
  - Other Related parties with whom the Company had transactions:
    - Key Management personnel :- Sri Rohit Bajaj (Managing Director),  
Sri Sunil Bajaj (Executive Director),  
Sri Ashish Bajaj (Chief Executive Officer),  
Sri Vinod Kr. Bajaj (Director),  
Sri Manish Sharma (CFO),  
Sri Jagdish Shirke (Company Secretary)
    - Relatives :- Sri Hargovind Bajaj, Smt Devika Bajaj,  
Sri Lav Bajaj, Sri Vedant Bajaj.

## BAJAJ STEEL INDUSTRIES LIMITED

- b) Enterprises over which Key Management personnel and their relatives are able to exercise Significant Influence-

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plastics Private Limited, Bajaj Global Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Gangalaxmi Agrotech Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Private Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited, Tashi India Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd, Bajaj Superpack Ltd, Bajaj Gintech Pvt. Ltd., Bajaj Plastics Pvt. Ltd., Bajaj Reinforcement LLP and Bajaj Cotgin Pvt. Ltd.

Transactions with related parties:-

(₹ In Lacs)

Nature of Transactions	Wholly foreign Subsidiary		Enterprises over which Key Management Personnel and their relatives are able to Exercise significant Influence		Key Management personnel and their relatives	
	2013-14 ₹	2012-13 ₹	2013-14 ₹	2012-13 ₹	2013-14 ₹	2012-13 ₹
<b>Income</b>						
Rent	-	-	-	0.23	-	-
Service Charge	-	-	1.36	1.36	-	-
Sales	192.64	85.54	511.50	189.66	-	-
Commission	-	-	0.90	1.16	-	-
<b>Expenses</b>						
Computer Charges	-	-	-	0.25	-	-
Furniture Hire Charges	-	-	1.80	1.80	-	-
Interest	-	-	246.11	207.35	-	-
Jobwork Charges	-	-	-	12.44	-	-
Processing Charges	-	-	1,374.67	1,161.22	-	-
Purchase	361.49	44.15	78.15	360.14	-	-
Rent	-	-	141.90	88.75	3.36	3.36
Labour Supply Charges	-	-	961.20	258.80	-	-
Vehicle Hire Charges	-	-	6.04	9.79	-	-
Legal & Professional Fees	16.34	-	-	0.41	-	-
Electricity & Water Charges	-	-	2.78	5.33	-	-
Compensation	-	-	-	3.00	-	-
Remuneration	-	-	-	-	183.06	120.81
Sitting Fees	-	-	-	-	0.10	0.14
<b>Balance at the end of the year</b>						
Debtors	207.75	84.50	394.76	35.85	-	-
Creditors	-	-	341.06	710.54	-	-
Advances (Dr)	13.51	117.41	-	-	2.63	-
Loan Taken	-	-	2,281.57	1,816.72	-	-
Investments	432.92	156.21	6.65	6.65	-	-



## NOTES TO THE ACCOUNTS

### 10. Segment Revenue, Results and Capital Employed

Sl. No.	Particulars	Steel Division		Plastic Division		Total of Segments		Unallocated		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Revenue										
	- Domestic	2,526,821,345	1,766,602,708	1,290,891,420	1,127,364,598	3,817,712,765	2,893,967,306	-	-	3,817,712,765	2,893,967,306
	- Export	702,226,189	289,706,077	2,949,000	2,284,730	705,175,189	291,990,807	-	-	705,175,189	291,990,807
	Less: Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
	Total Revenue	3,229,047,534	2,056,308,785	1,293,840,420	1,129,649,328	4,522,887,954	3,185,958,113	-	-	4,522,887,954	3,185,958,113
2	Result										
	Profit before Interest, Tax, Depreciation and Extra-Ordinary Items	269,285,164	117,818,114	78,891,134	61,151,023	347,976,298	178,969,137	-	-	347,976,298	178,969,137
	Less: Depreciation	87,481,268	58,652,325	846,659	625,249	88,327,927	59,177,574	-	-	88,327,927	59,177,574
	Less: Interest Expenses	24,937,251	22,655,262	45,978,936	43,473,298	70,916,187	66,128,559	-	-	70,916,187	66,128,559
	Provision for Taxation	-	-	-	-	-	-	-	-	-	-
	- Current Tax	-	-	-	-	-	-	-	-	-	-
	- Wealth Tax	-	-	-	-	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-	-	-	-	-	
- Tax Adjustments	-	-	-	-	-	-	-	-	-	-	
	Net Profit										
3	Other Information										
	Segment Assets	1,703,926,681	1,477,236,248	509,932,116	412,595,585	2,213,868,796	1,889,831,833	337,412,069	268,514,877	2,551,270,866	2,158,346,712
	Segment Liabilities	1,078,272,093	919,417,822	441,859,271	385,524,042	1,520,131,364	1,304,941,864	320,482,820	254,989,820	1,840,614,184	1,559,931,683
	Capital Expenditure	94,101,324	113,943,374	2,268,614	1,338,141	96,369,938	115,281,515	-	-	96,369,938	115,281,515
	Depreciation	87,481,268	58,652,325	846,659	625,249	88,327,927	59,177,574	-	-	88,327,927	59,177,574

### NOTES:-

Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.



## BAJAJ STEEL INDUSTRIES LIMITED

11) The "Earning per share (EPS)" has been calculated as specified in Accounting Standard-20 issued by the Institute of Chartered Accountants of India by dividing the Net Profit after Tax for the year by the number of shares allotted by the Company.

12) The disclosures required under accounting standard-15: Employees Benefit, notified in the company's (Accounting standard) Rules.

<b>Defined Contribution Plan</b>	<b>(₹ in lacs)</b>	
Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:	<b><u>2013-2014</u></b>	<b><u>2012-2013</u></b>
Employer's Contribution to Provident & Pension Fund	103.83	94.32

### Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	<b><u>2013-2014</u></b>		<b><u>2012-2013</u></b>	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	248.11	67.59	200.53	54.68
Current Service Cost	28.50	18.39	25.18	10.10
Interest Cost	20.47	5.57	17.48	4.75
Actuarial (gain)/loss	0.36	(7.34)	16.56	6.36
Benefits (paid)	(27.74)	(9.06)	(11.64)	(8.30)
Defined Benefit obligation at year end	269.70	75.15	248.11	67.59
b. Reconciliation of fair value of assets and obligations				
Present value of obligation as at 31st March, 2014	269.70	75.15	248.11	67.59
Amount recognised in Balance Sheet	269.70	75.15	248.11	67.59
c. Expenses recognized during the year				
Current Service Cost	28.50	18.39	25.18	10.10
Past service Cost	-	-	-	-
Interest Cost	20.47	5.57	17.48	4.75
Actuarial (gain) / loss	0.36	(7.34)	16.56	6.36
Net Cost	49.33	16.62	59.22	21.21
d. Actuarial assumptions				
Mortality Table (L.I.C.)	2006-08 (Ultimate)	2006-08 (ultimate)	2006-08 (ultimate)	2006-08 (ultimate)
Discount rate (per annum) compounded	9.00% to 9.25%	9.00% to 9.25%	9.25%	9.25%
Rate of escalation in salary (per annum)	7.00% to 7.50%	7.00% to 7.50%	7.00% to 7.50%	7.00% to 7.50%



The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on Plan Assets is based on actuarial expectations of the average long term rate of return expected on investments of the fund during the estimated terms of the obligations. The above information is certified by the Actuary.

