



MARMAGOA STEEL LIMITED

Report & Accounts, 2014

IS/ISO 9001





BOARD OF DIRECTORS

Ashok Mittal (Chairman)
R. K. Radhakrishna (Managing Director)
P. J. Bhide
K. V. Ramarathnam
A. K. Sinha
M. K. Garg (Special Director, BIFR)

AUDITORS

M/s N. D. Hegde & Associates
Chartered Accountants
Margao, GOA

BANKERS

Bank of Maharashtra, Margao
Union Bank of India, Panaji

**REGISTRARS &
SHARE TRANSFER AGENTS**

Big Share Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate
Sakivihar Road
Saki Naka
Andheri (E)
Mumbai – 400 072

REGISTERED OFFICE

Plot No. 280, Eclate
Curtorim, Salcete
Goa – 403 709



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NOTICE TO THE MEMBERS

Notice is hereby given that the 26th Annual General Meeting of the Members of Marmagao Steel Ltd. will be held on Monday 29th September, 2014 at 4.30 p.m. at the Registered Office, Survey No. 280, Eclate, Curtorim, Goa to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended March 31, 2014 and Balance Sheet as at that date together with the Reports of the Directors and the Auditors.
2. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable, M/s N. D. Hegde & Associates, Chartered Accountants, Margao, Goa (registration No. 103616W), be appointed as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the 30th Annual General Meeting (AGM) of the Company, subject to ratification by Members every year on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the years ending March 31, 2015 upto March 31, 2018.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Ashok Mittal, who was appointed as an Additional Director of the Company with effect from 23rd July 2014, by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom, the Company has received a notice under Section 160 of the Companies Act 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Purushotham Jagannath Bhide (holding DIN 00012326), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."



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, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ramarathnam Varadarajan Kovathakudi (holding DIN 00097892), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

6. 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anant Kumar Sinha (holding DIN 00066371), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

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

RESOLVED THAT subject to Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the Company be and is hereby accorded for re- appointment of Mr. R. K. Radhakrishna, as the Managing Director, for a period of three years effective from 23rd July, 2014.

RESOLVED FURTHER THAT the remuneration payable to him shall be by way of salary, dearness allowance, perquisites, commission and other allowances in accordance with the above said Section and Schedule, which in any case, shall not exceed five percent of the company’s net profits in any financial year.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. R. K. Radhakrishna shall be governed by Section II of Schedule V of the Companies Act, 2013, or any modification(s) thereto.

RESOLVED FURTHER THAT Mr. R. K. Radhakrishna shall be subject to retirement by rotation during his tenure as Managing Director.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to revise the remuneration (salary, perquisites and bonus) payable to Mr. R. K. Radhakrishna and his



designation during his tenure as a Managing Director of the Company, within the terms mentioned above.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to execute any document or instruction etc. as may be required to give effect to this Resolution.

RESOLVED FURTHER THAT the Draft Agreement, incorporating the terms of appointment and remuneration placed at this meeting and initialed by the chairman thereof for the purposes of identification, be and is hereby approved and Shri P. J. Bhide, Director of the company, be and is hereby authorized to sign the agreement on behalf of the company.

Registered Office:
Survey No. 280
Eclate, Curtorim
Salcette – Goa

By Order of the Board,

Sd/-
R.K.Radhakrishna
Managing Director

Date: 06.09.2014

Notes:

1. The Explanatory Statement pursuant to Section 102 of The Companies Act, 2013, in respect of the business under item no's 3 to 7 above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. This Instrument of proxy in order to be effective must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.
4. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A single member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company, are requested to address their questions in writing to the Managing Director at least seven days before the date of the meeting, so that the information required may be made available at the meeting.
6. The documents referred to in the Notice are open for inspection at the Registered Office of the Company on any Working day during the business hours till the date of Annual General Meeting or any adjournment thereof.
7. Members are requested to:
 - a) Intimate to the Company change in their registered address, if any with pincode.
 - b) Quote Ledger Folio Number in all their correspondence.



- c) Bring along their copy of the Annual Report to the meeting.
8. The Register of Members and the ShareTransfer Books of the Company will remain closed from 25.09.2014 to 29.09.2014 (both days inclusive).

