



KANISHK STEEL INDUSTRIES LIMITED



Twentyfourth Annual Report 2013 - 2014

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KANISHK STEEL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Ravi Kumar Gupta	Chairman & Managing Director
Mr. Vishal Keyal	Whole-time Director
Mr. Kanishk Gupta	Director
Mr. K.S. Venkatagiri	Director
Dr. Pravin Kumar Aggarwal	Director
Dr. K. Selvakumar	Director

COMPANY SECRETARY

Mr. M.K. Madhavan

REGISTERED OFFICE & FACTORY

B27(M) SIPCOT Industrial Complex
Gummidipoondi
Thiruvallur District
Tamilnadu - 601 201

ADMINISTRATIVE OFFICE

Old No. : 4, New No. : 7
Thiru-Vi-Ka 3rd Street
Royapettah High Road,
Mylapore
Chennai - 600 004

Website : www.kanishksteels.in

AUDITORS

M/s. Chaturvedi & Company
Chartered Accountants
Chennai - 600 017

COST AUDITORS

M/s. Vivekanandan & Unni Associates
Cost Accountants
Chennai

BANKERS

State Bank of India
Industrial Financial Branch
155, Anna Salai
Chennai - 600 002

State Bank of Patiala
Whites Road
Chennai - 600 006

Corporation Bank
G.T. Branch
Chennai - 600 001

SHARE TRANSFER AGENT

Cameo Corporate Services Limited
No. 1, Club House Road
Chennai - 600 002

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March 2014.

FINANCIAL HIGHLIGHTS:

The summarized Financial Results for the year ended 31st March, 2014 and for the previous financial year ended 31st March, 2013 are as under: -

(Amount in Rs.)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Sales - Gross	3,207,156,937	4,832,080,125
Profit after Interest & Depreciation	17,994,272	21,049,158
Provision for Tax	5,771,370	10,773,361
Profit after Tax	12,222,902	10,275,797
Add: Taxation Adjustments of Previous Years	-	2,853,190
Add: Balance of Profit brought from previous year	10,275,797	-
Profit available for Appropriation	12,222,902	10,275,797
APPROPRIATIONS		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	12,222,902	10,275,797

OPERATIONS:

During the year, the Company has undergone shrinkage in demand, causing downward trend in turnover. Having effective Cost control measures, the company maintained its Profit level.

The Current year turnover amounts to Rs.3,207,156,937/- as against Rs.4,832,080,125/- recorded in the previous year. The company earned a profit before tax of Rs. 17,994,272/- for the current year as against Rs. 21,049,158/- recorded in the previous year.

DIVIDEND:

During the year, the Board of Directors has not recommended any dividend.



DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i) the applicable accounting standards have been followed in preparation of annual accounts for financial year ended 31st March, 2014 and proper explanations have been furnished relating to material departures;
- ii) the accounting policies have been selected and applied consistently and reasonably and prudent judgments and estimates have been made so as to give a true and fair view of state of affairs of the Company at end of financial year and of profit of the Company for year under review;
- iii) the proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts for financial year ended 31st March 2014 have been prepared on a going concern basis.

DIRECTORS:

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the 24th Annual General Meeting. No director will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election.

AUDITORS REPORT:

The observations made in the Auditors' Report and Notes on accounts are self-explanatory and do not require any further explanations.

AUDITORS:

The term of office of M/s. CHATURVEDI & COMPANY, Chartered Accountants, Chennai as Statutory Auditors of the Company will expire with the conclusion of 24th Annual General Meeting of the Company and the Auditors are eligible for appointment. Section 139 of the Companies Act, 2013 now mandates appointment of auditors for a fixed tenure of five years. It also provides for mandatory rotation of auditors and allows a three year transitory time for its compliance. It is accordingly proposed to appoint the retiring statutory auditors in the manner stated in the Notice for the Annual General Meeting.

COST AUDITORS:

M/s. VIVEKANANDAN & UNNI ASSOCIATES, [Firm Registration No: 00085] for audit of cost records of the Company for the financial year 2014-15 and determined the remuneration at Rs. 60,000/- (Rupees Sixty Thousands only) based on the recommendations of the Audit Committee. It is now placed for the approval of shareholders in accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

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

Particulars with respect to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under section 217 (1) (e) of the companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure I.

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company at the Registered Office of the Company.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, the Report on Corporate Governance, Report on Management Discussion and Analysis, and Report on code of conduct have been included in Annexure-II.

DEMATERIALISATION OF SHARES:

The company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dematerialization of the Company's shares. Members are requested to hold their shares in demat form since it will help for easy trading of shares even though they are informed that holding of shares in demat form is not compulsory but only optional.

PERSONNEL:

Personnel relations with all employees remained cordial & harmonious throughout the year.

ACKNOWLEDGEMENT:

Your Directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company which was instrumental in achieving profitable financial results in a difficult year. Your Directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TNEB, State Bank of India, State Bank of Patiala, Corporation Bank and other commercial Banks, the Customers, Shareholders and other stakeholders for their unstinted support and assistance and look forward to their continuing support and encouragement, in future.

For and on behalf of Board of Directors
of Kanishk Steel Industries Limited,

Date: 28th May, 2014

Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-I

A. CONSERVATION OF ENERGY

- (A) Energy conservation measures taken - NIL
 (B) Additional Investment and proposals if any, being implemented for reduction of consumption of energy - NIL
 (C) Impact of measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production of goods - NIL
 (D) Total Energy Consumption and energy consumption per unit of production as per Form A

Form A

Particulars	Year ended 31.03.2014	Year Ended 31.03.2013
A POWER AND FUEL CONSUMPTION		
1. Electricity		
Purchased Units	6,911,040	6,519,540
Total Amount (Rs.)	55,194,744	47,839,836
Rate per Unit (Rs.)	7.99	7.34
2. Coal		
Quantity (Mt.)	5,293	7,080
Total Amount (Rs.)	28,544,893	36,161,996
Average Rate (Rs. Per Mt.)	5,392.95	5,107.63
B. CONSUMPTION PER UNIT OF PRODUCTION		
Production(in Mt.)	38,865.960	44,717.505
Electricity (Units per Mt.)	177.817	145.794
Coal (Kgs per Mt.)	0.1362	0.158

B. TECHNOLOGY ABSORPTION

- (E) Efforts made in Technology absorption as per Form-B:

Form B

Form of disclosure of particulars with respect to Technology absorption etc.,

- I. Research and Development Nil
 II. Technology Absorption, adaption and innovation Nil

The Technology required for manufacturing products of the Company is indigenous. This indigenous technology is being absorbed for the products of the Company. The Company has not imported any technology and process.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in Rs.)

Particulars	2013-14	2012-13
1. Total Foreign Exchange earned	Nil	
2. Total Foreign Exchange used	977,293,736	930,329,365

For and on behalf of the Board of Directors
 of Kanishk Steel Industries Limited,

Date: 28th May, 2014
 Place: Chennai

RAVI KUMAR GUPTA
 Chairman & Managing Director.

ANNEXURE- II A

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF KANISHK STEEL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Kanishk Steel Industries Limited for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, 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 the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FRN 302137E

Place: Chennai
Date: 28th May, 2014

S GANESAN
Partner
(Membership No: 217119)



ANNEXURE- II B

REPORT ON CORPORATE GOVERNANCE

(For the Financial year 2013-14)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance at Kanishk Steels is based on the principles of equity, fairness, transparency, spirit of law and honest communication. We always believe that the good Corporate Governance through accountability, integrity and professionalism is the way to enhance the value of Shareholders and all other stakeholders which include Suppliers, Customers, Creditors, Bankers, Society and Employees of the Company. We follow the guidelines mandated in the Clause 49 of the Listing Agreement entered into with Stock Exchange from time to time and adopt the principles to suit the changing times and needs of the business, society and the nation.

2. BOARD OF DIRECTORS

I. A. Board Composition:

The Board has been constituted in conformity with Clause 49 of the Listing Agreement entered into with stock exchange. The Board as at 31.03.2014 has three independent directors and three executive directors one of whom is the Chairman & Managing Director as detailed hereunder:

Name of the Directors	Executive / Non Executive Director	Promoter / Independent
Mr. Ravi Kumar Gupta	Chairman and Managing Director; Executive Director	Promoter Director Non-independent
Mr. Vishal Keyal	Whole-time Director; Executive Director	Non-independent
Mr. Kanishk Gupta	Executive Director	Promoter Director Non-independent
Mr. K.S. Venkatagiri	Non-Executive Director	Independent Director
Dr. Pravin Kumar Aggarwal	Non-Executive Director	Independent Director
Dr. K. Selvakumar	Non-Executive Director	Independent Director

As required by the Companies Act, 1956 and Clause 49 of the Listing Agreement, none of the directors hold directorship in more than 20 public companies, nor membership of board committees (audit/remuneration/ investors grievance committees) in excess of 10 and chairmanship of afore-mentioned board committees in excess of 5 as at 31.03.2014.

Name of the Directors	Number of directorships, Committee Memberships and Committee Chairmanship held in other Companies [#]		
	Directorships	Memberships	Chairmanships
Mr. Ravi Kumar Gupta	6	6	1
Mr. Vishal Keyal	2	2	-
Mr. Kanishk Gupta	-	-	-
Mr. K.S. Venkatagiri	-	-	-
Dr. Pravin Kumar Aggarwal	-	-	-
Dr. K. Selvakumar	-	-	-

[#] Only Public Companies

B. Board Meetings:

During the year 2013-14, Five Board meetings were held on 20.05.2013, 30.05.2013, 14.08.2013, 14.11.2013 and 12.02.2014. The Annual General Meeting (AGM) was held on 30.09.2013. The attendance records of all Directors at the meetings are as under:

Name of the Directors	Board Meetings		Last AGM Attendance
	Held	Attended	
Mr. Ravi Kumar Gupta	5	5	Not Present
Mr. Vishal Keyal	5	5	Present
Mr. Kanishk Gupta	5	5	Present
Mr. K.S. Venkatagiri	5	4	Present
Dr. Pravin Kumar Aggarwal	5	4	Present
Dr. K. Selvakumar	5	4	Present

Detailed agenda notes and the information required to be given in terms of business on the agenda were circulated in advance to the Directors and all matters with explanatory notes / reports relating to the respective Committees were circulated sufficiently in advance of their meetings.

II. Committees of the Board

The Board has constituted various committees and the details of which are given below:

A. Audit Committee:

The Audit Committee is vested with roles and powers as mentioned in Para C & D respectively of Clause 49(II) of the Listing Agreement. The Audit Committee reviews the financial performance, accounting policies, major expenditure items, findings of various audits and also financial policies of the company.