	<u>2013-2014</u>	<u>2012-2013</u>
	₹	₹
13) a) CIF Value of Imports		
Capital Goods	122,422,506	42,584,717
Raw Material	343,709,259	400,956,667
b) Earnings in Foreign Currency		
FOB Value of Exports	702,967,681	249,544,613
c) Expenditure in Foreign Currency		
Travelling & Freight Expenses	9,990,961	4,639,928
Commission	31,841,683	3,771,104
Advertisement	684,480	694,76
Membership and Subscription	276,132	177,316
Royalty Charges	3,709,653	1,767,949
Books & Periodicals	-	4,227
Legal & Consultancy charges	5,275,166	4,675,906
Registration Fees	-	74,683
Business Promotion Expenses	2,492,000	15,889,769
Claims	29,256,588	-

- 14) a) Previous year figures above are indicated in brackets.  
b) Previous year figure have been regrouped/rearranged, wherever found necessary.

In terms of our Report of even date attached herewith

**Signature to notes 1 to 29**

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Ketan Chhawchharia

Partner

Firm Registration No. 305123E Chief Financial Officer

Membership No. 63422

Date : 29th May, 2014

Place : Nagpur

Sunil Bajaj

Executive Director

Manish Sharma

Chief Financial Officer

Jagdish Shirke

Company Secretary

Rohit Bajaj

Managing Director

K.K. Kela

Deepak Batra

Directors

Rajiv Ranka

Vinod Kumar Bajaj

Alok Goenka

Directors

## BAJAJ STEEL INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (STANDALONE)

	<u>2013-2014</u>	<u>2012-2013</u>
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	188,732,183	53,663,004
Add: Adjusted for :		
Depreciation	88,327,927	59,177,574
Interest Expenses	70,916,187	66,128,559
	<u>347,976,297</u>	<u>178,969,137</u>
Less: Adjustments for :		
Profit on sale of Fixed Assets	(1,192,344)	51,004
Interest & Dividend Received	(18,873,594)	(21,359,425)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>327,910,359</u>	<u>157,660,716</u>
Adjusted for Changes in Working Capital		
Trade Payables	53,690,579	230,124,88
Trade & Other receivables	(117,441,659)	(144,091,719)
Inventories	(74,582,682)	(18,921,555)
Cash generated from operations	<u>189,576,597</u>	<u>224,772,325</u>
Less: Interest paid	(70,916,187)	(66,128,559)
Direct Taxes paid/adjusted	(66,636,686)	(18,063,552)
Cash flow before extra ordinary items	<u>52,023,724</u>	<u>140,580,214</u>
Extra Ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>52,023,724</u>	<u>140,580,214</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	1,653,824	544,778
Purchase of Investments		
	(39,170,350)	(35,621,200)
Purchase of Fixed Assets		
	(104,864,232)	(119,068,160)
Interest & Dividend received	18,873,594	21,359,425
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(123,507,164)</u>	<u>(132,785,157)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividend paid	(7,050,000)	(7,050,000)
Proceeds from long term and other borrowings	158,695,081	3,816,224
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>151,645,081</u>	<u>(3,233,776)</u>
<b>NET CHANGES IN CASH AND BANK BALANCES (A+B+C)</b>	80,161,641	4,561,281
CASH AND BANK BALANCES - OPENING BALANCE	225,077,916	220,516,635
CASH AND BANK BALANCES - CLOSING BALANCE	305,239,557	225,077,916

NOTES:01. Proceeds from long term and other borrowings are shown net of repayment.

02. Cash and cash equivalents represent cash and bank balances only

In terms of our Report of even date attached herewith

Signature to notes 1 to 29

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Ketan Chhawchharia

Partner

Firm Registration No. 305123E

Membership No. 63422

Date : 29th May, 2014

Place : Nagpur

Sunil Bajaj

Executive Director

Manish Sharma

Chief Financial Officer

Jagdish Shirke

Company Secretary

Rohit Bajaj

Managing Director

K.K. Kela

Deepak Batra

Directors

Rajiv Ranka

Vinod Kumar Bajaj

Alok Goenka

Directors



**CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST MARCH, 2014**

## **AUDITOR'S REPORT**

**To the Board of Directors of M/s BAJAJ STEEL INDUSTRIES LIMITED**

**1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of M/s BAJAJ STEEL INDUSTRIES LIMITED (Company) and its wholly owned foreign subsidiary M/s BAJAJ CONEAGLE LLC, which comprises the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statement of Bajaj Steel Industries Limited and unaudited financial statement of its foreign subsidiary included in the consolidated financial statements.

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

## **BAJAJ STEEL INDUSTRIES LIMITED**

### **Opinion**

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For B. CHHAWCHHARIA & CO.  
Chartered Accountants**

**Ketan Chhawchharia  
Partner**

**Firm Registration No.305123E  
Membership No. 63422**

**Place: Nagpur  
Date: 29th May, 2014.**



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note No.	AS AT 31.03.2014		AS AT 31.03.2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	23,500,000		23,500,000	
Reserves & Surplus	2	675,430,018		582,068,455	
			698,930,018		605,568,455
<b>Non-current Liabilities</b>					
Long Term Borrowings	3	335,568,644		16,153,496	
Other Long Term Liabilities	4	10,631,681		9,641,681	
Long Term Provisions	5	34,484,475	380,684,800	31,569,405	57,364,582
<b>Current Liabilities</b>					
Short Term Borrowings	6	312,630,087		473,350,154	
Advance from Customers	7	207,604,972		204,240,113	
Trade Payables	8	428,964,453		425,273,631	
Other Current Liabilities	9	186,176,791		143,983,365	
Short-term Provisions	10	10,997,530	1,146,373,833	8,193,686	1,255,040,949
			<u>2,225,988,651</u>		<u>1,917,973,986</u>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Fixed Assets: 11					
Tangible Assets		555,184,060		317,720,530	
Intangible Assets		8,066,096		13,670,010	
Capital Work in Progress		38,997,763		251,039,840	
		<u>602,247,919</u>		<u>582,430,380</u>	
Non-Current Investments	12	34,283,689		22,783,689	
Deferred Tax Assets (Net)	13	10,606,000		11,119,000	
Long-term loans and advances	14	20,094,411		3,684,815	
			667,232,019		620,017,884
<b>Current Assets</b>					
Inventories	15	623,166,872		542,561,077	
Trade Receivable	16	439,586,142		394,584,740	
Cash & Bank Balances	17	309,322,621		228,643,180	
Short Term Loans & Advances	18	186,680,997	1,558,756,632	132,167,105	1,297,956,102
			<u>2,225,988,651</u>		<u>1,917,973,986</u>

SIGNIFICANT ACCOUNTING  
POLICIES AND OTHER NOTES  
ON FINANCIAL STATEMENTS 29

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants  
Ketan Chhawchharia  
Partner

Sunil Bajaj  
Executive Director  
Manish Sharma  
Chief Financial Officer

Rohit Bajaj  
Managing Director

Firm Registration No. 305123E  
Membership No. 63422

Jagdish Shirke  
Company Secretary

K.K. Kela  
Deepak Batra  
Directors

Rajiv Ranka  
Vinod Kumar Bajaj  
Alok Goenka  
Directors

Date : 29th May, 2014

Place : Nagpur



## BAJAJ STEEL INDUSTRIES LIMITED

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

Particulars	Note No.	2013-2014 ₹	2012-2013 ₹
<b>Income</b>			
Revenue from Operations	19	4,139,771,790	2,853,364,335
Other Income	20	47,255,046	33,653,549
Total (A)		<u>4,187,026,836</u>	<u>2,887,017,884</u>
<b>Expenses</b>			
Cost of materials consumed	21	2,628,712,759	1,933,859,397
Purchases	22	36,993,579	27,223,142
Manufacturing & Processing Charges	23	444,182,679	293,322,741
Changes In Inventories	24	9,733,770	(15,608,436)
Employee benefit expense	25	312,632,361	230,466,966
Finance Costs	26	70,916,187	66,128,559
Depreciation & Amortization expense		88,809,430	59,778,521
Other Expenses	27	423,657,584	243,172,959
Total (B)		<u>4,015,638,349</u>	<u>2,838,343,849</u>
<b>Profit before tax (A-B)</b>		171,388,487	48,674,035
<b>Tax Expenses :</b>	28		
i) Current Tax		65,493,000	16,919,866
ii) Deferred Tax		513,000	(5,861,000)
Total Tax Expense		<u>66,006,000</u>	<u>11,058,866</u>
<b>Profit for the year</b>		<u>105,382,487</u>	<u>37,615,169</u>
Earning Per Share (On Shares of nominal value of ₹10/- each)			
Basic & Diluted		44.84	16.01

The Notes referred above form an integral part of the accounts.