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3

Mr. Ashok Mittal:

Mr. Ashok Mittal, who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective 23rd July, 2014 holds office up to the date of this Annual General Meeting, and is eligible for appointment as Director as provided under Article 129 of the Articles of Association of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mr. Ashok Mittal, for the office of Director.

A brief profile of Mr. Ashok Mittal, as required to be given pursuant to clause 49 (G) of the Listing Agreement, is as under :

Mr. Ashok Mittal, aged 56 years, is a commerce graduate and has been in the steel business for over 35 years. He has vast experience in promoting and operating steel plants and rolling mills. He is also a director in 1. Rukmani Finance Private Limited 2. Amona Power Pvt. Ltd. and 3. Chandor Engineering & Trading Company Pvt. Ltd.

Item No. 4:

Mr. Purushotham Jagannath Bhide:

Mr. Purushotham Jagannath Bhide is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2005.

Mr. Purushotham Jagannath Bhide is the Chairman of the Company's Audit Committee, member of the Nomination and Remuneration Committee, of the Board of Directors of the Company.

Mr. Bhide, aged 80 years, is a Practicing Chartered Accountant and has vast experience in Accounting, Auditing and Taxation. He is a Director in 1. Coorg Tea Company Limited, 2. Greenfield Exports Limited, 3. Unick Fix-A-Form & Printers Limited, 4. Belsund Sugar & Industries Limited, 5. Plenty Valley Intra Limited, 6. Cochin Malabar Estates & Industries Limited, 7. Goa Springs Limited, 8. Western India Mining Services Pvt. Ltd. 9. Grob Tea Company Ltd. 10. Kwaliti Builders & Developers Ltd. 11. Design India Pvt. Ltd. and 12. Shahadev Investments & Finance Pvt. Ltd.

Mr. Purushotham Jagannath Bhide does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Purushotham Jagannath Bhide is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Purushotham Jagannath Bhide being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has



been received from a member proposing Mr. Purushotham Jagannath Bhide as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Purushotham Jagannath Bhide is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Purushotham Jagannath Bhide as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Purushotham Jagannath Bhide as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Purushotham Jagannath Bhide as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Purushotham Jagannath Bhide, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5:

Mr. Ramarathnam Varadharajan Kovathakudi:

Mr. Ramarathnam Varadharajan Kovathakudi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June 2007.

Mr. Ramarathnam Varadharajan Kovathakudi is member of the Company's Audit Committee, Nomination and Remuneration Committee, of the Board of Directors of the Company.

Mr. Ramarathnam, aged 66 years, holds a bachelor's degree in Mechanical Engineering. He has more than 42 years experience in the steel industry. He has headed various steel plants both in India and abroad.

Mr. Ramarathnam Varadharajan Kovathakudi does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Ramarathnam Varadharajan Kovathakudi is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Ramarathnam Varadharajan Kovathakudi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Ramarathnam Varadharajan Kovathakudi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Ramarathnam Varadharajan Kovathakudi is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Ramarathnam Varadharajan Kovathakudi as an Independent Director would be available for inspection without any



fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ramarathnam Varadharajan Kovathakudi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ramarathnam Varadharajan Kovathakudi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ramarathnam Varadharajan Kovathakudi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6:

Mr. Anant Kumar Sinha:

Mr. Anant Kumar Sinha is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2004.

Mr. Anant Kumar Sinha is member of the Company's Audit Committee Nomination and Remuneration Committee, of the Board of Directors of the Company.

Mr. A. K. Sinha, aged 74 years, holds a bachelor's degree in Engineering and has a total of 45 years experience in steel plant management and mining industry. He has 3 decades of experience in managing various SAIL plants across the country.

Mr. Anant Kumar Sinha does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Anant Kumar Sinha is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Anant Kumar Sinha being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Anant Kumar Sinha as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Anant Kumar Sinha is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Anant Kumar Sinha as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anant Kumar Sinha as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anant Kumar Sinha as an Independent Director, for the approval by the shareholders of the Company.



Except Mr. Anant Kumar Sinha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7:

Mr. R. K. Radhakrishna:

Shri R. K. Radhakrishna was appointed as Managing Director of the company for a period of five years w.e.f. 23rd July, 2009.