The Audit Committee of the Company consists of three Independent Non-Executive Directors and one Non Independent Executive Director.

Attendance of each Member Director, at the Audit Committee Meetings held during the financial year 2013-14, is furnished hereunder:



Four Audit Committee meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 12.02.2014 during the financial year 2013-14 and Attendance of each Member Director is given below:

Director	Independent / Non Independent	Position	Audit Committee Meetings	
			Held	Attended
Mr. K. S. Venkatagiri	Independent Director	Chairman	4	4
Dr. Pravin Kumar Aggarwal	Independent Director	Member	4	4
Mr. Ravi Kumar Gupta	Non Independent Director	Member	4	4
Dr.K.Selvakumar*	Independent Director	Member	-	-

*Reconstituted the Committee on 12.02.2014. Dr.K.Selvakumar was appointed w.e.f on 13.02.2014.

B. Remuneration Committee:

The Company has constituted a Remuneration Committee of the Board. The main objective of the committee is to formulate and review the overall monetary compensation and benefits for managerial personnel and also set criteria for reward vs. performance to determine variable component of compensation.

The members of the committee and their attendance at the Meeting held on 12.02.2014:

Director	Independent / Non Independent	Position	Remuneration Committee Meetings	
			Held	Attended
Mr. K. S. Venkatagiri	Independent Director	Chairman	1	1
Dr. Pravin Kumar Aggarwal	Independent Director	Member	1	1
Dr. K. Selvakumar	Independent Director	Member	1	1

During the year financial year 2013-14 under review, the details of remuneration paid to the Executive Directors:

Director	Remuneration Rs.	Perks	Total Rs.
Mr. Ravi Kumar Gupta	24,00,000	Nil	24,00,000
Mr. Vishal Keyal	9,00,000	Nil	9,00,000
Mr. Kanishk Gupta	7,00,000	Nil	7,00,000

Details of sitting fees paid to Non-Executive Directors for the financial year 2013-14

Except sitting fees, the Company has not paid any remuneration to the Non-Executive Directors. Such details of sitting fees paid are as follows :

Director	Details of Sitting Fees Paid			
	Board Meeting Rs.	Audit Committee Rs.	Remuneration Committee Rs.	Total Sitting Fees Rs.
Mr. K.S. Venkatagiri	12,000	4,000	1,000	17,000
Dr. Pravin Kumar Aggarwal	12,000	4,000	1,000	17,000
Dr. K. Selvakumar	12,000	-	1,000	13,000
Grand Total	36,000	8,000	3,000	47,000

C. Share Transfers cum Share holder's/Investors' Grievance Committee:

The objective of the committee is to look into the Shareholders and investors complaints regarding transfer of shares, non-receipt of balance sheet, non-receipt dividends and other matters pertaining to shareholders and investors and redress the same.

The committee currently consists of the following Directors as members and their attendance at the Meeting held on 06.05.2013, 17.01.2014 and 10.03.2014 :

Director	Independent / Non Independent	Position	Share Transfer cum Share holder's/ Investors' Grievance Committee Meetings	
			Held	Attended
Dr. Pravin Kumar Aggarwal	Non-Executive Director	Chairman	3	3
Mr. Ravi Gupta	Executive Director	Member	3	3
Mr. Vishal Keyal	Executive Director	Member	3	3

Name and designation of compliance officer

Mr. M.K. Madhavan, Company Secretary & Compliance Officer

Number of shareholders' complaints received	Number of complaints not solved to the satisfaction of shareholders	Number of complaints pending as on 31.03.2014
Nil	Nil	Nil

3. DETAILS OF PREVIOUS THREE ANNUAL GENERAL MEETINGS:

The details of about last three Annual General Meetings are given below:

Year	Date	Time	Venue
2010-11	30/09/2011	3.00 P.M.	B27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu – 601 201
2011-12	28/09/2012	3.00 P.M.	B27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu – 601 201
2012-13	30/09/2013	3.00 P.M.	B27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu – 601 201



4. SPECIAL RESOLUTION PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS:

Year	Special resolution
2010-11	No special resolution was passed
2011-12	Amendment of Articles of Association under section 31 of the Companies Act, 1956
2012-13	<ul style="list-style-type: none">Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing DirectorRe-appointment of Mr. Ravi Kumar Gupta as Chairman and Managing Director

5. POSTAL BALLOT:

During the Year, no special resolution was passed through Postal Ballot under section 192A of the Companies Act, 1956.

6. DISCLOSURES:

Related Party Transactions:

There are no materially significant related party transactions, which may have potential conflict with the interest of the company at large.

Statutory Compliance:

The company has complied with the requirements of Stock Exchanges, SEBI, and Statutory Authorities on all matters related to Capital Markets during the last three years. No penalties or strictures have been imposed on the company by these authorities.

Whistle Blower Policy Access of personnel to Audit Committee:

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the company's personnel have access to the chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

Mandatory and Non-mandatory requirements:

The company has complied with the mandatory requirements of the Corporate Governance Clause of the Listing Agreement. The company has not implemented the non-mandatory requirements enlisted by way of Annexure to Clause 49 of the listing agreement except the constitution of Remuneration Committee.

During the financial year 2013-14 there is no audit qualification in the Company's financial statements.

CEO/CFO Certification:

As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, the Managing Director and the Head of Finance Function have furnished necessary certificate to the Board on the financial statements presented.

8. MEANS OF COMMUNICATION

The Quarterly/Half-Yearly/Annual financial results of the Company are published in "Trinity Mirror" - the English Daily and "Makkal Kural" - Tamil Newspaper. The Quarterly/Half-Yearly/Annual financial results and the shareholding pattern are properly reported to Stock Exchange and are available in the Website stock Exchange and the Company's website, www.kanishksteels.in.

Notice of General Meeting including Attendance slip, proxy form and polling paper are sent to all the shareholders by Registered Post or speed post or courier or through e-mail System. Annual Report is sent by Book Post or e-mail system or both at the desire of Shareholders.

Further to the compliance of Clause 54 to the Listing Agreement, all the basic information about the Company is made available in the company's Website at all times at no cost for the benefit of all stakeholders concerned.

9. GENERAL SHAREHOLDER INFORMATION:

Dates of Book closure	: 26 th September, 2014 to 30 th September, 2014 (both days inclusive).
Date, time and venue of Annual General Meeting	: 30 th September, 2014 at 3.00 p.m. at B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Tamilnadu – 601201
Financial Calendar	: Financial Reporting for the quarter ending 30 th Jun 2014 – Latest by 13 th of Aug 2014 30 th Sept 2014 – Latest by 14 th of Nov 2014 31 st Dec 2014 – Latest by 14 th of Feb 2015 31 st Mar 2015 – Latest by 30 th May 2015
Dividend Payment	: NA
Listing on Stock Exchanges	: Bombay Stock Exchange Limited
Depository Participant	: National Securities Depository Limited Central Depository Services Limited
Stock Code	: Mumbai Stock Scrip Code No: 513456
Demat ISIN Number In NSDL	: INE 791E01018
CDSL	: INE 791E01018
Listing on Stock Exchange (overseas)	: Nil

Plant Location:

Rolling & Furnace Mills B-27 (M), B-27 (N) SIPCOT Industrial Complex
Gummudipoondi, Thiruvallur District, Tamilnadu - 601 201.

Stock market price data

High/Low of monthly Market Price of the Company's Equity Shares traded on the Bombay Stock Exchange; Mumbai during the financial year 2013-14 is furnished below:

Month	Open Price (Rs.)	High Price (Rs.)	No. of shares traded
Apr-13	8.02	28.50	86,014
May-13	15.65	15.65	422
Jun-13	9.93	9.93	2,111
Jul-13	8.94	8.94	23,777
Aug-13	5.67	7.59	15,439
Sep-13	7.22	7.22	20,188
Oct-13	5.35	5.50	24,694
Nov-13	4.33	5.79	4,593
Dec-13	5.80	6.33	36,707
Jan-14	4.35	5.09	21,078
Feb-14	4.81	6.97	7,564
Mar-14	6.96	7.70	80,909



Share transfer system

Share transfers are registered and returned to the transferees within the statutory time limit from the Date of receipt, if the documents are in order in all respects.

The share transfer committee has met 3 times during the year.

No. of shares received for transfer upto 31.03.2014 is 900 Shares and shares pending for transfer as on 31.03.2014 is **Nil**.

Registrar and Transfer Agent:

Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002
Ph : 044-28460390 (6 lines). email : cameo@cameoindia.com

Shareholding pattern as on 31st March 2014

	Category	No. of Shares Held	Percentage of Shareholding
A	Shareholding of Promoter & Promoter Group:		
1	Indian		
	- Individuals / Hindu Undivided Family	7850133	27.61
	- Bodies Corporate	8238350	28.97
	Sub Total [A] [1]	16052211	56.58
2	Foreign		
	- Bodies Corporate	2000000	7.03
	- Any other Directors/Relative NRI	2000000	7.03
	Sub Total [A] [2]	4000000	14.06
	Total Shareholding of Promoter & Promoter Group A= [A] [1] +[A] [2]	20088483	70.64
B	Public Shareholding:		
1	Institutions		
2	Non-Institutions		
	a. Bodies Corporate	5271047	18.54
	b. Individuals		
	I. Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh	1312965	4.62
	II. Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh	1233666	4.33
	c. Any Other		
	Clearing Members	38272	0.13
	HUF	368333	1.29
	Non Resident Indians	123308	0.43
	Sub Total [B] [2]	8347591	29.35
	Total Public Shareholding [B] [1]+[B] [2]	8347591	29.36
	TOTAL (A+B)	28436074	100.00
C	Shares held by Custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group	—	—
2	Public	—	—
	Total (A) + (B) + (C)	28436074	100.00

Distribution of shareholding

Nominal value of Share Rs.	Shareholders		Share Amount	
	Number	% of total	Rs.	% of total
10-5000	4778	90.5267	7666120	2.6959
5001-10000	246	4.6608	1951160	0.6861
10001-20000	93	1.7620	1343210	0.4723
20001-30000	29	0.5494	739140	0.2599
30001-40000	19	0.3599	677960	0.2384
40001-50000	16	0.3031	759020	0.2669
50001-100000	27	0.5115	1916430	0.6739
100001 & Above	70	1.3262	269307700	94.7063
Total	5278	100.0000	284360740	100.0000

	No. of Holders	No. of Shares	%
NSDL:	1645	17571071	61.79
CDSL:	628	1850184	6.51
Physical:	3005	9014819	31.70

Demat of shares:

As per the directives of Securities & Exchange Board of India, the equity shares of the company are being traded in electronic form from 18.02.2002. The physical form of trading is also available to the shareholders. Electronic Holding by Members comprises of 68.30 % (as on 31.03.2014) of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Services Limited. The company appointed Cameo Corporate Services Limited as Registrar & Transfer Agent and entered into an agreement for availing depository services.