In terms of our report of even date attached herewith

For B. CHHAWCHHARIA & CO.

Chartered Accountants Ketan Chhawchharia Partner Firm Registration No. 305123E Membership No. 63422 Date : 29th May, 2014 Place : Nagpur	Sunil Bajaj Executive Director Manish Sharma Chief Financial Officer Jagdish Shirke Company Secretary	Rohit Bajaj Managing Director Rajiv Ranka Vinod Kumar Bajaj Alok Goenka Directors
------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------



**NOTES TO THE ACCOUNTS**

**AS AT**  
**31.03.2014**  
₹

**AS AT**  
**31.03.2013**  
₹

**1. SHARE CAPITAL**

Authorised :

15,000,000 Equity Shares of ₹ 10 each 150,000,000 150,000,000

Issued, Subscribed and Paid up :

2,350,000 Equity Shares of ₹ 10 each

Fully paid up 23,500,000 23,500,000

23,500,000

23,500,000

Details of shareholders holding more than 5% of

The Equity Shares :-

**As at 31-Mar-14**

**As at 31-Mar-13**

Name of Shareholder

Number

% holding

Number

% holding

Bajaj Exports Pvt. Ltd.

213,800

9.10

213,800

9.10

Vidarbha Tradelinks Pvt. Ltd.

209,000

8.89

209,000

8.89

Smt Gayatri Devi Bajaj

151,400

6.44

151,400

6.44

Sri Lalchand Chandanmal Mutha

128,723

5.48

128,723

5.48

“Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 4/- (P.Y: ₹ 3/-)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

**2. RESERVES & SURPLUS**

**Capital Reserve**

Capital Subsidy 5,286,746 5,286,746

On re-issue of forfeited Equity Shares 3,500 3,500

On Forfeiture of money received against

Share warrants 9,900,000 9,900,000

15,190,246

15,190,246

**Securities Premium Reserve General Reserve** 38,100,000 38,100,000

As per last Account 515,000,000 480,000,000

Add : Amount transferred from surplus in

Profit & Loss Account 100,000,000 35,000,000

615,000,000

515,000,000

**Surplus/(Deficit) in the statement of**

**Profit and Loss**

Balance as per last Account 12,754,815 18,333,332

Profit for the year 105,382,487 37,615,169

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
Less: Appropriations		
Proposed Equity dividend	(9,400,000)	(7,050,000)
Corporate Dividend Tax	(1,597,530)	(1,143,686)
Transfer to General Reserve	(100,000,000)	(35,000,000)
	<u>7,139,772</u>	<u>12,754,815</u>
<b>Foreign Currency Translation Reserve</b>	<u>-</u>	<u>1,023,394</u>
	<u>675,430,018</u>	<u>582,068,455</u>
<b>3. LONG -TERM BORROWINGS:</b>		
<b>SECURED LOANS</b>		
A) Term Loans:		
From Banks:		
AXIS Bank Limited -Term Loan-1(Buyer's credit)	23,416,904	26,060,670
Secured by first charge on entire moveable and immoveable fixed assets of Company's unit situated at plot No- G-108, Butibori, MIDC, present and future, collateral security by way of extention of exclusive charge on entire current assets of Steel Division of Company and personal guarantee of the Managing and Executive Director of the Company.		
Terms of Repayment :Quarterly Installment of ₹ 35.72 Lacs each to be deposited with the Bank as FDR which shall be utilised for repayment at the end of the tenor.		
From Others:		
SICOM Limited	-	24,000,000
Secured by first charge on the entire fixed assets and movable assets, present and future, situated at Plot No. C-108, MIDC, Hingna, Nagpur and floating charge on all other assets of the Company and by personal guarantee of the Managing and Executive Director of the company.		
Terms of Repayment :Quarterly Installments of ₹ 60 Lacs each.		
B) Vehicle Loans from :		
a) ICICI Bank Limited	-	76,803
b) HDFC Bank Limited	872,740	2,008,583
c) Karur Vysya Bank Limited	40,552	1,852,105
d) AXIS Bank Limited	6,209,755	6,142,264
- Secured by hypothecation of vehicles financed by them		
Terms of Repayment :		
₹ 6275903/-under 36 EMI Scheme		
₹ 847144/-under 60 EMI Scheme		



NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>UNSECURED LOANS</b>		
A) From Related parties Terms of Repayment : Repayable after 31.03.2016.	323,801,799	-
B) Fixed Deposits	283,000	283,000
	<u>354,624,750</u>	<u>60,423,425</u>
Less : Current Maturity (Refer Note No. 9)	19,056,106	44,269,929
	<u>335,568,644</u>	<u>16,153,496</u>
<b>4. OTHER LONG TERM LIABILITIES</b>		
Deposits	10,631,681	9,641,681
	<u>10,631,681</u>	<u>9,641,681</u>
<b>5. LONG TERM PROVISIONS</b>		
Provision for Employees Benefits:		
- Gratuity	26,969,218	24,810,808
- Leave Encashment	7,515,257	6,758,597
	<u>34,484,475</u>	<u>31,569,405</u>
<b>6. SHORT-TERM BORROWINGS</b>		
<b>Loan Repayable on Demand</b>		
<b>Secured</b>		
(i) Working Capital Loans from :		
a) State Bank of India	-	65,940,873
Secured by first charge on Stocks and Book debts and second charge on the fixed assets of the company situated at Sausar and Imambada Road, Nagpur and by personal guarantee of the Managing Director, Executive Director, a Director and an Ex-Director and C.E.O. of Superpack Division of the Company.		
b) IDBI Bank Ltd.	72,062,317	-
Secured by first charge on entire current assets (Present and future) of Master Batch unit of Superpack division of the Company, equitable mortgage on the building ,structures and machineries situated at Company's premises at Sausar and charge on Plot No's B12, B12/1, B/13, B13/1, B14, B14/1 at MIDC Industrial Estate, Hingna, Nagpur held in the name of a related Company and corporate guarantee of the said related Company and also by personal guarantee of a Director and C.E.O of Superpack Division of the Company.		

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
c) AXIS Bank Limited	207,793,915	104,120,734
Secured by first charge on entire current assets of Steel Division of the Company, present & Future, collateral security by way of extension of exclusive second charge on the entire moveable and immoveable fixed assets, present and future, situated at plot No- G-108, Butibori, MIDC, Nagpur and assets acquired out of term loan-1 installed at C-108,G-6 & G-7 Hingna Nagpur and exclusive second charge on the fixed assets proposed to be acquired out of term loan-2 and by personal guarantee of the Managing and Executive Director of the Company.		
(ii) Overdraft from :		
a) HDFC Bank Limited	4,924,451	5,808,530
b) AXIS Bank Limited	13,015,002	-
c) Karur Vysya Bank Limited	14,834,402	11,250,000
- Secured by pledge of certain Fixed Deposit Receipts		
<b>Unsecured</b>		
From Related parties	-	286,230,017
	312,630,087	473,350,154
<b>7. ADVANCE FROM CUSTOMERS</b>		
Customer Advance	162,079,844	181,002,800
Security Money against debtors	45,525,128	23,237,313
	207,604,972	204,240,113
<b>8. TRADE PAYABLES</b>		
Sundry Creditors	401,391,781	394,033,808
Acceptances	27,572,672	31,239,823
	428,964,453	425,273,631
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (Refer Note No. 3)	19,056,106	44,269,929
Interest accrued but not due on borrowings	423,459	390,304
Unclaimed Dividends	1,828,007	1,694,863
Other liabilities	164,869,218	97,628,269
	186,176,791	143,983,365
<b>10. SHORT-TERM PROVISIONS</b>		
Proposed Dividend	9,400,000	7,050,000
Corporate Dividend Tax	1,597,530	1,143,686
	10,997,530	8,193,686