After the expiry of the five year period, he was reappointed, at the Board Meeting dated 18.07.2014 for three years w.e.f 23rd July, 2014 subject to the consent of the shareholders. The above resolutions and other terms and conditions of appointment require approval of the company in General Meeting pursuant to Sections 196, 197, other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, as amended from time to time read with Schedule V of the Act. The proposed resolutions are well within the prescribed limits laid down under the law.

Copy of the Agreement mentioned in the notice is available for inspection at the Registered Office of the company on any working day during working hours.

Only Shri R.K. Radhakrishna Director of the company is deemed to be concerned or interested in the passing of resolution no. 7.

Shri R. K. Radhakrishna is a metallurgist with a sound techno-economical background having about 38 years of experience in the steel industry. He has held various senior positions in the industry. Your directors recommend the said resolutions for your approval.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

1. General Information:

(1) Nature of Industry

The Company is mainly engaged in the business of manufacture of Special Steel Billets, Rounds, Hexagons and Spring Steel Flats for Automobile and Railway applications.

(2) Date of expected date of commencement of commercial production.

The Company was incorporated on 17th July, 1987 and Commencement of Business Certificate was granted on 10th February, 1989. The Company had commenced its commercial production from 1.02.1993.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable.



(4) *Financial performance based on given indicators.*

(Rs. In lakhs)

	FY 2013-14	FY 2012-13	FY 2011-12
Gross Revenue	382.76	6234.78	17699.43
Profit/(Loss) Before Tax	(3747.15)	(2851.64)	(1239.42)
Profit/(Loss) for the period	(3614.00)	(2748.47)	(1122.58)

The operations of the Company have been suspended since June 2013. While efforts are on to restart the operations at the earliest, the Company is expected to have no profits for FY 2014-15.

(5) *Foreign investments or collaborators, if any.*

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.

II. Information about the appointee:

(1) *Background details*

Shri R. K. Radhakrishna is a metallurgist with a sound techno-economical background having about 38 years of experience in the steel industry. He has held various senior positions in the industry.

(2) *Past remuneration (last two years)*

(Rs. In lakhs)

	Mr. R. K. Radhakrishna	
	FY 2013-14	FY 2012-13
Salary & other allowances	2.24	9.00
P. F. contribution	0.12	0.75
Other perquisites	3.17	3.20

Salary to Mr. R. K. Radhakrishna for the FY 2013-14 pertains to the months of April and May 2013. No salary has been paid nor provision been made from June 2013, since the operations of the plant have been suspended.

(3) *Job Profile and his suitability*

Shri R. K. Radhakrishna is the Managing Director since July 23, 2004. He is responsible for the overall functioning of the Company and for providing leadership in a challenging market environment with innovative strategies and play a pivotal role in charting of the Company's strategy to regain its position in the Industry.

The Board has bestowed the above responsibilities to Mr. Radhakrishna, taking into consideration his varied experience.



(4) *Remuneration proposed*

Salary upto a maximum of Rs.2,50,000/- per month with authority to the Board or a Committee thereof to fix the salary and annual increments, which would be effective April 1, every year, as may be decided by the Board, based on merit and taking into account Company's performance, within the said maximum amount and subject to the provisions of Schedule V.

(5) *Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person.*

The remuneration is commensurate with remuneration of Board level positions in similar sized Companies, taking into consideration the responsibilities shouldered by him.

(6) *Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.*

Besides the remuneration paid/payable, Mr. Radhakrishna does not have any other pecuniary relationship with the Company or with the managerial personnel.

(III) Other Information:

(1) *Reasons of loss or inadequate profits*

Apart from the prolonged slowdown in the economic activity, weak consumer sentiments, subdued infrastructure activity, tight financing environment with high interest rate, weak operating economics for transporters due to lower fleet utilization and stagnant freight rates combined with fuel price increases, the inordinate delay on the part of the Bankers to restructure the accounts and non-implementation of the Hon'ble BIFR recommended concessions by the Govt. of Goa, badly affected the Company's performance culminating in the suspension of operations since June 2013.