Request to Shareholders:

The Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 requires the company to keep the Register of Members in Form No.MGT-1. As compared to the existing Register of Members under the old Act, the new Law calls for certain additional information to be recorded. In order that the company is facilitated to comply with same, shareholders are requested to send the following information for updating their records in our Register of Members:

Name of the member, Folio/ DP ID - Client ID, Email address, Permanent Account Number (PAN), CIN (in the case of company), Unique Identification Number, Father's/ Mother's/ Spouse's name, Occupation, Status, Nationality, In case of minor, name of guardian and date of birth of minor, Instructions, if any for sending Notice etc.

Investor query/address for correspondence:

Company Secretary
Kanishk Steel Industries Limited,
Old No: 4 New No: 7, Thiru-Vi-Ka 3rd Street,
Royapettah High Road,
Mylapore, Chennai-600 004
Ph: 044 42919700 Fax: 044 42919719
E-mail: company.secretary@kanishksteels.in

Share holders holding shares in electronic mode should address all their correspondence to:

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai- 600 002
Ph : 044-28460390 (6 lines)
E-mail : cameo@cameoindia.com

For and on behalf of the Board of Directors
of Kanishk Steel Industries Limited,

Date: 28th May, 2014
Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director



ANNEXURE- II C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Steel occupies a prominent place in the manufacturing sector in India and Steel Industry has been growing strongly at the rate of 8% and it is expected to grow over by 11-12% in the next five years. The per capita steel consumption in India is 55 kg which is well below the 215 Kg for world and 460 kg for China. [Source: Ministry of Steel - report of the Working Group on Steel for the 12th Plan].

This shows the significant potential growth to steel industries in India. Steel demand is closely linked to the growth in GDP. Indian GDP was weak during the Year 2013-14 and remained challenging to Steel Companies.

Kanishk Steel is a largest steel manufacturer in south India since 1989 having of its Furnace Unit and Rolling Mill to produce various front-line Rolled Steel products. The products of the Company under the brand of "KANISHK STEELS" continue to deserve for Quality, Price and Delivery in the Indian Steel Market.

Kanishk Steel continued focused improvements in the quality of products during the year 2013-14 and be reviving its market strategy according to the prevailing risks, opportunities and threats and will be stable in the competitive and volatile market.

The factors like continuous rise in crude Oil prices, volatile raw materials prices, regional demand & supply imbalances, INR depreciation against global currencies and political instability on policy reforms have impacted significantly the Indian steel industry and resulted sharp fall in demand ultimately impacted on profit of the Company.

The high cost and short supply of power in India may hamper the steel industry's production level. Cheap import of steels products from neighboring countries may result in the lowering prices and making the market highly competitive.

Steel Demand of steel is expected to rise in future with economic and Industrial growth. Growing infrastructure like roads and highways, railways, aviation, shipping, energy, power or oil & gas will boost the demand for specialized steel and the Company's growth seems better in the future.

ANNEXURE-II D

CODE OF CONDUCT

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This code is a comprehensive code applicable to all Directors, Executives as well as Non-Executives and members of the Senior Management.

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2013-14.

Date: 28th May, 2014
Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director."

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KANISHK STEEL INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Kanishk Steel Industries Limited, 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 of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 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 Statement of Profit and Loss, 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.

We draw attention to

Note No. 29 to the financial statement relating to managerial charged to Statement of profit and loss of the current year. The excess of Rs. 6,00,000 is subject to approval of the Central Government and Shareholders of the company.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of 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 and
 - e) On the basis of the written representations received from the directors as on March 31, 2013, 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 Section 274(1)(g) of the Act.

For CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS
FRN 302137E

PLACE : Chennai
DATE: 28th May, 2014

S.GANESAN
Partner
(Membership No. 217119)

Annexure to Independent Auditors' Report

The Annexure referred to in our report to the members of Kanishk Steel Industries Limited (the Company) for the year ended 31st March 2014, we report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
 - c) The Company has not disposed of substantial part of the Fixed Assets during the year which could affect the going concern status of the Company.
- ii)
 - a) Inventories have been physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between the physical stock and book records which were not material having regard to the size of the company and nature of its business have been properly dealt with in the books of account.

- iii) a) As per the information and explanation given to us and as per the records produced to us, the company has not granted any secured / unsecured loans to company covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii) (b) to (g) not applicable.
- 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 for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal controls system.
- v) a) We are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under the said section;
- b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rule made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, and are of the opinion that, prima facie, the prescribed account and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- ix) a) The Company is 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, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, wherever applicable and no dues are pending for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us and the records of the Company, there were no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except as follows: (also refer Note:No: 28 (iii), Additional Information to the Financial Statements)

Statute Name	Nature of dues	Amount in Rs.	Forum where dispute is pending
Central Excise Law (SCN No. 2268/95 dated 25.07.1995)	Dispute relating to deemed Credit	2,34,094	Commissioner of Central Excise (Appeals) Chennai.
Central Excise Law	Dispute relating to refixation of Annual capacity of erstwhile OP Steels Limited	35,66,000 Plus equal amount of penalty	Hon'ble High Court of Madras.
Central Excise Law (SCN No. 2/06 dt 17.1.2006)	Dispute relating to differential duty on depot sales.	52,38,000	Hon'ble High Court of Madras.
Central Excise Law	Dispute relating to refixation of Annual capacity	9,00,000 Plus equal amount of penalty plus Interest thereon.	Hon'ble High Court of Madras



Statute Name	Nature of dues	Amount in Rs.	Forum where dispute is pending
Central Excise Law	Dispute relating to Central Excise duty	69,06,945 plus equal amount of penalty plus interest thereon + Rs.500000 fine (total demand Rs.19,325,930/- and Rs.1,36,45,721/- paid there-against)	CESTAT, Chennai

- x) The Company has no accumulated losses. The Company has also not incurred cash losses during this financial year and the immediately preceding financial year.
- xi) The company has not defaulted in repayment of loans availed from Banks. The company has no borrowings from financial institution and has not issued debentures.
- xii) 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 chitfund, nidhi, mutual benefit fund or society and therefore the requirements pertaining to such class of companies is not applicable.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. The Investments in shares has been held by the company in its own name.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions the terms and conditions whereof are prejudicial to the interest of the Company.
- xvi) The company did not have any term loan outstanding during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we are of the opinion that there are no funds raised on short-term basis which have been used for long term investment by the Company.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The company has not raised any money by way of public issue during the year.
- xxi) Based on the audit procedures performed and the information and given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FRN 302137E

PLACE : Chennai
DATE: 28th May, 2014

S. GANESAN
Partner
(Membership No. 217119)

KANISHK STEEL INDUSTRIES LIMITED
BALANCE SHEET AS ON 31st MARCH, 2014

PARTICULARS	NOTE No.	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS FUNDS			
a. Share Capital	3	284,656,570	284,656,570
b. Reserves & Surplus	4	137,091,639	126,438,904
2. NON CURRENT LIABILITIES			
a. Long term borrowings	5	310,237	6,262,242
b. Deferred Tax Liabilities (Net)	6	47,597,296	50,867,304
c. Other long term liabilities	7	-	124,157,000
d. Long term provisions	8	4,191,723	3,830,712
3. CURRENT LIABILITIES			
a. Short term borrowings	9	170,229,234	100,710,805
b. Trade Payables		792,342,070	1,129,178,893
c. Other current liabilities	10	18,179,670	51,180,745
d. Short term provisions	11	22,784,961	24,835,294
		1,477,383,400	1,902,118,469
B. ASSETS			
4. NON CURRENT ASSETS		289,011,287	304,748,165
a. Fixed Assets			
i. Tangible Assets	12	194,120,818	210,140,073
ii. Capital Work-in-Progress		-	-
b. Non-current investments	13	52,412,978	23,368,750
c. Long term Loans & Advances	14	42,477,491	71,239,342
5. CURRENT ASSETS			
a. Inventories	15	420,348,877	556,027,586
b. Trade Receivables	16	642,643,746	721,815,568
c. Cash & Cash Equivalents	17	63,423,600	73,485,454
d. Short term Loans & Advances	18	319,850	184,564,078
e. Other Current Assets	19	61,636,040	61,477,618
		1,477,383,400	1,902,118,469

Significant Accounting Policies & Notes on Accounts 2

Additional Information to Financial Statements 28

Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
 CHARTERED ACCOUNTANTS
 FRN 302137E

RAVI KUMAR GUPTA
 Chairman & Managing Director

KANISHK GUPTA
 Director

S GANESAN
 Partner (Memb.No:217119)
 Place: Chennai, Date: 28-05-2014

VISHAL KEYAL
 Whole-time Director

M K MADHAVAN
 Company Secretary



KANISHK STEEL INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	NOTE No.	YEAR ENDED 31.03.2014 (Amount in Rs.)	YEAR ENDED 31.03.2013 (Amount in Rs.)
1. Revenue from Operations	20	3,207,156,937	4,832,080,125
Less: Excise Duty		276,722,202	432,727,307
Revenue from Operations (Net)		2,930,434,735	4,399,352,818
2. Other Income	21	105,419,323	8,696,302
3. Total Revenue		3,035,854,058	4,408,049,120
4. Expenses			
a. Cost of Material Consumed	22	1,196,040,897	1,699,439,220
b. Purchases of traded goods	23	1,303,838,789	2,291,524,161
c. Changes in Inventories of finished goods	24	23,161,597	(67,071,033)
d. Employee benefits expense	25	7,857,683	7,012,277
e. Finance Costs	26	52,498,200	31,923,590
f. Depreciation and Amortisation expenses		23,511,756	23,733,441
g. Other expenses	27	410,950,864	400,438,306
Total Expenses		3,017,859,786	4,386,999,962
5. Profit before tax (3-4)		17,994,272	21,049,158
6. Tax Expense			
1. Current Tax		5,771,370	10,773,361
2. Deferred tax		—	—
7. Profit/ (Loss) for the year (5 - 6)		12,222,902	10,275,797
Earnings Per Share (Basic and Diluted)	32	0.43	0.36

Significant Accounting Policies & Notes on Accounts 2

Additional Information to Financial Statements 28

Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
 CHARTERED ACCOUNTANTS
 FRN 302137E

RAVI KUMAR GUPTA
 Chairman & Managing Director

KANISHK GUPTA
 Director

S GANESAN
 Partner (Memb.No:217119)