**NOTES TO THE ACCOUNTS**

**11. FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK			
	AS AT 01.04.2013 ₹	ADDITIONS ₹	DEDUCTIONS ₹	AS AT 31.03.2014 ₹	UPTO 32.03.2013 ₹	FOR THE YEAR ₹	ADJUSTMENTS ₹	UPTO 31.03.2014 ₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>(A) TANGIBLE ASSETS :</b>										
LAND										
- Freehold	1,185,092	-	-	1,185,092	-	-	-	-	1,185,092	1,185,092
- Leasehold	11,202,078	-	-	11,202,078	-	-	-	-	11,202,078	11,202,078
BUILDING	205,800,286	209,021,527	-	414,821,813	96,262,603	24,649,173	6,541,398	120,911,776	293,910,037	109,537,683
PLANT AND MACHINERY	427,857,424	94,794,818	6,723,868	515,928,374	280,047,541	42,719,498	-	316,225,641	199,702,733	147,809,883
OFFICE EQUIPMENTS	51,037,697	10,818,375	-	61,856,072	34,254,719	6,219,266	-	40,473,985	21,382,087	16,782,978
FURNITURE AND FIXTURES	21,710,652	368,791	-	22,079,443	12,588,208	1,628,472	-	14,216,680	7,862,763	9,122,444
VEHICLES	47,765,594	4,327,503	1,770,426	50,322,671	25,685,223	6,189,594	1,491,416	30,383,401	19,939,270	22,080,371
TOTAL (A)	766,558,823	319,331,014	8,494,294	1,077,395,543	448,838,293	81,406,003	8,032,814	522,211,483	555,184,060	317,720,530
<b>(B) INTANGIBLE ASSETS</b>										
TECHNICAL KNOW HOW	38,048,672	-	-	38,048,672	24,466,517	7,379,872	-	31,846,389	6,202,283	13,582,155
GOODWILL ON CONSOLIDATION	-	1,766,712	-	1,766,712	-	-	-	-	1,766,712	-
PATENTS	124,400	32,800	-	157,200	36,545	23,554	-	60,099	97,101	87,855
TOTAL (B)	38,173,072	1,799,512	-	39,972,584	24,503,062	7,403,426	-	31,906,488	8,066,096	13,670,010
<b>(C) CAPITAL WORK IN PROGRESS:</b>										
BUILDING	185,179,131	41,575,847	191,070,052	35,684,926	-	-	-	-	35,684,926	185,179,131
PLANT AND MACHINERY	53,376,924	1,394,269	53,725,723	1,045,470	-	-	-	-	1,045,470	53,376,924
PRE-OPERATIVE EXPENSES	12,483,785	3,922,649	14,139,067	2,267,367	-	-	-	-	2,267,367	12,483,785
TOTAL (C)	251,039,840	46,892,765	258,934,842	38,997,763	-	-	-	-	38,997,763	251,039,840
GRAND TOTAL (A + B + C)	1,055,771,735	368,023,291	267,429,136	1,156,365,890	473,341,355	88,809,429	8,032,814	554,117,971	602,247,919	-
PREVIOUS YEAR FIGURES	929,614,794	131,706,493	5,549,552	1,055,771,735	416,753,695	59,778,521	3,190,861	473,341,355	-	582,430,381

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹		AS AT 31.03.2013 ₹		
<b>12. NON-CURRENT INVESTMENTS</b>					
	<b>Face</b>	<b>No. Of</b>	<b>As At</b>	<b>No. Of</b>	<b>As At</b>
	<b>Value</b>	<b>Shares</b>	<b>31.03.14</b>	<b>Shares</b>	<b>31.03.13</b>
	₹	Nos	₹	Nos	₹
<b>I. In fully paid up Equity Shares of companies</b>					
<b>(i) Quoted:</b>					
Wopolin Plastics Limited	10	85,850	1,788,050	85,850	1,788,050
Less: Provision for diminution					
In value of Investments			<u>1,788,049</u>		<u>1,788,049</u>
			1		1
Ushita Trading & Agencies Ltd	10	90,000	2,117,975	90,000	2,117,975
<b>(ii) Unquoted :</b>					
Associated Biscuits Co.Ltd.	100	3,800	627,000	3,800	627,000
Nagpur Nagrik Sahakari Bank Ltd.	50	1	50	1	50
Shikshak Sahakari Bank Ltd.	25	24	600	24	600
<b>(II) In fully paid up Preference Shares of a company</b>					
<b>Unquoted :</b>					
Associated Biscuits Co.Ltd.					
- 11% Non Cumulative Convertible					
Preference Shares	10	3,800	38,063	3,800	38,063
<b>(III) In Units of Mutual Funds</b>					
<b>Unquoted :</b>					
Kotak Bond-Plan A-Growth	10	-	-	-	10,000,000
Kotak FMP Series-131	10	-	10,000,000	-	-
IIFL-Income Opportunities Fund	10	-	<u>21,500,000</u>	-	<u>10,000,000</u>
			<u>34,283,689</u>		<u>22,783,689</u>
Aggregate amount of Quoted Investments			2,117,976		2,117,976
Aggregate amount of Unquoted Investments			32,165,713		20,665,713
Market Value of Quoted Investments			2,880,000		2,880,000
Repurchase value of units of Mutual Funds			31,473,987		20,061,182
<b>13. DEFERRED TAX ASSETS (NET)</b>					
Deferred Tax Liability on Fiscal allowance					
of fixed assets			5,349,000		4,007,000
Less: Deferred Tax Assets on					
Employees Benefits			11,747,000		10,316,000
Fiscal Allowances on provisions			<u>4,208,000</u>		<u>4,810,000</u>
			<u>10,606,000</u>		<u>11,119,000</u>
<b>14. LONG TERM LOANS AND ADVANCES</b>					
(Unsecured, considered good)					
Deposits			6,524,019		3,226,892
Capital Advances			<u>13,570,392</u>		<u>457,923</u>
			<u>20,094,411</u>		<u>3,684,815</u>


**NOTES TO THE ACCOUNTS**

<b>NOTES TO THE ACCOUNTS</b>	<b>AS AT 31.03.2014 ₹</b>	<b>AS AT 31.03.2013 ₹</b>
<b>15. INVENTORIES</b>		
Stores, spares and fuel	24,284,436	19,657,993
Raw Materials (Includes Stock in Transit ₹ 2408279/-; P.Y.₹ 6243501/-)	355,698,484	269,985,362
Semi-finished Goods	165,306,911	193,313,712
Finished Goods	51,034,993	38,785,075
Traded Goods	26,842,048	20,818,935
	<u>623,166,872</u>	<u>542,561,077</u>
<b>16. TRADE RECEIVABLES</b>		
Due for more than six months		
Considered Good		
- Secured	14,547,183	21,041,430
- Unsecured	115,318,612	62,689,592
Considered Doubtful		
- Unsecured	12,381,366	14,824,100
Others		
Considered good		
- Secured	52,305,813	69,148,979
- Unsecured (*)	257,414,534	241,704,739
	<u>451,967,508</u>	<u>409,408,840</u>
Less: Provision for Doubtful Debts	12,381,366	14,824,100
	<u>439,586,142</u>	<u>394,584,740</u>
<b>17. CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Cash-in-hand	1,294,021	621,952
Cheques in hand	6,230,013	-
Balances with Scheduled Banks :		
In Current Account	61,451,392	43,302,769
In Unclaimed Dividend Account	1,828,007	1,694,863
Other Bank Balances		
In Fixed Deposit Account (*)	238,519,187	183,023,595
	<u>309,322,621</u>	<u>228,643,180</u>
* Pledged	99,988,868	45,200,756
* Maturing after 12 Months	5,600,000	100,799
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Balances with Government Authorities	105,559,808	74,442,847
Advances recoverable in cash or in kind or for value to be received	64,044,592	44,199,201
Taxation advance and refundable (Net of provisions)	17,076,597	13,525,057
	<u>186,680,997</u>	<u>132,167,105</u>
Due from Directors	-	66,287
Due from Private Companies in which directors are Member/Director	125,266	252,256



## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>19. REVENUE FROM OPERATION</b>		
(a) Sale of products		
Finished Goods	4,438,054,477	3,099,919,076
Traded Goods	34,262,494	1,253,233
(b) Sale of Services	23,056,825	16,249,330
(c) Other Operating Revenue		
Scrap Sales	52,820,840	35,919,190
	<u>4,548,194,636</u>	<u>3,153,340,829</u>
(d) Less:- Excise Duty	408,422,846	299,976,494
	<u>4,139,771,790</u>	<u>2,853,364,335</u>
<b>19.1 Details of products sold</b>		
Finished Goods:		
a) DR Gin	722,215,920	420,480,273
b) Bale Press Machine	456,344,374	332,070,461
c) Auto Feeder	187,424,290	109,098,988
D) Automation Parts	605,561,663	478,082,944
e) Master Batches	1,290,892,306	1,128,265,031
f) Others	1,175,615,925	631,921,378
	<u>4,438,054,477</u>	<u>3,099,919,076</u>
Traded Goods:		
Liliput Gins	601,145	216,968
Machine & Spare Parts	33,661,349	1,036,265
	<u>34,262,494</u>	<u>1,253,233</u>
<b>19.2 Detail of sale of services:</b>		
Erection and Commissioning Charges	23,056,825	16,249,330
	<u>23,056,825</u>	<u>16,249,330</u>
<b>20. OTHER INCOME</b>		
Rent	-	22,742
Interest (Includes TDS ₹1,397,813/-; P.Y. ₹1,686,996/-)	17,805,109	21,359,425
Profit on sale of fixed assets (Net)	1,192,344	-
Foreign Exchange Variation	3,000,635	3,071,738
Miscellaneous Income	20,664,335	8,146,259
Provision for Doubtful debts written back	2,442,733	1,053,385
	<u>47,255,046</u>	<u>33,653,549</u>
<b>21. COST OF MATERIALS CONSUMED</b>		
(A) Steel Division		
Iron and Steel	692,994,391	432,819,140
Castings	388,228,296	229,621,324
Ball Bearings	59,042,751	41,506,365
Others	634,574,104	486,502,843
(B) Plastic Division		
Polymers	566,961,439	486,319,533
Mineral Powders	239,742,589	222,587,463
Chemicals	47,169,189	34,502,729
	<u>2,628,712,759</u>	<u>1,933,859,397</u>

**NOTES TO THE ACCOUNTS**

	<b>AS AT</b>		<b>AS AT</b>	
	<b>31.03.2014</b>		<b>31.03.2013</b>	
	₹		₹	
	₹	%	₹	%
Imported	471,410,921	17.93	433,394,225	22.41
Indigeneous	<u>2,157,301,839</u>	<u>82.07</u>	<u>1,500,465,172</u>	<u>77.59</u>
	<u>2,628,712,760</u>	<u>100.00</u>	<u>1,933,859,397</u>	<u>100.00</u>
<b>22. PURCHASES</b>				
Liliput Gins		489,250		118,750
Machine & Spare Parts		<u>36,504,329</u>		<u>27,104,392</u>
		<u>36,993,579</u>		<u>27,223,142</u>
<b>23. MANUFACTURING &amp; PROCESSING CHARGES</b>				
Stores and spares consumed (indigenous)	191,707,142		103,530,198	
Power & Fuel	20,434,063		16,557,348	
Job work charges	72,745,429		39,752,748	
Errection and Commissioning Charges	21,829,185		17,360,126	
Processing charges	<u>137,466,860</u>		<u>116,122,321</u>	
	<u>444,182,679</u>		<u>293,322,741</u>	
<b>24. CHANGES IN INVENTORIES</b>				
Opening Stock :				
Finished Goods	38,785,075		54,680,348	
Work-in-progress	193,313,712		182,628,938	
Traded Goods	<u>20,818,935</u>		<u>-</u>	
	<u>252,917,722</u>		<u>237,309,286</u>	
Less: Closing Stock:				
Finished Goods	51,034,993		38,785,075	
Work-in-progress	165,306,911		193,313,712	
Traded Goods	<u>26,842,048</u>		<u>20,818,935</u>	
	<u>243,183,952</u>		<u>252,917,722</u>	
	<u>9,733,770</u>		<u>(15,608,436)</u>	
<b>25. EMPLOYEE BENEFIT EXPENSE</b>				
Salary, Wages, bonus and allowances	287,542,292		211,413,626	
Directors' Remuneration	8,939,675		6,013,567	
Contribution to Provident & Other Funds	10,383,145		9,432,092	
Staff & Labour welfare expenses	<u>5,767,249</u>		<u>3,607,681</u>	
	<u>312,632,361</u>		<u>230,466,966</u>	
<b>26 FINANCE COSTS</b>				
Interest				
- On Term Loan	2,463,060		6,543,363	
- Fixed/Trade Deposits	710,809		753,834	
- Others	65,272,734		58,366,363	
Loan Processing & Other Financial Charges	<u>2,469,584</u>		<u>465,000</u>	
	<u>70,916,187</u>		<u>66,128,559</u>	

## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>27. OTHER EXPENSES</b>		
Rent	15,361,200	9,833,539
Rates and Taxes	9,803,242	2,267,915
Insurance	7,620,149	3,329,888
Discount on sales	14,446,110	10,810,940
Freight & other Expenses (Net)	65,726,055	27,041,578
Travelling and Conveyance	51,348,029	41,730,942
Sales Commission	106,604,852	43,092,272
Repairs and Maintenance :		
To Machineries	3,967,190	4,504,295
To Building	6,445,174	3,920,017
To Others	12,765,182	7,816,006
Directors' sitting Fees	52,000	62,000
Auditors' Remuneration :		
For Statutory Audit	1,250,000	1,000,000
For Tax Audit	250,000	150,000
For Internal Audit	30,000	30,000
For Other Services	417,850	263,100
Irrecoverable Debts and Advances written off	9,258,695	2,185,364
Miscellaneous expenses	115,715,710	80,681,651
Provision for Doubtful Debts	-	3,822,903
Items relating to previous year (Net)	2,589,854	579,544
Loss on sale of Fixed Assets (Net)	-	51,004
	423,657,584	243,172,959
<b>28. TAX EXPENSES</b>		
Current tax		
Income Tax	65,300,000	23,900,000
Wealth Tax	193,000	191,000
Income tax Adjustments	-	(7,171,134)
	65,493,000	16,919,866
Deferred Tax		
Deferred Tax	513,000	(5,861,000)
	66,006,000	11,058,866



## **NOTES TO THE ACCOUNTS**

### **29. NOTES ON ACCOUNTS**

#### **1. Significant Accounting Policies and Other Notes to the Accounts :**

##### **i) Principles Of Consolidation**

The Consolidated Financial Statements include the financial statements of Bajaj Steel Industries Limited and its subsidiary. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS - 21 ' Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:

- i) Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss, consolidated statement of Cash flows and notes to the Consolidated Financial Statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.
- ii) The Consolidated Financial Statements include the financial statements of the Company and its subsidiary.
- iii) The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of Goodwill on Consolidation denotes the accumulated resulting exchange differences on consolidation of the foreign subsidiary.
- iv) Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

##### **ii) Valuation of Fixed Assets :**

- a) Fixed assets are valued at cost less depreciation/amortization.
- b) Capital Work-in-Progress is valued at Cost.