(2) *Steps taken or proposed to be taken for re-start/improvement*

The Company has submitted to the Hon'ble BIFR, a comprehensive Modified Draft Rehabilitation Scheme envisaging infusion of funds, restructuring of the various banking facilities, power, sales tax and entry tax concessions from the Govt. of Goa with a view to re-start the operations at the earliest.

(3) *Expected increase in productivity and profits in measurable terms.*

Though the Steel Industry, Automobile in particular, is witnessing a continued slowdown, in anticipation of revival of the overall economy in future, the aforesaid steps taken/to be taken by the Company are expected to improve the Company's performance and profitability.

Registered Office:
Survey No. 280
Eclate, Curtorim
Salcette – Goa

Date: 06.09.2014

By Order of the Board,

Sd/-
R.K.Radhakrishna
Managing Director



DIRECTORS' TWENTY SIXTH ANNUAL REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Sixth Annual Report along with the audited Statements of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

	For the Year ending 31.03.2014 (Rs. in Lakhs)	For the Year ending 31.03.2013 (Rs. in Lakhs)
Gross Sales	383	6235
Interest and Other Income	73	20
(Loss) / Profit before Interest, Depreciation & Extra ordinary Items	(674)	(1625)
Interest	1239	1028
Depreciation	227	243
Prior Period adjustments	1607	(45)
(Loss) / Profit before tax	(3747)	(2851)
Provision for taxation	(133)	(103)
(Loss)/Profit after tax	(3614)	(2748)

OPERATIONS:

The gross sales for the year stand at Rs. 3.83 Crores as against Rs. 62.35 Crores of the previous year. The production was 801 MT and 738 MT of billets and rolled products respectively as compared to 12902 MT and 12078 MT respectively for the year-ended 31.03.2013. The Loss before tax stands at Rs. 37.47 Crores, which includes a sum of Rs.16.07 crores of earlier years, as against a Loss of Rs.28.51 Crores of the previous year.

The Company had approached its Bankers with a proposal for restructuring cum enhancement of the Working Capital facilities dated 18.06.2010. After a lot of follow up, personal visits to the Branch - Regional/Zonal Office - Head Office and submission of details from time to time, Bank of Maharashtra (lead Bank) although finally sanctioned

the restructuring cum enhancement proposal on 12.06.2012, communicated the same to the Company on 02.07.2012. The salient features of the sanction are: (1) Restructuring of the existing irregularities by way of creation of a Working Capital Term Loan (WCTL) of Rs.31.40 crores (in consortium) re-payable over a period of 60 months with a moratorium of 12 months. (2) Release of Letter of Credit (LC) facility of Rs.62 crores (in consortium). (3) Company to infuse Rs.24 crores in 3 phases – Rs.10 crores immediately up on sanction and Rs.7 crores each by December 2012 and March 2013 respectively. (4) Company to provide the required guarantees.

The Company immediately requested Bank of Maharashtra (BOM) being the Lead Bank, to hold a Consortium Meeting and the same was held on 08.07.2012 at the Head Office of BOM in Pune which was attended by the General Managers of both; Bank of Maharashtra as well as Union Bank of India.

Although, Union Bank of India assured that they will sanction their share within a fortnight's time; never sanctioned their share in the Consortium, despite Company infusing Rs.10 crores on 23.07.2012. Upon the infusion of Rs.10 crores, Bank of Maharashtra apart from restructuring their dues by way of creating a WCTL, released only the old LC limits pending sanction of the limits by Union Bank of India. As a result the Company could not get the benefit of the full need based enhanced limits and consequently the capacity utilization gradually decreased month after month.

In spite of several meetings, Union Bank of India did not release their share in the Consortium and hence the Lead Bank also did not implement the full sanction terms, which affected the Capacity utilization and gradually the level reached an all time low of about 10% during 2012-13 culminating in drying up of the cash flows.



Finally, the Company was forced to suspend the operations since June 2013 as the Banks stopped lending Working Capital support consequent on the Accounts being classified as NPA, on account of non servicing of the various contractual obligations, especially the repayment schedule.