VISHAL KEYAL
 Whole-time Director

M K MADHAVAN
 Company Secretary

Place: Chennai, Date: 28-05-2014

KANISHK STEEL INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)		YEAR ENDED 31.03.2013 (Amount in Rs.)	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax And Extraordinary Items		17,994,272		21,049,158
Add:				
Depreciation	23,511,756		23,733,441	
Rent Received	(516,600)		(504,000)	
Loss on Sale of Assets	129,470			
Interest Income	(6,131,248)		(7,838,933)	
Interest Expense	52,498,200	69,491,578	19,946,420	35,336,928
Operating Profit before Working Capital Changes		87,485,850		56,386,086
Adjustments for changes in:				
Trade Receivables	79,171,821		11,669,694	
Inventories	135,678,709		117,158,805	
Short Term Loans & Advances	184,244,228		(231,498,256)	
Other Current Assets	(158,422)		4,405,600	
Trade Payables	(336,836,823)		229,525,316	
Short term borrowings	69,518,428		(101,249,839)	
Other Current Liabilities	(33,001,075)		8,876,616	
Short term provisions	—	98,616,866	(18,230,714)	20,657,222
		186,102,716		77,043,308
Less: Taxes Paid		(7,821,703)		(6,753,484)
Net Cash Flow from operating activities (A)		178,281,013		70,289,824
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(12,717,145)		(50,866,032)	
Sale of Investment	255,000			
Long term loans & advances	28,761,851		58,716,412	
Interest Received	6,131,248		7,838,933	
Rent Received	516,600		504,000	
Long term loan				
(Purchase)/ Sale of Investments	(29,044,228)	(6,096,674)	972,950	17,166,263
Net Cash Flow from Investing activities (B)		172,184,339		87,456,087



PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)		YEAR ENDED 31.03.2013 (Amount in Rs.)	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Bank Loan	—		(68,659,092)	
Deffered tax liability	—			
Repayment of long term borrowings	(5,952,005)			
Decrease of long term Advances	(124,157,000)			
Decrease of long term Prvisions	361,011		419,912	
Interest paid	(52,498,200)		(19,946,420)	
Net Cash Flow from Financing activities (C)		(182,246,193)		(88,185,601)
Net Increase in cash Equivalents (A)+(B)+(C)		(10,061,854)		(729,514)
Cash & Cash Equivalents (Opening Balance)	73,485,454		79,417,732	
Cash transfer to resulting company	—		(5,202,764)	
Cash & Cash Equivalents (Closing Balance)	63,423,600		73,485,454	
Net Increase/(Decrease) in Cash & Cash Equivalents		(10,061,854)		(729,514)

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
CHARTERED ACCOUNTANTS
FRN 302137E

RAVI KUMAR GUPTA
Chairman & Managing Director

KANISHK GUPTA
Director

S GANESAN
Partner (Memb.No:217119)
Place: Chennai, Date: 28-05-2014

VISHAL KEYAL
Whole-time Director

M K MADHAVAN
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

1. CORPORATE INFORMATION

Kanishk Steel Industries Limited (the company) incorporated under the Companies Act, 1956, in the year 1989, is engaged in the manufacture and supply of iron and steel products. The company's shares are listed on the Bombay Stock Exchange Limited and the shares are traded regularly.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under historical cost convention on the accrual method of accounting except as disclosed in the notes and materially comply with the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the Institute of Chartered Accountants of India except to the extent disclosed in the following notes. The accounting policies adopted in preparation of financial statements are consistent with those of previous year except for change in accounting policy initially adopted or a revision to the existing accounting policy that requires a change as against the one hitherto in use.

2.2 Use of Estimates:

The preparation of financial statements requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as of the date of financial statements and the reported amounts of income and expenses during the reporting period. The Company believes that the estimates used in the preparation of the financial statements as prudent and reasonable. Future results could differ from these estimates.

2.3 Revenue Recognition:

Sale is recognized on dispatch of goods. Sale is net of trade discount, includes excise duty and excludes sales tax recovered. Insurance claim is accounted in the year of receipt.

2.4. Depreciation:

Depreciation is provided on straight-line method as per the rates specified under Schedule XIV of the Companies Act, 1956 on pro-rata basis.

2.5 Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties taxes and incidental expenses related to acquisition with due adjustments for Cenvat / VAT credits and as adjusted by revaluation and related expenditure less accumulated depreciation.

Capital work in progress includes cost of Machinery to be installed, construction & erection materials and unallocated preoperative expenses.

2.6 Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that Fixed Asset have suffered an impairment loss. If any such indication exists, the recoverable amount of the



Asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As per the assessment conducted by the company at March 31, 2014, there was no indications that fixed asset have suffered an impairment loss.

2.7 Investments:

Current Investments are carried at lower of cost or fair value. Long-term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS 13 – Accounting for Investments if the decline/diminution is other than temporary.

2.8 Inventories:

Inventories are valued as under:

- a) Raw Materials, Consumables and Stores & Spares are valued at lower of cost and net realizable value. Cost of inventories is generally ascertained on the weighted average basis, which includes expenses incidental to procurement of the same.
- b) By-products are valued at net realizable value.
- c) Finished Goods are valued at lower of cost and net realizable value. Cost for this purpose means full absorption cost basis which includes direct materials, direct labour, excise duty, related depreciation and appropriate production overheads.
- d) Materials-in-Transit are valued at Cost including Freight & Insurance.

2.9 Employee Benefits:

- (a) Defined contribution plan:

Contribution to defined contribution plans are recognized as expense on accrual basis.

- (b) Defined Benefit Plan:

The present value of Gratuity obligation is determined based on actuarial valuation using the projected unit credit method and is recognized as expenses on accrual basis. Actuarial gains / losses arising during the year are recognized in the profit & Loss account.

2.10 Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. In respect of the transactions covered by Forward Exchange Contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as Income or Expense over the life of the Contract. Transactions not covered by forward exchange rates and outstanding at year end are translated at exchange rates prevailing at the year end and the profit/loss so determined and also the realized exchange gain/losses are recognized in the Profit & Loss Account.

2.11 Borrowing Cost:

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets, which are capitalized. During the year under review, there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalized.

2.12 Segment Accounting:

The Company operates in Single Business Segment of 'Manufacturing of Steel and Allied Products'. There is no reportable secondary segment i.e. Geographical Segment. Therefore, the Company is of the view that the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

2.13 Taxes on Income:

- (a) Provision for current tax is made in accordance with the Income Tax Act, 1961.
- (b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years (Also refer Note no 28 (vi). However, Deferred Tax Assets are recognized only if there is a reasonable / virtual certainty of realization thereof.

2.14 Provisions and Contingencies:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated.

"Differences between the actual results and estimates are recognized in the year in which the results are known materialized.



PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
3. SHARE CAPITAL		
I. Authorised Share Capital		
2,98,00,000 Equity Shares of Rs.10/- each (Previous Year 2,98,00,000)	298,000,000	298,000,000
20,000 15% Cumulative Redeemable Preference Shares of Rs.100/- each (Previous Year 20,000)	2,000,000	2,000,000
	300,000,000	300,000,000
II. Issued & Subscribed and fully paid Capital:		
2,84,36,074 Equity shares of Rs.10/- each fully paid-up. (Previous Year 2,84,36,074)		
Opening Balance	284,360,740	284,360,740
Issued during the year	—	—
Cancelled during the year	—	—
Closing Balance	284,360,740	284,360,740
Add: Forfeited Shares	295,830	295,830
	284,656,570	284,656,570

a) Movement of Shares

There is no movement of shares outstanding at the beginning and at the end of the reporting period.

b) Terms/ right attached to equity shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the assets of the company in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the company

Particulars	AS AT 31.03.2014		AS AT 31.03.2013	
	No.of shares	% holding	No.of shares	% holding
Chennai Material Recycling & Trading Private Limited	2489584	8.76	1489584	5.24
Tamilnadu Property Developers Limited	2400000	8.44	2400000	8.44
Tamilnadu Enterprises & Investments Private Limited	2015497	7.09	2015497	7.09
Radiant Solutions Private Limited	2000000	7.03	2000000	7.03
Ameena Bagum	2000000	7.03	2000000	7.03

PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
4. RESERVES & SURPLUS		
I. Capital Reserve		
Opening Balance	8,732,431	8,732,431
Closing Balance	8,732,431	8,732,431
II. Capital Redemption Reserve		
Opening & Closing Balance	300,000	300,000
Closing	300,000	300,000
III. Securities Premium Reserve		
Opening Balance	76,930,450	71,639,025
Add: Deferred tax liability - Reversal	3,270,007	5,291,425
Closing balance	80,200,457	76,930,450
IV. Revaluation Reserve		
Opening Balance	85,644,871	90,485,046
Additions during the year	-	-
Utilisation during the year	(4,840,175)	(4,840,175)
Closing Balance	80,804,696	85,644,871
V. General Reserve		
Opening Balance	(440,902,386)	23,007,619
Additions during the year	-	(463,910,005)
Closing Balance	(440,902,386)	(440,902,386)
VI. Surplus		
Opening Balance	395,733,538	396,566,147
Profit for the year	12,222,902	10,275,797
Adjustments for earlier years taxation	-	2,853,190
Transfers made to the respective resulting companies	-	(13,961,596)
Closing Balance	407,956,440	395,733,538
	137,091,639	126,438,904



PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
5. LONG TERM BORROWINGS Long term maturities of Finance Lease Obligations Hire Purchase Loans (secured against assets purchased under HP Scheme) Less : Amount shown under other current liabilities TOTAL	 7,735,339 7,425,103 310,237	 15,138,730 8,876,488 6,262,242
Terms of Repayment and rate of interest: HP Loan of Rs.1,199,000/- is repayable in 24 monthly instalments of Rs.55,605/- each and it carries an interest @ 10.50% p.a. HP Loan of Rs.1,070,000/- is repayable in 24 monthly instalments of Rs. 49,622/- each and it carries an interest @ 10.50% p.a. HP Loan of Rs.17,450,000/- is repayable in 24 monthly instalments of Rs. 817,400 each and it carries an interest @ 11.67 % p.a. Security : Secured HP Loans from Bank / Financial Institutions are secured by the respective vehicles and machinery.		
6. DEFERRED TAX LIABILITIES (NET) Deferred Tax Liability Fixed Asset: Impact of Difference between tax depreciation and depreciation charged in the financial statement {Refer Note No:28(vi)} Gross Deferred Tax Liability	 47,597,296 47,597,296	 50,867,304 50,867,304
7. OTHER LONG TERM LIABILITIES Deposits from Customers	 – –	 124,157,000 124,157,000
8. LONG TERM PROVISIONS For Employee Benefits	 4,191,723 4,191,723	 3,830,712 3,830,712