##### **iii) Depreciation and Amortization :**

- a) Depreciation on tangible assets is provided on written down value method in accordance with the provisions of schedule XIV of 1956 except that depreciation on the assets held by the foreign subsidiary is provided as per the foreign laws.
- B) Intangible assets are amortized over the period of useful life of the assets as estimated by the Management.

## BAJAJ STEEL INDUSTRIES LIMITED

### iv) Treatment of Expenditure during construction :

The expenditure including Pre-Operative expenditure, incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

### v) Inventories :

#### Inventories are valued as follows:

Raw Materials, Stores, Spares and Fuel :- Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods :- Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Traded Goods :- At Cost

### vi) Obsolescence and damaged materials :

The inventories are periodically reviewed to ascertain dormant/ obsolescence materials and necessary adjustments are made thereof.

### vii) Investments :

Long Term investments are valued at cost except that provision is made to recognize the permanent diminution in their value. Investments intended to be held for less than one year are classified as current investments and are valued at lower of cost and market value.

### viii) Foreign Exchange Variations :

Closing balances of current assets and current liabilities relating to foreign currency transactions are converted into Rupees at prevailing rates or at the rate of forward cover. Export sales are recorded in rupee amount by applying the exchange rate existing at the time of discounting the bills of exchange with the bankers or at closing rate of exchange.

### ix) Sales and other income :

- i) Sales exclude sales tax/Value Added Tax.
- ii) Revenue recognition is postponed to a later date only when it is not possible to estimate it with reasonable accuracy.
- iii) Other income is accounted on accrual basis except where the receipt of income is uncertain.

### x) Employees Benefits :

- l) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.



- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

**xi) Taxes on Income :**

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**xii) Impairment of assets :**

Impairment loss in the value of assets as specified in Accounting Standard 28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

**xiii) Use of Estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

**2) Contingent liabilities (not provided for) in respect of :- (₹ In Lacs)**

	<u>2013-2014</u>	<u>2012-2013</u>
a) Excise duty	0.43	0.43
b) Customs Duty	136.60	136.60
c) Sales Tax	21.04	35.38
d) Income Tax	301.57	259.49
E) Entry Tax	0.58	2.24

- 3) Estimated amount of contracts to be executed on Capital accounts and not provided for ₹ 517.99 lacs (P.Y. ₹ 15.01 lacs), advance there against ₹ 135.70 lacs (P.Y. ₹ 4.58 lacs).
- 4) According to the accounting system consistently followed by the Company, excise duty payable on finished goods is accounted for at the time of removal of the same for sale. Had the said liability been provided, the same would have resulted in higher value of inventory having no impact on the profit for the year.
- 5) On the basis of physical verification of assets, as specified in Accounting Standard - 28 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2014.
- 6) Certain Balances under Advance from Customers, Trade Payables, Capital Advances, Trade Receivables and Advances Recoverable in cash or in kind or value to be received are subject to Confirmation.

## BAJAJ STEEL INDUSTRIES LIMITED

7) Related parties and transactions with them as specified in the Accounting Standard-18 on "Related Party Disclosures" issued by the ICAI has been identified and given below;

1. Enterprises where Control Exists:

2. Other Related parties with whom the Company had transactions:

(A) Key Management personnel and their relatives :-  
 Sri Rohit Bajaj (Managing Director),  
 Sri Sunil Bajaj (Executive Director),  
 Sri Ashish Bajaj (Chief Executive Officer),  
 Sri Vinod Kr. Bajaj (Director),  
 Sri Manish Sharma (CFO),  
 Sri Jagdish Shirke (Company Secretary)

Relatives :-  
 Sri Hargovind Bajaj, Smt Devika Bajaj,  
 Sri Lav Bajaj, Sri Vedant Bajaj.

(B) Enterprises over which Key Management personnel and their relatives are able to exercise Significant Influence-

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plasticoats Private Limited, Bajaj Global Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Gangalaxmi Agrotech Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Private Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited, Tashi India Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd, Bajaj Superpack Ltd, Bajaj Gintech Pvt. Ltd., Bajaj Plastics Pvt. Ltd., Bajaj Reinforcement LLP and Bajaj Cotgin Pvt.Ltd.

Transactions with related parties:-

(₹ In Lacs)

Nature of Transactions	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		Key Management Personnel and their relatives	
	2013-14	2012-13	2013-14	2012-13
<b>Income</b>				
Rent	-	0.23	-	-
Service Charge	1.36	1.36	-	-
Sales	511.50	189.66	-	-
Commission	0.90	1.16	-	-
<b>Expenses</b>				
Computer Charges	-	0.25	-	-
Furniture Hire Charges	1.80	1.80	-	-
Interest	246.11	207.35	-	-
Jobwork Charges	-	12.44	-	-
Processing Charges	1,374.67	1,161.22	-	-
Purchase	78.15	360.14	-	-
Rent	141.90	88.75	3.36	3.36
Labour Supply Charges	961.20	258.80	-	-



	2013-2014	2012-2013	2013-2014	2012-2013
Vehicle Hire Charges	6.04	9.79	-	-
Legal & Professional Fees	-	0.41	-	-
Electricity & Water Charges	2.78	5.33	-	-
Compensation	-	3.00	-	-
Remuneration	-	-	183.06	120.81
Sitting Fees	-	-	0.10	0.14
<b>Balance at the end of the year</b>				
Debtors	394.76	35.85	-	-
Creditors	341.06	710.54	-	-
Advances (Dr)-	-	-	2.63	-
Loan Taken	2,281.57	1,816.72	-	-
Investments	6.65	6.65	-	-

8) **Segment Revenue, Results and Capital Employed** : Please See Overleaf.

9) (a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. Since the Subsidiary's accounts are not subject to audit, the unaudited financial statements have been consolidated.

(b) The subsidiary (which along with Bajaj Steel Industries Ltd, the parent, constitute the Group) considered in the preparation of these consolidated financial statements is:

Name	Country Of Incorporation	Percentage of voting power as at 31st. March, 2014.
Bajaj Coneagle LLC	USA	100%

10) The "Earning per share (EPS)" has been calculated as specified in Accounting Standard-20 issued by the Institute of Chartered

Accountants of India by dividing the Net Profit after Tax for the year by the number of shares allotted by the Company.

11) The disclosures required under accounting standard-15:Employees Benefit, notified in the company's (Accounting standard) Rules.

**Defined Contribution Plan**

(₹ in lacs)

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

	2013-2014	2012-2013
Employer's Contribution to Provident & Pension Fund	103.83	94.32

**Defined Benefit Plan**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



**BAJAJ STEEL INDUSTRIES LIMITED**

**NOTES TO THE ACCOUNTS**

**8. Segment Revenue, Results and Capital Employed**

Sl. No.	Particulars	Steel Division		Plastic Division		Total of Segments		Unallocated		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Revenue	2,563,233,799	1,767,638,973	1,290,891,420	1,127,364,598	3,854,125,219	2,895,003,571	-	-	3,854,125,219	2,895,003,571
	- Domestic										
	- Export	738,375,463	289,706,077	2,949,000	2,284,730	741,324,463	291,990,807	-	-	741,324,463	291,990,807
	Less: Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
	Total Revenue	3,301,609,262	2,057,345,050	1,293,840,420	1,129,649,328	4,595,449,682	3,186,994,378	-	-	4,595,449,682	3,186,994,378
2	Result										
	Profit before Interest, Tax, Depreciation and Extra-Ordinary Items	252,422,969	113,430,093	78,691,134	61,151,023	331,114,103	174,581,116	-	-	331,114,103	174,581,116
	Depn. And Extra Ordinary Items										
	Less : Depreciation	87,962,770	59,153,272	846,659	625,249	88,809,430	59,778,521	-	-	88,809,430	59,778,522
	Less: Interest Expenses	24,937,251	22,655,262	45,978,936	43,473,298	70,916,187	66,128,560	-	-	70,916,187	66,128,559
	Provision for Taxation										
	- Current Tax										
	- Wealth Tax										
	- Deferred Tax										
	- Tax Adjustments										
	Net Profit	1,688,373,938	1,480,734,345	509,932,116	412,595,585	2,198,306,053	1,893,329,930	337,559,417	288,514,877	2,535,865,471	2,161,844,809
3	Other Information										
	Segment Assets	1,085,199,361	925,881,490	441,859,271	385,524,042	1,527,058,632	1,312,405,532	320,482,820	254,989,820	1,847,541,452	1,567,395,352
	Segment Liabilities	100,092,253	124,818,800	2,268,614	1,338,141	102,360,867	126,156,941	-	-	102,360,867	126,156,941
	Capital Expenditure	87,962,770	59,153,272	846,659	625,249	88,809,430	59,778,521	-	-	88,809,430	59,778,522
	Depreciation										

**NOTES:-**

Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.