After holding a series of meetings with the Union as well as all the Officers, on account of the suspension of operations since June 2013, the employees have been requested not to report for duty, except a few essential employees (with an assurance that no sooner the Company is in a position to restart the operations they would be called to report for duty) and hence no provision has been made for Salaries/wages from June 2013. Similarly, interest on loans from Companies has not been provided for the year under report.

With a view to restart the operations, the Company has approached the Hon'ble BIFR with a Modified Draft Rehabilitation (MDRS). Please refer Note – 28 for further details.

BOARD:

Shri Ashok Mittal was appointed as Chairman of the company for a period of five years w.e.f. 23rd July, 2009. On completion of the five year term, Shri Ashok Mittal has expressed his willingness to continue as a Director. The Board at its meeting held on 18.07.2014 has appointed Shri Ashok Mittal as additional director of the Company w.e.f. 23rd July, 2014. He holds office until the ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Shri Ashok Mittal, for the office of Director. Shri Ashok Mittal is a commerce graduate and has been in the steel business for over 35 years. He has vast experience in promoting and operating steel plants and rolling mills.

Your Directors recommend his appointment.

The Company had, pursuant to the provisions of

clause 49 of the Listing Agreement entered into with Stock Exchange, appointed Mr. P. J. Bhide, Mr K. V. Ramarathnam and Mr. A K Sinha as Independent Directors of the Company. As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Your Directors recommend their appointment.

Shri R. K. Radhakrishna was appointed as Managing Director of the company for a period of five years w.e.f. 23rd July, 2009. The said period of appointment expires on 23.07.2014. The Board at its meeting held on 18.07.2014 has extended the tenure by a further period of 3 years w.e.f. 23rd July, 2014 subject to the approval of the members at the ensuing Annual General Meeting. Shri R. K. Radhakrishna is a metallurgist with a sound techno-economical background having about 38 years of experience in the steel industry. He has held various senior positions in the industry.

Your Directors recommend his appointment.

REHABILITATION SCHEME:

The BIFR Sanctioned Scheme has been fully implemented by all the concerned Agencies. viz. Financial Institutions, Banks and Promoter; except the State Govt. of Goa. Please refer Note – 28 for further details.

AUDITORS:

M/s. Kamath & Rau, Chartered Accountants, Mangalore resigned with effect from 24.06.2014. The Board places on record its appreciation for the services rendered to the Company during their tenure as Auditors.



At the Extra Ordinary General Meeting held on 23.08.2014 M/s. N. D. Hegde & Associates, Chartered Accountants, Margao were appointed as Auditors and are eligible for reappointment.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company continued its emphasis on upgradation of process technology and on energy conservation on a continuous basis. The company has installed facilities for improved quality of production like Vacuum Degassing and Vacuum Oxygen Decarburization, Electro Magnetic Stirrer and Auto Cutters.

The details required pursuant to Section 134 (3) (m) of The Companies Act, 2013 are given in the annexure form 'A' and 'B'.

FOREIGN EXCHANGE EARNING AND OUTGO:

During the year under report, our Company has earned and expended foreign exchange as under:

Foreign exchange earned	- Rs. NIL
Foreign exchange outgo	- Rs. NIL

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by Section 134 (3) (c) of The Companies Act, 2013, the Directors' state as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the

provisions of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

- (iv) that the Directors had prepared the annual accounts on a going concern basis pending sanction of the MDRS by the Hon'ble BIFR;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure on Voluntary Corporate Governance Guidelines:

The Ministry of Corporate Affairs has issued a set of Voluntary guidelines called "Corporate Governance – Voluntary Guidelines 2009" in December, 2009. The guidelines include conditions for composition of board, appointment of directors, scope and role of audit committee, Secretarial Audit Report and Institution of mechanism for whistle blowing. The Company is substantially complying with the recommendations on Audit committee and Internal Auditors and is taking steps towards implementation of other guidelines.

Management Discussion And Analysis

Opportunities and threats:

Opportunities:

The Company's plant, in the West Coast of India, has state-of-the-art facilities with ISO 9001 and 14001 affiliations. The company is well connected by road, rail and sea. The company enjoys the benefits of the lowest power cost in the country, proximity to the sea port and cordial labour relations. The Company manufactures alloy and special steel through the Electric Arc Furnace route to produce Alloy Steel Billets, Flats, and Rounds. The billets



produced are for captive consumption for re-rolling. The main product of the Company is spring steel flats, which is the key component for manufacture of leaf spring used in automobiles.