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NOTE:12 **FIXED ASSETS** **(Amount in Rs.)**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.04.2013	Additions	Transferred to Demerged Companies	Deletions/ Refund	As on 31.03.2014	As on 01.04.2013	For the Period	On Sales/ Adjustment
							Upto 31.03.2014	As at 31.03.2014
								As at 31.03.2013
LAND FREE HOLD	1,290,258	-	-	-	1,290,258	-	-	1,290,258
LAND LEASE HOLD	745,204	-	-	-	745,204	-	-	745,204
FACTORY BUILDINGS	45,035,876	-	-	-	45,035,876	16,790,467	18,294,665	26,741,211
BUILDINGS	-	-	-	-	-	-	-	-
PLANT & MACHINERY	345,261,917	9,803,602	-	-	355,065,519	205,364,372	227,104,406	127,961,113
ELECTRICAL INSTALLATION	17,179,316	-	-	-	17,179,316	13,013,402	13,829,419	3,349,896
CRANE	35,218,290	-	-	-	35,218,290	12,014,454	13,687,323	21,530,967
FURNITURE & FITTINGS	3,938,216	-	-	-	3,938,216	1,978,590	2,227,879	1,710,337
VEHICLES	20,876,841	2,913,543	-	-	22,912,214	2,156,581	14,028,738	8,883,476
OFFICE EQUIPMENTS	4,483,002	-	-	878,170	4,483,002	2,361,704	2,574,647	1,908,355
TOTAL	474,028,920	12,717,145	-	878,170	485,867,895	263,888,847	291,747,078	194,120,818
PREVIOUS YEAR	1,338,814,316	30,027,041	894,812,438	-	474,028,920	235,315,231	263,888,847	210,140,073
						28,573,616		891,292,947



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PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
17. CASH & CASH EQUIVALENTS		
a) Cash on Hand	1,144,625	1,667,200
b) Cash at Bank		
In Current Account	1,682,979	3,433,659
In Unpaid Dividend Account	638,538	1,200,055
In Deposit Account:		
Deposits with banks within 3-9 months maturity	59,957,458	67,184,540
	63,423,600	73,485,454
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Loans & Advances to related parties	150,000	-
b) Others	169,850	184,564,078
	319,850	184,564,078
19. OTHER CURRENT ASSETS		
a) Balance with Revenue Authorities	28,555,891	61,477,618
b) Cenvat Balances	33,080,149	-
	61,636,040	61,477,618
PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)	YEAR ENDED 31.03.2013 (Amount in Rs.)
20. REVENUE FROM OPERATIONS		
Sale of Manufactured products	1,860,793,199	2,263,809,232
Sale of Traded Products	1,346,363,738	2,567,247,845
Other Operating Revenue:		
Conversion charges received	-	1,023,048
	3,207,156,937	4,832,080,125
21. OTHER INCOME		
Rent Received	516,600	504,000
Sales Commission	-	143,883
Insurance claim received	328,469	209,486
Commitment Charges	32,506,137	-
Liabilities no longer required - written back and Profit on Mark to Market	65,936,869	-
Interest Received	6,131,248	7,838,933
	105,419,323	8,696,302

PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)	YEAR ENDED 31.03.2013 (Amount in Rs.)
22. COST OF MATERIALS CONSUMED		
Opening Stock	392,843,899	344,938,748
Add: Purchases (net of duties)	1,072,608,657	1,747,344,371
Less: Closing Stock	269,411,659	392,843,899
	1,196,040,897	1,699,439,220
(i) Details of Raw Materials consumed		
Scrap	188,087,097	335,140,460
Billets	970,370,061	1,315,703,605
Coal	28,528,583	36,162,050
Sponge Iron	9,055,156	12,433,105
	1,196,040,897	1,699,439,220
(ii) Details of Raw Material Inventory		
Scrap	158,805,174	94,548,045
Billets	108,381,310	297,063,008
Coal	1,445,847	353,347
Sponge Iron	779,327	879,499
	269,411,658	392,843,899
23. DETAILS OF TRADED GOODS PURCHASED		
Scrap	706,166,380	1,032,054,787
Billets	270,248,166	51,954,271
Rolled & Steel and allied Products	327,424,243	1,207,515,103
	1,303,838,789	2,291,524,161
24. CHANGES IN INVENTORIES OF FINISHED GOODS		
Closing Stock of Finished Goods	135,289,231	158,450,828
Opening Stock of Finished Goods	158,450,828	91,379,795
	23,161,597	(67,071,033)
25. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	5,856,079	5,527,807
Contribution to Provident & other funds	1,818,950	1,426,133
Staff and Labour Welfare	182,654	58,337
	7,857,683	7,012,277
26. FINANCE COSTS		
Foreign Exchange Loss	22,896,473	11,977,170
Interest paid to Banks	28,105,172	18,721,188
Interest - Others	1,496,555	1,225,232
	52,498,200	31,923,590



PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)	YEAR ENDED 31.03.2013 (Amount in Rs.)
27. OTHER EXPENSES		
a. Material & Manufacturing expenses		
Stores and Spares consumed	25,522,099	28,620,726
Power and Fuel	189,034,845	181,773,969
Freight Charges	32,866,826	24,578,893
Customs Duty	86,590,091	83,871,973
R.E.P Licence paid and customs duty	98,727,900	55,564,726
Clearing and Forwarding Charges	12,153,224	44,070,490
Conversion charges, Scrap cutting, Testing and weightment	-	1,329,600
b. Repairs & Maintenance		
Machinery Maintenance	3,796,938	3,340,934
Electrical Maintenance	3,145,314	2,448,821
Vehicle Maintenance	190,073	286,687
c. Administrative Expenses		
Advertisement	71,800	104,988
Bank Charges	19,772,782	25,118,331
Directors' Remuneration	4,000,000	4,025,000
Donation	500,000	2,100
Insurance	1,268,756	1,741,070
Listing Fees	182,360	159,008
Demerger expenses	-	3,065,569
Loss on Sale of assets	129,470	-
Loss on Mark to Market - Mutual Fund	-	39,450
Rebate and discount	3,059,305	67,189
Sales Tax Expenses	765,227	95,678
Directors - Sitting Fees	47,000	55,000
Membership and subscription	766,127	116,433
Office Maintenance	45,788	8,000
Payment to Auditors:		
- As Audit Fees	112,360	112,360
- As Certification Fees	75,844	53,934
- As Tax Audit Fees	56,180	56,180
Postage	124,303	143,168
Printing and Stationery	233,985	243,089
Professional & Consultancy	956,732	1,013,151
Rates & Taxes	2,090,321	1,836,974

PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)	YEAR ENDED 31.03.2013 (Amount in Rs.)
Rent & Amenities	166,832	534,832
Service Tax Paid	2,081,963	69,915
Share Transfer Charges	75,842	87,371
Telephone Charges	824,205	919,202
Travelling & Conveyance	340,781	115,530
d) Selling and Distribution Expenses		
Finished Goods Expenses	2,691,940	4,319,635
Sales Promotion Expenditure	1,446,126	-
Carriage Outwards	2,159,677	13,132,408
Sales commission	1,467,939	1,187,895
	410,950,864	400,438,306

28. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

- i) Contingent liability not provided for:
 - (a) Counter Guarantees furnished to the bank Rs. 1,04,37,200/- (Previous year Rs.5,00,000/-)
 - (b) Towards outstanding Letter of Credit Rs. 25,45,74,922/- (Previous year Rs.7,03,41,723/-) on account of import of raw materials.
- ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. Nil (Previous year Rs. Nil pertaining to resulting company) and for others is nil.
- iii) Claims against the company not acknowledged as debt:
 - a) towards the disallowance of deemed Credit to the extent of Rs.2,34,094/- under Rule 57-I of the Central Excise Rules, 1944 read with Section 11-A of Central Excise Act, 1944 made on the erstwhile Avanti Oil and Steel Industries Private Limited, the transferor company. Matter under appeal before the Commissioner of Central Excise (Appeals) Chennai.
 - b) towards the demand of Rs.35,66,000/- plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise on the erstwhile O.P.Steels Limited, the transferor company. Company has filed stay petition. This matter is pending before Hon'ble High Court of Madras.
 - c) towards the demand of differential duty of Rs.52,38,000/- (Rs.87,25,000/- less Rs.34,87,000/- already paid) plus interest and penalty as per the provisions of the Central Excise Act, 1944 as per the show cause notice no:2/06 dated 17-1-2006 issued by the Commissioner of Central Excise, Chennai claiming wrong adoption of assessable value for the excisable goods cleared from factory to depots. Company has won the appeal before the settlement commission. The Central Excise Department has filed an appeal in the Hon'ble High Court of Madras against the order of the settlement commission.
 - d) towards the demand of Rs 9,00,000/- plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise. The department has filed its appeal against this company. This matter is pending before Hon'able High Court of Madras.
 - e) towards the demand of Central Excise duty of Rs.69,06,945/- plus equal amount of penalty plus interest of Rs.50,12,040/- plus fine of Rs.5,00,000/- (total demand Rs.19,325,930/- and Rs.1,36,45,721/- paid there-against) - matter under appeal with CESTAT, Chennai.



iv) Revaluation of Fixed Assets:

Fixed Assets pertaining to Rolling Division of the Company have been revalued on 31.03.2008, corresponding credit given to the Revaluation Reserve as per AS 10. Depreciation to the extent of Rs. 48,40,175/- has been adjusted against revaluation reserve during the current year (Previous Year Rs. 48,40,175/-).

v) Employee Benefits:

Disclosures in terms of AS-15 are under:

a. Defined contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2013-14 is Employers contribution to Provident Fund and ESI Rs.18,18,950/-.

b. Defined Benefit Plan:

As per the explanations given by the management of the company except for Gratuity, there are no other benefit plans for the employees of the company. The present value of Gratuity obligation is determined during this year (2013-2014) based on actuarial valuation using the projected unit credit method. Accordingly provision of Rs. 3,61,011/- has been made in the year 2013-14. (2012-13 is Rs. 4,19,912/-)

(Amount in Rs.)

Particulars	2013-14	2012-13
I Expenses recognized in the statement of Profit and Loss for the year ended	3,61,011	4,19,912
1. Current Service Cost	3,58,975	3,70,845
2. Interest Cost	3,06,457	272,864
3. Expected Return on Plan Assets	—	—
4. Net Actuarial (Gains)/ Losses	(3,04,421)	(2,23,797)
5. Total Expenses	3,61,011	4,19,912
II Net Asset/(Liability) recognized in the Balance sheet as on 31-03-2014		
1. Present value of Defined Benefit Obligation	41,91,723	38,30,712
2. Fair Value of Plan Assets as at 31-03-2014	—	—
3. Funded Status (Surplus/ Deficit)	—	—
4. Net Liability as at 31-03-2014 (No Fund is maintained)	41,91,723	38,30,712
III Change in obligation during the year ended		
1. Present value of Defined Benefit Obligation at the beginning of the year	38,30,712	34,10,800
2. Current Service Cost	3,58,975	370,845
3. Interest Cost	3,06,457	272,864
4. Actuarial (Gains) / Losses	(3,04,421)	(223,797)
5. Benefit Payments	—	—
6. Present value of Defined Benefit Obligation at the end of the year	41,91,723	3,830,712

(Amount in Rs.)