	<u>2013-2014</u>		<u>2012-2013</u>	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefit obligation at beginning of the year	248.11	67.59	200.53	54.68
Current Service Cost	28.50	18.39	25.18	10.10
Interest Cost	20.47	5.57	17.48	4.75
Actuarial (gain)/loss	0.36	(7.34)	16.56	6.36
Benefits (paid)	(27.74)	(9.06)	(11.64)	(8.30)
Defined Benefit obligation at year end	269.70	75.15	248.11	67.59
<b>b. Reconciliation of fair value of assets and obligations</b>				
Present value of obligation as at 31st March, 2014	269.70	75.15	248.11	67.59
Amount recognised in Balance Sheet	269.70	75.15	248.11	67.59
<b>c. Expenses recognized during the year</b>				
Current Service Cost	28.50	18.39	25.18	10.10
Past service Cost	-	-	-	-
Interest Cost	20.47	5.57	17.48	4.75
Actuarial (gain) / loss	0.36	(7.34)	16.56	6.36
Net Cost	49.33	16.62	59.22	21.21
<b>d. Actuarial assumptions</b>				
Mortality Table (L.I.C.)	2006-08 (ultimate)	2006-08 (ultimate)	2006-08 (ultimate)	2006-08 (ultimate)
Discount rate (per annum) compounded	9.00% to 9.25%	9.00% to 9.25%	9.25%	9.25%
Rate of escalation in salary (per annum)	7.00% to 7.50%	7.00% to 7.50%	7.00% to 7.50%	7.00% to 7.50%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on Plan Assets is based on actuarial expectations of the average long term rate of return expected on investments of the fund during the estimated terms of the obligations. The above information is certified by the Actuary.

- 12) a) Previous year figures above are indicated in brackets.  
b) Previous year figure have been regrouped/rearranged, wherever found necessary.

In terms of our Report of even date attached herewith

**Signature to notes 1 to 29**

For B. CHHAWCHHARIA & CO.

Chartered Accountants  
Ketan Chhawchharia  
Partner

Sunil Bajaj  
Executive Director  
Manish Sharma  
Chief Financial Officer

Rohit Bajaj  
Managing Director

Firm Registration No. 305123E

Membership No. 63422

Date : 29th May, 2014

Place : Nagpur

Jagdish Shirke  
Company Secretary

K.K. Kela  
Deepak Batra  
Directors

Rajiv Ranka  
Vinod Kumar Bajaj  
Alok Goenka  
Directors

## BAJAJ STEEL INDUSTRIES LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>2013-2014</u>	<u>2012-2013</u>
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	171,388,487	48,674,035
Add: Adjusted for :		
Depreciation	88,809,430	59,778,521
Interest Expenses	70,916,187	66,128,559
	331,114,104	174,581,115
Less: Adjustments for :		
Profit on sale of Fixed Assets	(1,192,344)	51,004
Interest & Dividend Received	(18,873,594)	(21,359,425)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	311,048,166	153,272,694
Adjusted for Changes in Working Capital		
Trade Payables	53,154,177	237,588,554
Trade & Other receivables	(115,924,890)	(128,552,337)
Inventories	(80,605,795)	(39,740,490)
Cash generated from operations	167,671,658	222,568,421
Less: Interest paid	(70,916,187)	(66,128,559)
Direct Taxes paid/adjusted	(66,636,686)	(18,063,552)
Cash flow before extra ordinary items	30,118,785	138,376,310
Extra Ordinary items	-	-
NET CASH FROM OPERATING ACTIVITIES	30,118,785	138,376,310
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	1,653,824	544,778
Purchase of Investments	(11,500,000)	(20,000,000)
Purchase of Fixed Assets	(109,088,449)	(129,943,586)
Foreign Currency Translation Reserve	(1,023,394)	1,023,394
Interest & Dividend received	18,873,594	21,359,425
NET CASH USED IN INVESTING ACTIVITIES	(101,084,425)	(127,015,989)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividend paid	(7,050,000)	(7,050,000)
Proceeds from long term and other borrowings	158,695,081	3,816,224
NET CASH USED IN FINANCING ACTIVITIES	151,645,081	(3,233,776)
NET CHANGES IN CASH AND BANK BALANCES (A+B+C)	80,679,441	8,126,545
CASH AND BANK BALANCES - OPENING BALANCE	228,643,180	220,516,635
CASH AND BANK BALANCES - CLOSING BALANCE	309,322,621	228,643,180

NOTES:01. Proceeds from long term and other borrowings are shown net of repayment.

02. Cash and cash equivalents represent cash and bank balances only.

In terms of our Report of even date attached herewith

#### Signature to notes 1 to 29

For B. CHHAWCHHARIA & CO.			
Chartered Accountants	Sunil Bajaj	Rohit Bajaj	
Ketan Chhawchharia	Executive Director	Managing Director	
Partner	Manish Sharma		
Firm Registration No. 305123E	Chief Financial Officer		Rajiv Ranka
Membership No. 63422		K.K. Kela	Vinod Kumar Bajaj
Date : 29th May, 2014	Jagdish Shirke	Deepak Batra	Alok Goenka
Place : Nagpur	Company Secretary	Directors	Directors



**BAJAJ STEEL INDUSTRIES LIMITED**

(CIN: L27100MH1961PLC011936)

Registered Office Imambada Road, Nagpur - 440 018 (India)

**ATTENDANCE SLIP**

I \_\_\_\_\_ Folio No. \_\_\_\_\_ Record my presence at the Fifty Third General Meeting held on Monday, the 29th September, 2014 at 4.00 P.M. At VIA Hall, Udyog Bhavan, Opp. Sales Tax office, Civil Lines, Nagpur- 440 001.

Signature (s) of the Shareholder

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**BAJAJ STEEL INDUSTRIES LIMITED**

(CIN: L27100MH1961PLC011936)

Regd. Office: Imambada Road, Nagpur - 440018 (Maharashtra)

**PROXY FORM**

**FORM NO. MGT - 11**

**[ Pursuant to Section 105 (6) of the Companies Act, 2013 and**

**Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member (s) :

Registered Address :

E-mail Id :

Folio/ DP ID- Client ID No. :

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_ or Failing him

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_ or Failing him

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_ E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting / Extraordinary General Meeting of the Company, to be held on the 29th September, 2014 at .VIA Hall, Udyog Bhavan, Civil Lines, Nagpur - 440 0001 and at any adjournment thereof in respect of such resolutions as are indicated below :

## BAJAJ STEEL INDUSTRIES LIMITED

Resolution No.	Resolutions	For	Against
----------------	-------------	-----	---------

### ORDINARY BUSINESS - ORDINARY RESOLUTION :

1.	To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.		
2.	To Declare Dividend @40%(₹ 4/- per share) on the Equity Shares of the Company for the year ended as on 31st March, 2014.		
3.	Re-appointment of M/s B. Chhawchharia & Co, Chartered Accountants as Statutory Auditors of the Company		
4.	To appoint a Director in place of Shri Vinod Kumar Bajaj (DIN : 00519541) who retires by rotation and being eligible, offers himself for re-appointment.		