The Steel industry is presently doing well due to the growth in automobile, construction and infrastructural activities.

Threats:

The company faces competition from other steel mills in the country who can offer the same products at a lower price mainly due to locational advantage.

Risks and Concerns:

Nature of the industry:

The company presently produces Alloy Steel rounds and Steel flats for the automobile industry. This segment has very high competition. The management is considering development of alternate products to improve the company's performance.

Technology:

With technology obsolescence being an inherent risk in any industry, the Company is constantly upgrading and modernizing its manufacturing process. The company has commissioned an Electro Magnetic Stirrer and has commissioned a Vacuum Degassing System / Vacuum Oxygen Decarburization for the melting process for improvement in the quality of the steel billets. The company is now in a position to cater to the stringent requirement of the automobile, defense and Railways sectors.

Financial:

The lack of adequate Working Capital Facilities has had an adverse impact not only on the volume of production but also on the liquidity position of the company's finances.

Outlook:

There is a good demand for the company's product. If adequate Working Capital support is extended

by the Companies Banker's, the management is confident that there will be no fall in demand for its product in the near future.

Internal Control Systems

There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for:

- Ø Purchase of stores and assets, and sales of its products.
- Ø Adequacy of accounting records and
- Ø Authorisation for and record of transactions.

Financial Performance

The current year's financial performance has been discussed in detail in the Directors' Report forming part of this Annual Report.

Industrial Relations

Industrial relations have remained cordial and good.

Cautionary Statement

Statements in this report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning applicable in securities law and regulations. Actual results could differ materially from those expressed or implied.

ACKNOWLEDGEMENT:

The Board of directors wishes to thank the Company's shareholders, employees, customers, suppliers, bankers, and the Government of Goa and its agencies for their continued and unstinted support.

For and on behalf of the
Board

Sd/-

Ashok Mittal
CHAIRMAN

Place: Camp Bangalore

Date: 06.09.2014



ANNEXURE TO THE DIRECTORS' REPORT

Information as required under Section 134 (m) of The Companies Act, 2013
Total Energy Consumption and Energy Consumption per unit of production

FORM – A

A. POWER AND FUEL CONSUMPTION

	For the year Ended 31-3-2014	For the year Ended 31-3-2013
1. Electricity		
Purchased (Kwh in Lakhs)	—	144.96
Total Amount (Rs. In Lakhs)	—	956.79
Rate/Kwh (in Rs.)	—	6.60
2. Furnace Oil		
Quantity (in '000 Litres)	—	863
Total Amount (Rs. In Lakhs)	—	336
Average Rate Per Litre (in Rs.)	—	38.96
3. Others		
a) Compressed Oxygen		
Quantity (Cu.M.)	—	265855
Total Amount (Rs. in Lakhs)	—	35.223
Average Rate/Cu. M. (in Rs.)	—	13.25
b) Dissolved Acetylene		
Quantity (Cu. M.)	—	—
Total Amount (Rs. in Lakhs)	—	—
Average Rate/Cu. M. (in Rs.)	—	—
c) Liquid Oxygen		
Quantity (Cu. M.)	—	14810
Total Amount (Rs. in Lakhs)	—	1.75
Average Rate/Cu. M. (in Rs.)	—	11.82
B. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity – Kwh	—	1123.54
Furnace Oil (Ltrs)	—	71.44
OTHERS		
Compressed Oxygen (Cu. M.)	—	20.61
Dissolved Acetylene (Cu. M.)	—	—
Liquid Oxygen (Cu. M.)	—	1.15



FORM – B

TECHNOLOGY ABSORPTION

a) Research and Development:

The information on Research and Development is given in the Directors' Report under the head "Conservation of Energy and Technology Absorption".

b) Technology Absorption, Adoption and Innovation:

The relevant information is given in the Directors' Report under the head "Conservation of Energy and Technology Absorption".

c) Foreign Exchange Earnings and Outgo:

The information relating to Foreign Exchange Earnings and Outgo is given in the Directors' Report under the head "Foreign Exchange Earnings and Outgo".