Particulars	2013-14	2012-13
IV Changes in Assets during the year ended		
1. Plan assets at the beginning of the year	—	—
2. Expected return on plan assets	—	—
3. Contributed by Employer	—	—
4. Actual Benefits paid	—	—
5. Actuarial Gains/ (Losses)	—	—
6. Plan assets at the end of the year (No Fund is being maintained)	—	—
V Actuarial Assumptions		
1. Discount Rate	8.25%	8.00%
2. Expected rate of return on plan assets	NA	N.A
3. Mortality	ILAM (2006-2008) Ult.	ILAM (2006-2008) Ult.
4. Attrition rates	10% to 5%	10% to 5%
5. Salary Escalator	7.25	10.00%

vi) Deferred Taxes:

Based on the petition filed by the company on 21.04.2008, the Hon'ble High Court of Madras has allowed the company on 19.08.2008 to utilize the Securities Premium account towards the Deferred Tax Liability computed as per Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

(Amount in Rs.)

Deferred Tax Liability / (Asset) for the year	(32,70,007)
Deferred Tax Liability adjusted against Securities Premium account (As per Directives of Hon'ble High Court Madras)	(32,70,007)
Deferred Tax Asset credited to Profit & Loss Account	Nil

(Deferred Tax Asset of Rs 32,70,007/- is credited to Securities Premium account during the year)

vii) Disclosures of Trade payable under current/ noncurrent liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance Sheet date. Based on the above the relevant disclosure u/s. 22 of the Act are as follows:

(Amount in Rs.)

Principal amount outstanding at the end of the year	—
Interest amount due at the end of the year	—
Interest paid to suppliers	—

viii) Company has circularized/sought confirmation of balance letters to/from sundry debtors & advance parties / sundry creditors. In the absence of negation, the balances appearing in the books are taken as confirmed.



ix) Value of Imported & Indigenous Raw Materials, Spare Parts Components consumed:

	2013-14		2012-13	
	Amount in Rs.	%	Amount in Rs.	%
Imported (net of duties)	12,39,21,880	10	56,17,55,791	38
Indigenous	1,09,76,41,116	90	93,08,05,320	62

x) CIF Value of Imports:

(Amount in Rs.)

	2013-14	2012-13
Raw Materials	82,03,12,929	1,121,478,172
Stores & Spares	—	—
Capital Goods	—	—

xi) Remittance in Foreign Currency towards Dividend - Nil

xii) Earnings in Foreign Currency Rs. Nil (Previous year Rs. Nil)

xiii) Expenditure in Foreign currency

(Amount in Rs.)

	2013-14	2012-2013
Travelling Expenses	2,05,334	—

29. Remuneration of Rs.40,00,000/- paid to the Managing Director / Director and debited to the Statement of Profit and Loss for the financial year 2013-14 includes Rs. 6,00,000/- in excess of the limits specified in Section 309 of the Companies Act, 1956. The excess payment is as a result of lower profits in the wake of adverse market conditions. The Company is in the process of making application to Central Government u/s 309(5B) of the Companies Act, 1956 to waive the recovery of the said excess remuneration. Pending such approval the Managing Director holds the excess remuneration paid in trust for the Company.

30. RELATED PARTY DISCLOSURES:

Enterprises:

OPG Energy Private Limited	OPG Renewable Energy Private Limited
OM Energy Generation Private Limited	Sonal Vyapar Limited
Salem Food Products Limited	Durga Rubber Works
OPG Business Centre Private Ltd	Gita Renewable Energy Ltd
Chennai Ferrous Industries Limited	Sri Sri Rukmani Rolling Mill Private Limited
Indian Corporate Business Centre Limited	Primex Infrastructure Private Limited
Kanishk Metal Recycling Private Limited	

Relationship: Enterprises in which key management personnel are having significant influence.

Key Management Personnel:

Mr. Ravi Kumar Gupta	Chairman & Managing Director
Mr. Vishal Keyal	Whole-time Director
Mr. Kanishk Gupta	Director

Related Party Transactions:

(Amount in Rs.)

Particulars	Key Management Personnel	Companies under Key Management Personnel
Purchase of Goods	-	33,347,643
Sale of Goods	-	232,919,383
Purchase of Power	-	106,805,156
Investments made	-	28,340,525
Receiving Services	-	388,697
Remuneration Paid	4,000,000	-
Services Given	-	-
Advances Given	-	27,900,000
Advances Received	-	Nil

Notes:

- Remuneration to key management personnel is disclosed in the notes attached to and forming part of accounts.
- Sitting Fees to Directors Rs.47,000/-
- Related party relationship is as identified by the company and relied upon by the Auditors.

31. EARNING PER SHARE:**2013-14****2012-13**

- Weighted Average No. of Equity Shares of Rs.10/- each
 - No. of Shares at the beginning of the year 28,436,074 28,436,074
 - No. of Shares at the end of the year 28,436,074 28,436,074

Weighted average number of equity shares outstanding during the year 28,436,074 28,436,074
- Net profit after tax available for equity shareholders (Rs.) 1,22,22,902 1,02,75,797
- Basic and diluted earning per share (Rs.) 0.43 0.36

32. Disclosure of loans and advances as per the requirement of clause 32 of the listing agreement with stock Exchanges in India.

- The company does not have any subsidiary and has not given any loans and advances in the nature of loans to its associates.
- No Interest free loans have been given to its employees.

33. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped and rearranged wherever necessary.

As per the report of even date annexed

For **CHATURVEDI & COMPANY**
 CHARTERED ACCOUNTANTS
 FRN 302137E

RAVI KUMAR GUPTA
 Chairman & Managing Director

KANISHK GUPTA
 Director

S GANESAN
 Partner (Memb.No: 217119)

Place: Chennai
 Date: 28th May, 2014

VISHAL KEYAL
 Whole-time Director

M.K. MADHAVAN
 Company Secretary

KANISHK STEELS

Quality in Every Inch

If undelivered, please return to :

Kanishk Steel Industries Limited

Old No. : 4, New No. : 7, Thiru-Vi-Ka 3rd Street
Royapettah High Road, Mylapore
Chennai - 600 004



KANISHK STEEL INDUSTRIES LIMITED

Registered Office: B-27(M), SIPCOT Industrial Complex, Gummidipoondi,
Thiruvallur District, Tamilnadu - 601 201
CIN: L27109TN1995PLC067863

NOTICE

NOTICE is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Members of the company will be held on Tuesday, the 30th September, 2014, at 3.00 P.M. at the registered office of the Company at B27 (M) SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu-601201 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014 together with the Statement of Profit and Loss for the financial year ended on that date and the Reports of the Directors and Auditors thereon.

2. Appointment of Auditors

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

“**RESOLVED** that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, the company do hereby appoint M/s. Chaturvedi & Company, Chartered Accountants, [Firm Registration No. 302137E] Chennai, the retiring auditors of the company as statutory auditor of the Company to hold office for a period of three years from the conclusion of this 24th Annual General Meeting until the conclusion of the 27th Annual General Meeting and that the Board of Directors of the Company be and is hereby authorized to fix such remuneration on the recommendation of the Audit Committee each year.”

SPECIAL BUSINESS:

Appointment of Independent Directors

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

“**RESOLVED** that pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, read with Schedule IV to the said Act, Mr. K.S.Venkatagiri (DIN: 01979464), a Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from 30th September, 2014 to 31st March, 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act.”

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

“**RESOLVED** that pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment

thereof for the time being in force) and Rules made thereunder, read with Schedule IV to the said Act, Dr.Pravin Kumar Aggarwal (DIN : 01778603), a Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from 30th September, 2014 to 31st March, 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act."

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

"RESOLVED that pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder, read with Schedule IV to the said Act, Dr.K.Selvakumar (DIN : 06371002), a Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term commencing from 30th September, 2014 to the conclusion of 27th Annual General Meeting of the Company."

6. Remuneration to Cost Auditor

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2014-15, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

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

7. Borrowing Powers

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

"RESOLVED that in supersession of the Ordinary Resolution approved at 15th Annual General Meeting of the Company held on 30.09.2005 and pursuant to the provisions of Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.500 Crores (Rupees Five Hundred Crores only)."

"RESOLVED FURTHER that the Board of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."



8. Mortgage of Assets

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

“RESOLVED that in supersession of the Ordinary Resolution approved at 15th Annual General Meeting of the Company held on 30.09.2005 and pursuant to the provisions of Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of Banks / Financial Institutions and / or other Lenders / Investing Agencies / Trustees for Debentures / Bonds to secure borrowings from time to time provided that the aggregate of borrowings so secured shall not exceed Rs.500 crores (Rupees Five Hundred crores only) outstanding at any time exclusive of interest, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of such borrowings.”

“RESOLVED FURTHER that the Board of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

9. Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director

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

“RESOLVED that pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and subject to the approval of the Central Government and subject to such other consents and approvals as may be necessary, the members of the Company hereby ratify and confirm the payment of excess remuneration made to Mr. Ravi Kumar Gupta, Chairman and Managing Director of the Company amounting to Rs.600,000/- per annum, which is over and above the limits prescribed under Schedule XIII of the Companies Act, 1956, for the financial year ended 31st March, 2014, resulting from inadequacy of profits for the said financial year.”

“RESOLVED FURTHER that pursuant to the provisions of Section 309 (5A), (5B) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the members be and is hereby accorded for waiver of recovery of excess remuneration of Rs.600,000/- per annum paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director during the financial year ended 31st March, 2014.”

“RESOLVED FURTHER that Board of Directors of the Company be and is hereby authorized severally to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

10. Reduction in remuneration payable to Mr. Ravi Kumar Gupta, Chairman and Managing Director

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

“RESOLVED that pursuant to the provisions of section 197 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Act and subject to the approval of the Central Government, consent of the members is hereby accorded to reduction in remuneration payable to Mr.Ravi Kumar Gupta, Chairman & Managing Director of the Company, from Rs.200,000/- to Rs.100,000/- per month as provided in the explanatory statement as recommended by Nomination & Remuneration Committee.

“RESOLVED FURTHER that pursuant to the provisions of section 197 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Act and subject to the approval of the Central Government, consent of the members is hereby accorded to payment of minimum remuneration of Rs.100,000/- per month to Mr.Ravi Kumar Gupta, Chairman & Managing Director of the Company, in the event of the Company having no profits or inadequate profits, effective from 01.04.2014 to the periods in which his present term is completed.”