### SPECIAL BUSINESS - SPECIAL RESOLUTION :

5	Enhancement of borrowing limits of the Company from ₹ 150.00 Crores to ₹ 250.00 Crores		
6.	Creation of charge / mortgage/ hypothecation on the assets and undertakings of the Company.		
7.	Re-appointment of Shri Rohit Bajaj (DIN : 00511745) as a Chairman Cum Managing Director of the Company w.e.f. 01st July, 2014 for a period of 5 years		
8.	Re-appointment of Shri Sunil Bajaj (DIN : 00509786) as an Executive Director of the Company w.e.f. 01st July, 2014 for a period of 5 years.		
9.	Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company		
10.	Appointment of Shri Shalabh Batra as a General Manager (Sales & Marketing - Exports ) of the Company		
11.	Adoption of New Articles of Association of the Company containing Regulations in conformity with the Companies Act, 2013.		
12.	Appointment of Shri Rajiv Ranka (DIN :00392438 ) as an Independent Director of the Company for a period of 5 years.		



13.	Appointment of Shri Alok Goenka (DIN :00789716 ) as an Independent Director of the Company for a period of 5 years.		
14.	Appointment of Shri Mohan Agrawal (DIN : 01028558 ) as an Independent Director of the Company for a period of 5 years.		
15.	Appointment of Shri Kamal Kishore Kela (DIN : 00509008 ) as an Independent Director of the Company for a period of 5 years.		
16.	Appointment of Shri Deepak Batra (DIN : 02979363 ) as an Independent Director of the Company for a period of 5 years.		
17	Appointment of Shri Rajkumar Lohia (DIN : 00203659) as an Independent Director of the Company for a period of 5 years.		

Affix  
1 ₹  
Revenue  
Stamp

**Signed this ..... Day of .....2014**

**Signature of Shareholder .....**

**Signature of Proxy holder (s).....**

**Note:**

1. This form of 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 53rd Annual General Meeting.
3. 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.
4. Please complete all details including details of member(s) in above box before submission.

## BAJAJ STEEL INDUSTRIES LIMITED

### BAJAJ STEEL INDUSTRIES LIMITED

(CIN: L27100MH1961PLC011936)

Regd. Office: Imambada Road, Nagpur - 440018 (Maharashtra)

#### PHYSICAL BALLOT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address of the sole/ first named Member :
2. Name(s) of the Joint Holder(s), if any :
3. Registered Folio No./DP ID No. & Client ID No. :
4. Number of Share(s) held :
5. I/We hereby exercise my/our vote in the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 29th September, 2014, by conveying my/our assent or dissent to the resolutions by placing (✓) mark in the appropriate box below:

Resolution No.	Resolutions	I/We assent to the (For)	I/We dissent to the Resolution (Against)
----------------	-------------	--------------------------	------------------------------------------

#### ORDINARY BUSINESS - ORDINARY RESOLUTION :

1.	To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.		
2.	To Declare Dividend @40% (₹ 4/- per share) on the Equity Shares of the Company for the year ended as on 31st March, 2014.		
3.	Re-appointment of M/s B. Chhawchharia & Co, Chartered Accountants as Statutory Auditors of the Company.		
4.	To appoint a Director in place of Shri Vinod Kumar Bajaj (DIN : 00519541) who retires by rotation and being eligible, offers himself for re-appointment.		

#### SPECIAL BUSINESS - SPECIAL RESOLUTION :

5	Enhancement of borrowing limits of the Company from ₹ 150.00 Crores to ₹ 250.00 Crores.		
6.	Creation of charge / mortgage/ hypothecation on the assets and undertakings of the Company.		



7.	Re-appointment of Shri Rohit Bajaj (DIN : 00511745) as a Chairman Cum Managing Director of the Company w.e.f. 01st July, 2014 for a period of 5 years.		
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10.	Appointment of Shri Shalabh Batra as a General Manager (Sales & Marketing - Exports) of the Company.		
11.	Adoption of New Articles of Association of the Company containing Regulations in conformity with the Companies Act, 2013.		
12.	Appointment of Shri Rajiv Ranka (DIN : 00392438 ) as an Independent Director of the Company for a period of 5 years.		
13.	Appointment of Shri Alok Goenka (DIN : 00789716 ) as an Independent Director of the Company for a period of 5 years.		
14.	Appointment of Shri Mohan Agrawal (DIN : 01028558) as an Independent Director of the Company for a period of 5 years.		
15.	Appointment of Shri Kamal Kishore Kela (DIN : 00509008 ) as an Independent Director of the Company for a period of 5 years.		
16.	Appointment of Shri Deepak Batra (DIN : 02979363 ) as an Independent Director of the Company for a period of 5 years.		
17.	Appointment of Shri Rajkumar Lohia (DIN : 00203659) as an Independent Director of the Company for a period of 5 years.		

Place :

Date :

Signature of the Member or Authorised Representative



## BAJAJ STEEL INDUSTRIES LIMITED

### Notes :

- a. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- b. Last date for receipt of Physical Ballot Form is 24th September, 2014 (5.00PM.).
- c. Please read the instructions printed overleaf carefully exercising your vote.
- d. This form is for the members who do not have access e-voting facilities. All such members shall cast their vote through Physical Ballot Form for the business to be transacted at the 53rd Annual General Meeting of the Company.

### INSTRUCTIONS :

#### **General Instructions**

1. Shareholders have options to vote either through e-voting ie. electronic means or to convey assent / dissent in physical form. If a shareholder has opted for Physical Ballot Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholder cast their vote through Physical Ballot Form shall be ignored.
2. The notice of Annual general Meeting is dispatched / e-mailed to the members whose names appear on the Register of Members as on 30th August, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through Physical Ballot Form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as state below.

#### **Instructions for voting physically on Ballot Form**

1. A member desiring to exercise vote by Physical Ballot should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, M/s. B. Chhawchharia & Co. Chartered Accountants, by post at their own cost to reach the Scrutinizer at the Address C/o Bajaj Steel Industries Limited, Imambada Road, Nagpur - 440 018 (Maharashtra) on or before 24th September, 2014 at 5.00 P.M. All forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company / Depository Participants). In case of Joint holding, this form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and instructional shareholders (Companies, trust, societies, etc.) the completed Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorization, with the specimen signature(s) of the authorization, with the specimen signature(s) duly attested.



4. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (✓) in the appropriate column in the Form. The Assent/ Dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Ballot Form for every Folio / Client id irrespective of the number of joint holders.
7. A member may request for a duplicate Ballot Form, if so required and the same duly completed should reach to Scrutinizer not later than the date specified under instruction No. 1 above.
8. Members are requested not to send any other paper along with the Ballot Form. they are also requested not to write anything in the Ballot form except their assent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizers' decision on the validity of the Ballot Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticket Ballot Form will be rejected.





Notes

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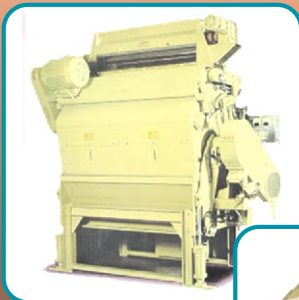
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# BAJAJ STEEL INDUSTRIES LTD.



Bajaj  
CE CLE 176 DELINTER



Bajaj  
CEC LINTER CLEANER  
LC410D



Bajaj  
CEC HULL BEATER



Bajaj  
CEC COTTON SEED CLEANER



Bajaj  
CEC DE CORTICATOR/ SEPARATOR



## BAJAJ STEEL INDUSTRIES LTD.

CIN No. : L27100MH1961PLC011936

Imambada Road, Nagpur-440 018. (MS) India

**Tel** + 91 712 272 0071-80, **Fax** + 91 712 272 3068, 272 8050

**Email** cs@bajajngp.com

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