For and on behalf of the Board

Sd/-

ASHOK MITTAL

CHAIRMAN

Place : Camp, Bangalore

Date : 06-09-2014



CORPORATE GOVERNANCE REPORT

I. CORPORATE GOVERNANCE PHILOSOPHY:

Corporate Governance is an essential part of the management where the stress is on excellence in manufacture and delivery of the Company's products, which meet the highest quality standards. At Marmagao Steel Limited, emphasis is on continuous improvement in all areas of activities for constantly enhancing value for all the stakeholders of the company and also for employee growth. The affairs of the company will be run in such manner so as to achieve continuous and sustained improvement in all areas of activity which would help realize the company's objective of maximizing value for all stakeholders of the company.

II. BOARD COMPOSITION:

Size:

There are presently Six Directors on the Board viz.:

- | | | | |
|----|------------------------|---|------------------------|
| a. | Mr. Ashok Mittal | - | Chairman |
| b. | Mr. R. K. Radhakrishna | - | Managing Director |
| c. | Mr. A. K. Sinha | - | Director |
| d. | Mr. P. J. Bhide | - | Director |
| e. | Mr. K. V. Ramarathnam | - | Director |
| f. | Mr. M. K. Garg | - | Special Director, BIFR |

Board Meetings:

Four Board meetings were held during the year 2013-14 on:
14.05.2013, 24.06.2013, 01.10.2013 and 25.01.2014.

Managerial Remuneration:

Managerial Remuneration Under section 197 of the Companies Act, 2013 paid to

(i) The Chairman – Mr. Ashok Mittal

	For the year ended 31.03.2014	For the year ended 31.03.2013
House rent paid	-	154500
Other Perquisites	-	134711
	-	289211



(ii) The Managing Director - Mr. R. K. Radhakrishna

	For the year ended 31.03.2014	For the year ended 31.03.2013
Salary & Other allowances	224500	900000
P F Contribution	12600	75600
Other Perquisites	317059	320361
	554159	1295961

Composition of the Board :

Name of Directors	Position	Meetings Attended		Fees paid	No. of other Directorships	Other Committee membership		Attended Last AGM
		Board	AC			Chairman	Member	
Mr. Ashok Mittal	Promoter	4	-	Nil	6	-	-	Yes
Mr. R. K. Radhakrishna	Mng. Dir.	4	2	Nil	3	-	-	Yes
Mr. P. J. Bhide	Independent	4	2	20000	12	-	-	Yes
Mr. K. V. Ramarathnam	Independent	4	2	20000	9	-	-	No
Mr. A. K. Sinha	Independent	3	1	14000	0	-	-	Yes
Mr. M. K. Garg	Special Director							
	BIFR	3	-	12000	-	-	-	No

Sitting Fees include Audit committee sitting fees.

III. AUDIT COMMITTEE:

The Audit Committee consists of four director's viz.: M/s P.J. Bhide, Chairman (Independent – Practicing Chartered Accountant) R.K. Radhakrishna (Managing Director), A. K. Sinha (Independent) and K. V Ramarathnam (Independent).

The committee met two times during the year 2013-14 on:
14.05.2013 and 25.01.2014.



IV. INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee which was reconstituted on 17th June, 2008 comprises of the following Directors:

M/s K. V. Ramarathnam, R.K. Radhakrishna and Ashok Mittal to approve transfer and transmission of shares, Issue of Split/Duplicate Share Certificates and redressal of Investors' grievances.

Total number of complaints received and redressed during the year – 5

Complaints pending redressal as on 31-03-2014 – Nil

V. REMUNERATION COMMITTEE

The remuneration committee comprising of three independent directors was reconstituted on 17th June, 2008. The Directors being: M/s, P.J. Bhide, A.K.Sinha and K. V. Ramarathnam.

VI. GENERAL MEETINGS

The previous three Annual General Meetings were held at the Registered Office of the Company at Plot no. 280, Eclate, Curtorim, Salcette, GOA – 403 709 on:

- 30th September, 2013
- 29th September, 2012
- 30th September, 2011

No Extraordinary General Meeting was held during the previous three years. No resolutions have so far been passed by postal ballot.