11. Adoption of new set of Articles of Association

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

“RESOLVED that in accordance with provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and Rules made there under, and subject to necessary approval(s) if any, from the competent authorities, the new draft regulations contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

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

By Order of the Board,

Date: 28th May, 2014

Place: Chennai

M.K. MADHAVAN
Company Secretary



Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at this 24th Annual General Meeting is annexed hereto.
2. A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the Company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
4. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for easy identification of attendance at the meeting.
5. The Register of Members of the Company and Share Transfer Books will remain closed from 26th September 2014 to 30th September, 2014 (both days inclusive).
6. Members holding shares in Physical Form are requested to furnish their address, if any change is there, with Registrar & Transfer Agent of the Company, M/s.Cameo Corporate Services Limited, Chennai, quoting their Folio number and numbers of Shares held. Members holding Shares in Electronic Form may communicate their change of Address to their respective Depository Participants.
7. Members are requested to note that in terms of Section 205C of the Companies Act, 1956, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment are required to be transferred to the Central Government to the credit of the Investor Education and Protection Fund ["Fund"]. Thereafter, the members shall have no claim against the Fund of the Company, in respect of their unpaid dividend.

The unpaid/unclaimed for the year 2006-07 will be transferred to the above Fund on or after month of October, 2014. Members are, therefore, requested to lodge their claims for unpaid dividend, if any, immediately with the Company.

8. The members who have not encashed their dividend warrants for any of the previous years are requested to write to the Company for issue of duplicate warrants in their own interest.
9. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the corporate sector. MCA, by its Circular dated April 21, 2011, has now made permissible the service of documents through electronic mode to shareholders. To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through e-mail. For the above purpose, we request you to send an e-mail confirmation to our designated ID **company.secretary@kanishksteels.in** mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication.

On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through e-mail. Copies of the said documents would be available in the Company's website, **www.kanishksteels.in** for your access at no cost for the benefit of all stakeholders concerned.

We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.

10. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. Please read carefully the "Instructions for e-voting Process" given below. Cut-off Date for e-voting is 28th August, 2014. The e-voting period will commence at 10.00 a.m. on 24th September, 2014 and will end at 5.00 p.m. on 26th September, 2014. The Company has appointed Mr. S. Dhanapal, Senior Partner, M/s. S. Dhanapal & Associates, Practicing Company Secretaries, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

11. PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

In case of Members receiving an e-mail from NSDL:

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
 - (a) In case of Members receiving an e-mail from NSDL:
 - i. Open the PDF file 'KSIL e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
 - ii. Launch an internet browser and open <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder - Login.
 - iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
 - v. Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
 - vi. Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
 - vii. Select 'EVEN' of 'Kanishk Steel Industries Limited'.
 - viii. Now you are ready for e-voting as 'Cast Vote' page opens.
 - ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
 - x. Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.



- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at scrutinizer@csdhanapal@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

- i. Initial Password is provided, as follows, at the bottom of the Attendance Slip

EVEN [E-Voting Event Number]	USER ID	Password

- ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 28th August, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the voting period shall commence at 10.00 a.m. on 24th September, 2014 and will end at 5.00 p.m. on 26th September, 2014. The e-voting module shall be disabled by NSDL at 5.00 p.m. on the same day.
- VI. The results shall be declared in accordance with the requirements of the Companies Act, 2013. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company. www.kanishksteels.in and website of NSDL www.evoting.nsdl.com.
9. Disclosure as required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment/ re-appointment at the Twenty Fourth Annual General Meeting is annexed hereto.

Appointment of Directors:

Disclosure required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment/ re-appointment at 24th Annual General Meeting:

Mr. K.S.Venkatagiri

Date of Birth / Age	13.01.1951 (62 years)
Date of appointment	29.12.2005
Expertise in Specific functional areas	He is an advocate by profession and he has good expertise in the areas of taxation, indirect tax, customs, excise, service tax and sales tax. He has experience of over 27 years in the Central Government
Educational Qualifications	LL.B./ M.Sc.-Chemistry/ M.Sc.-Fiscal Studies, UK
Number of Shares held in the Equity Capital of the Company	Nil
Relationship with other Directors	He is not related to any other Directors
Directorship in other Companies	Nil
Committee/executive positions held in Other companies	Nil

Dr. Pravin Kumar Aggarwal

Date of Birth/ Age	06.08.1955 (59 years)
Date of appointment	26.06.2006
Expertise in Specific functional areas	He has been on the Board since June 2006. His Contribution to the company has been invaluable. The Company stands to benefit significantly from his experience.
Educational Qualifications	M.B.B.S., M.D (Internal medicine).
Number of Shares held in the Equity Capital of the Company	Nil
Relationship with other Directors	He is not related to any other Directors
Directorship in other Companies	Nil
Committee/executive positions held in Other companies	Nil



Dr. K.Selvakumar

Date of Birth/ Age	03.07.1953 (61 Years)
Date of appointment	03.09.2012
Expertise in Specific functional areas	Dr.K.Selvakumar is a Doctor by profession. The Company stands to benefit significantly from his experience.
Educational Qualifications	M.B.B.S., M.Ch (Neuro)
Number of Shares held in the Equity Capital of the Company	Nil
Relationship with other Directors	He is not related to any other Directors
Directorship in other Companies	Nil
Committee/executive positions held in Other companies	Nil

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 3 to 5

The present Board of the company comprises a total of six of directors. The directors other than Managing Director, Whole-time Director including a Director in whole time employment of the Company (who hold their tenure for a fixed period) are liable to retire by rotation in accordance with Section 256 of the Companies Act, 1956. The total Board strength includes three independent directors, in compliance of Clause 49 of the Listing Agreement which prescribes that in case the chairman of the Board is an executive director, at least half of the Board should comprise of independent directors.

The details of Directors category are disclosed in the Corporate Governance Report to the shareholders for every year.

With the coming into force of the Companies Act, 2013, your company, being a listed company, shall be required to have at least one-third of the total number of directors as independent directors as per Section 149 (4). Since Clause 49 of the Listing Agreement continues to prescribe a higher ceiling applicable to your company, the total Board strength would remain unchanged with a minimum of 50% representing the category of independent directors.

Section 149(10) of the Companies Act, 2013 now mandates the appointment of independent director for a fixed tenure up to five consecutive years and are eligible for reappointment for one more term of five years on passing of a Special Resolution by the company. For reckoning these ceilings, any tenure of independent director as on 1st April 2014 shall not be counted. Further an independent director who served more than five years or more in the Company is eligible for an another term of five years effective from 01.10.2014 in accordance with SEBI Circular dated 17.04.2014.

In order that our company ensures due compliance with the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, it is intended to pass necessary resolutions at this Annual General Meeting for the appointment of independent directors. All the three existing independent directors of the company qualify for being appointed as independent director at this 24th Annual General Meeting.

With respect to the above, the proposal for appointment of independent directors is placed for the consideration of shareholders as under:

Name of Independent Director	Date of first appointment	Date of last reappointment	Proposed tenure
Mr. K.S.Venkatagiri	29.12.2005	30.09.2013	30.09.2014 to 31.03.2019
Dr. Pravin Kumar Aggarwal	26.06.2006	28.09.2012	
Dr. K.Selvakumar	03.09.2012	28.09.2012	30.09.2014 to Conclusion of 27 th AGM

The company has received Notice under Section 160 of the Companies Act, 2013 from members proposing each of the candidature for being appointed as independent director, together with requisite deposit of Rs.one lac. Details of independent directors proposed for appointment are furnished in point No: 9 to the Explanatory statement pursuant to Clause 49 of the Listing Agreement that forms an integral part of this Notice.

The company has received requisite declaration from the respective independent directors in terms of Section 149(7) that he meets the criteria of independence as provided in Section 149(6) of the Act. It is further confirmed that in the opinion of the Board, each of the independent director proposed to be appointed as Independent director fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management.



The independent directors would be eligible for sitting fee for attending the Board and Committee meetings within the ceiling prescribed by the Act and as determined by the shareholders and the Board.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day. This would also be posted on the company's website.

The Board recommends the Ordinary Resolutions as set out at item no. 3 to 5 for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, is concerned or interested, financially or otherwise, in these Resolutions.

Item No: 6

Your company is engaged in the business of steel manufacturing. The cost records maintained under section 209(1) (d) of the company subjected to an Audit under the Section 233B of the Companies Act, 1956. Cost Auditor for this purpose was appointed with the approval of Central Government.

The Section 148 of the Companies Act, 2013 now mandates for maintenance of cost records and audit thereof. The remuneration for the audit of cost records is determined by the Board of Directors on the recommendations of Audit Committee and shall be ratified by the shareholders at the next General meeting. The approval of Central Government is no longer required under the new law.

The Board of Directors have appointed M/s. VIVEKANANDAN & UNNI ASSOCIATES, Cost Accountants [Firm Registration No: 00085] for audit of cost records of the Company for the financial year 2014-15 and determined the remuneration at Rs. 60,000/- (Rupees Sixty Thousands only) based on the recommendations of the Audit Committee. It is now placed for the approval of shareholders in accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Copies of relevant resolutions of the Audit Committee and Board are available for inspection of the members on any working day of the Company at the registered office of the Company.

The Board recommends the Ordinary Resolution as set out at item no. 6 for approval of the Members.

No Director or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in this resolution.

Item No: 7 & 8

The members of the Company 15th Annual General Meeting of the Company held on 30.09.2005 passed necessary resolutions by way of an Ordinary Resolutions under Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956. The Board of Directors was duly delegated powers for making borrowings and creating security for such borrowings 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 Rs.500 Crores (Rupees Five Hundred Crores).

Further to a Ministry of Corporate Affairs by General Circular No.04/2014 dated 25.03.2014, the resolutions passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings and / or creation of security will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the new act.

Thus it is necessary to revalidate the approvals already granted to the Board of Directors of the Company by passing necessary special resolutions (as set out in the item no:7 & 8) at this AGM under Section 180(1)(c) and 180 (1) (a) of the Companies Act, 2013 which confer the powers to Board of Directors to make borrowings and creating security for such borrowings in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

The Board recommends the Special Resolutions as set out at item no. 7 to 8 for approval of the Members.

No Director or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in these resolutions.

Item No: 9

Post Demerger of Power Division and Sponge Iron Division, the overall revenues and the profit of the Company reduced significantly during the financial years 2012-13 and 2013-14 i.e., the revenues accrued from Steel Business only. Due to the same, the remuneration drawn by the directors exceeded the overall remuneration payable by the company i.e., 10% of the net profits of the Company [Section 309 & 198].

In case of no profit or inadequate profit, a managerial person can be paid with a minimum remuneration as approved by the shareholders in accordance with the Part II & III of Schedule XIII of the Companies Act, 1956. All managerial persons of the Company have prior approval of shareholders in General Meetings and are entitled to their minimum remuneration.

The remuneration paid to Directors except Mr.Ravi Kumar Gupta, Chairman and Managing Director was well within limits prescribed in the Schedule XIII of the Companies Act, 1956 during the financial year 2013-14 in which year the Company's profit was inadequate.

Thus, the Board of Directors of the Company moves an application to the Central Government, seeking an approval for waiver of recovery of excess remuneration of Rs.600,000/- per annum, or Rs.50,000/- per month paid to Mr.Ravi Kumar Gupta during the financial year 2013-14.

Additional information required to be given in accordance with sub-Para (B) of Para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I General Information

1. Nature of industry	Iron & Steel	
2. Date or expected date of commencement of commercial production	N.A	
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A	
4. Financial performance based on given indicators	(Amount in Rs.)	
	2013-14	2012-13
Turnover	2,930,434,735	4,399,352,818
Net profit (as computed under Section 198)	17,994,272	21,049,158
Net profit/(loss) as per profit and loss account	12,222,902	10,275,797
Amount of Dividend paid	N.A.	N.A.
Rate of Dividend declared	NIL	NIL
Earnings before interest, depreciation & taxes	94,004,228	76,706,189
% of EBIDT to turnover	3.21	1.74
5. Export performance and net foreign exchange collaborations	NIL	
6. Foreign investments or collaborators, if any.	NIL	



II Information about the appointee:	
1. Background details	<p>Name : Mr.Ravi Kumar Gupta</p> <p>Designation : Chairman & Managing Director</p> <p>Nationality : Indian</p> <p>Date of Birth : 11.05.1957</p> <p>Qualification : B.Com</p> <p>Experience : 31 years</p>
2. Past remuneration	Rs.200,000/- per month (Gross)
3. Recognition or awards	N.A
4. Job profile and his suitability:	<p>Mr.Ravi Kumar Gupta is the promoter of the Company. Under his management and guidance, the Company continues to progress. He diversified the business into power and Sponge. The Company's management gains from his advice on manufacturing, marketing, finance and capital planning for the growth of the Company. The company enjoys the reputation of his association as Chairman & Managing Director with the Company.</p>
5. Remuneration proposed	Same as the current remuneration of Rs.200,000/- per month.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The current remuneration being paid to the Managing Director is in line with the remuneration being paid by the companies comparable size in the industry in which the company operates.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr.Ravi Kumar Gupta holds 1337267 shares i.e., 4.70 % in the Company. Apart from this, he doesn't have any other pecuniary transactions with the Company except by way of his employment with the Company.
III Other information:	
1. Reasons of loss or inadequate profits:	Consequent to Demerger approved by the High Court, all profits accruing or losses incurred including the effect of taxes relating to the Power Division and Sponge Iron Division has been treated as Profits or Losses as the case may be of the respective Resulting Companies.
2. Steps taken or proposed to be taken for improvement	<p>To reduce the remuneration payable to Mr.Ravi Kumar Gupta from Rs.2,00,000/- to Rs.1,00,000/- per month.</p> <p>To improve the turnover and implement effective cost control measures etc.,</p>
3. Expected increase in productivity and profits	Rs.2,00,00,000/-
IV. Disclosures:	
The remuneration details of Mr. Ravi Kumar Gupta have been disclosed in the report on Corporate Governance in the Annual Report 2013-14.The Company does not have any scheme for grant of stock options.	

The Board of Directors of the Company has confirmed that the Company had not made any default in repayment of any of its debts or interest payable thereon.

The necessary application to the Central Government for waiver of recovery of excess payment of remuneration to Mr. Ravi Kumar Gupta, Chairman & Managing Director of the company is being made.

The Board recommends for the consent of members by way of special resolution as set out in item no:9.

Mr. Ravi Kumar Gupta is concerned/interested in the said Resolution as it relates to payment of remuneration to him. Mr. Kanishk Gupta is a relative of Mr. Ravi Kumar Gupta and thus he is also interested in the said resolution. Directors other than Mr. Ravi Kumar Gupta and Mr. Kanish Gupta or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in this resolution.

Item No: 10

A reduction in remuneration payable to Mr.Ravi Kumar Gupta, Chairman and managing Director from Rs.200,000/- to Rs.100,000/- per month effective from 01.04.2014 to the periods in which his present term is completed, was proposed by the Board of Directors and approved by the Nomination and Remuneration committee Pursuant to Section 197 of the Companies Act, 2013 read with Schedule V to the Act and subject to the approval of Shareholders and the Central Government and the revised remuneration is as under:

I. **Salary** : Rs.100,000 /- per Month.

II. **Perquisites** :

- a. Fully furnished residential accommodation, where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses of furnitures, gas, electricity, water and other utilities shall be borne by the company;
- b. Reimbursement of all medical expenses incurred for self and family;
- c. Leave travel assistance for self and family as per Company norms;
- d. Clubs fees, which will include admission and life membership fees;
- e. Personal Accident Insurance Premium not exceeding Rs. 25,000/- per annum;
- f. Two cars with Drivers for official purpose;
- g. Telephone and Fax facilities at residence;
- h. Travel inland and overseas for self and family not exceeding two times in a year;
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund (singly to put together) of such amount not taxable under the Income Tax Act, 1961.
- j. Gratuity, at the rate not exceeding half a months' salary for each completed year of service

III. Minimum Remuneration:

In the event of the Company having no profits or inadequate profits, the payment of salary, perquisites and other allowances shall be restricted to Rs.100,000/- per month as minimum remuneration.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of the appointment under Section 190 of the Companies Act, 2013.

The Board of Directors recommends for the consent of members by way of special resolution as set out in item no:10. Mr. Ravi Kumar Gupta is concerned/interested in the said Resolution as it relates to payment



of remuneration to him. Mr. Kanishk Gupta is a relative of Mr. Ravi Kumar Gupta and thus he is also interested in the said resolution. Directors other than Mr. Ravi Kumar Gupta and Mr. Kanish Gupta or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in this resolution.

Item No: 11

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act.

With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model AoA for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website and available at the Registered Office of the Company during business hours on any working day for perusal by the shareholders.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders. None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.



KANISHK STEEL INDUSTRIES LIMITED

Registered Office: B-27(M), SIPCOT Industrial Complex, Gummidipoondi,
Thiruvallur District, Tamilnadu - 601 201

CIN:L27109TN1995PLC067863

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING

Date : 30.09.2014 (Tuesday)

Time : 3.00 p.m.

Place : B-27 (M), SIPCOT Industrial Complex, Gummidipoondi,
Thiruvallur District, Tamilnadu - 601 201.

Name & Address
(including Joint Holders, if any) :

Registered Folio No :

DP Id Client ID
(Applicable to investors holding Shares
in demat form) :
Number of Shares held :

I certify that I am a member/ proxy for the member of the Company and hereby record my
presence at the 24th Annual General Meeting of the Company.

(Signature of Member / Proxy)

Note: To be handed over at the entrance of the Meeting hall.

EVOTING PARTICULARS

EVEN [E-Voting Event Number]	USER ID	Password

The e-voting facility will be available during the following period.

Commencement of E-voting	End of E-Voting
24 th September, 2014 (10.00 a.m)	26 th September, 2014 (5.00 p.m)

Note: Please refer the instructions forming part of the notice convening this Annual General Meeting.



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PROXY FORM

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

Name of the Member (s) :

Registered Address

E-mail Id

Folio No/ Client Id

DP ID :

I/We, 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 :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Tuesday, the 30th September, 2014 at 3.00 p.m. at B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu – 601201 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements
2. Appointment of Auditors
3. Appointment of Mr. K.S.Venkatagiri as an Independent Director
4. Appointment of Dr. Pravin Kumar Aggarwal as an Independent Director
5. Appointment of Dr. K.Selvakumar as an Independent Director
6. Remuneration to Cost Auditor
7. Borrowing Powers
8. Mortgage of Assets
9. Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director
10. Reduction in remuneration payable to Mr. Ravi Kumar Gupta, Chairman and Managing Director
11. Adoption of new set of Articles of Association

Signed this day of 2014.

Affix
Revenue
Stamp

Signature of Member

Signature of Proxy holder(s)

Note:

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.



KANISHK STEEL INDUSTRIES LIMITED

Registered Office: B-27(M), SIPCOT Industrial Complex, Gummidipoondi,
Thiruvallur District, Tamilnadu 601 201
CIN:L27109TN1995PLC067863

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]

Date : 30.09.2014 (Tuesday)

Time : 3.00 p.m.

Place : B-27 (M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu - 601 201.

BALLOT PAPER

1. Name of the First Named Shareholder (In block letters)	:
2. Postal address	:
3. Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	:
4. Class of Share	:

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Financial Statements			
2.	Appointment of Auditors			
3.	Appointment of Mr. K.S.Venkatagiri as an Independent Director			
4.	Appointment of Dr. Pravin Kumar Aggarwal as an Independent Director			
5.	Appointment of Dr. K.Selvakumar as an Independent Director			
6.	Remuneration to Cost Auditor			
7.	Borrowing Powers			
8.	Mortgage of Assets			
9.	Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director			
10.	Reduction in remuneration payable to Mr. Ravi Kumar Gupta, Chairman and Managing Director			
11.	Adoption of new set of Articles of Association			


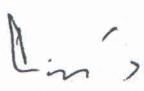

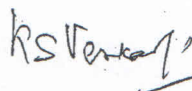


(Signature of Shareholder)

Place :

Date :

Annex:

FORM A
CLAUSE 31 OF THE LISTING AGREEMENT

1.	Name of the company	KANISHK STEEL INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	We draw attention on Note no:29 to the financial statement relating to managerial remuneration charged to Statement of profit and loss of the current year. The excess of Rs.600,000/- is subject to approval of the Central Government and Shareholders of the company.
4.	Frequency of observation	The above mentioned point has appeared for the second time.
<div style="display: flex; justify-content: space-between; align-items: flex-start;"><div style="width: 45%;"><p>RAVI KUMAR GUPTA Chairman & Managing Director/ Chief Financial Officer</p></div><div style="width: 45%; text-align: right;"><p>K.S.VENKATAGIRI Chairman of the Audit Committee</p></div></div> <div style="margin-top: 20px;"><p>For CHATURVEDI & COMPANY, Chartered accountants, (FRN 302137E)</p><div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"><div style="width: 45%;"><p>S GANESAN Partner (Membership No: 217119)</p></div><div style="width: 45%;"></div></div></div>		