VII. DISCLOSURES:

There have been no related party transactions during the year that may have potential conflict with the interests of the Company.

No penalties or strictures have been imposed on the Company by any regulatory authority relating to the capital market during the year.

VIII. GENERAL SHAREHOLDER INFORMATION:

26 th AGM	Registered Office, 29.09.2014 , 4.30 pm.
Financial Year	2013 - 14
Book Closure	25.09.2014 to 29.09.2014 (both days inclusive)
Listing on Stock Exchanges	Mumbai.
Stock Code	BSE - 513355



IS/ISO 9001



Market Price	Rs.1.83 as on 20/03/2013
52 week High / Low	Trading suspended since 20.03.2013
Share Transfer Agents	Big Share Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E) 400072 – Mumbai
Dematerialisation of Shares	National Securities Depository Limited. Central Depository Services (India) Limited. ISIN – INE698E01023
Plant Location	The Company has set up a steel plant in Goa, on the West Coast of India.
Address for Correspondence	Plot no. 280, Eclate, Curtorim, Salcette, GOA – 403 709 Tel: 0832 – 2857604 Fax: 0832-2857495

Distribution of Shareholding:

Range	In Rs	Total	% of	Total Holding	% of
From	TO	Holder	Holder	in Rupees	Capital
1	5000	27858	99.4751	6685597	10.9702
5001	10000	71	0.2535	530927	0.8712
10001	20000	38	0.1357	540619	0.8871
20001	30000	7	0.0250	175274	0.2876
30001	40000	3	0.0107	101600	0.1667
40001	50000	4	0.0143	183060	0.3004
50001	100000	11	0.0393	740611	1.2153
100001	999999999	13	0.0464	51985312	85.3015
	Total :	28005	100	60943000	100

**Shareholding Pattern:****DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2014**

	Category	No. of Shares	%
1	Promoters (#) - Indian.	40869400	67.06
2	Promoters - Foreign	0	0.00
3	Persons acting in concert	0	0.00
	sub-total [A]	40869400	67.06
	Non-Promoters		
3	<u>Institutional Investors:</u>		
a	Mutual Funds and UTI	10700	0.018
b	Banks; Fin. Ins.; Ins.Cos.; Govt. Instns.}	1800	0.002
c	Foreign Institutional Investors	0	0.000
	sub-total [B]	12500	0.020
4	Others:		
a	Private Corporate Bodies	8979073	14.74
b	Indian Public	9647776	15.83
c	NRI's / OCB's*	1434251	2.35
	Demat Transit	0	0.00
	sub-total [C]	20061100	32.92
	GRAND TOTAL [A+B+C]	60943000	100.00

For and on behalf of the Board,

Place: Bengaluru
Date : 06.09.2014SD/-
ASHOK MITTAL
CHAIRMAN



AUDITORS' CERTIFICATE

To
THE MEMBERS OF MARMAGOA STEEL LIMITED,

We have examined the compliance of conditions of Corporate Governance by Marmagoa Steel Limited, for the year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. Further we state that, during the year, there was in existence

- 1) An Audit Committee with a non- executive independent Director as its Chairman, and
- 2) An Investors' Grievance Committee. There were no unredressed complaints as on 31-03-2014 as per the Certificate issued by the Share Registrars.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the rest of the requirements under Clause 49 of the Listing Agreement.

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

For **N. D. HEGDE & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG NO. 103616W

Sd/-

NAGESH D. HEGDE
PROPRIETOR
Membership No.41345

Place: Curtorim
Date : 6th September 2014



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARMAGOA STEEL LIMITED

Report on the Financial Statements:

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

Management's Responsibility for the Financial Statements:

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

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

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

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

Opinion:

6. We have been informed by the company that the production activities have been suspended since June 2013 for want of Working Capital Support from the Banks, consequent upon the company's loans which have been classified as NPA by both the Bank of Maharashtra and the Union Bank of India. As a result, there is no generation of cash flows even to meet the day to day expenses. *However, pending finalization of rehabilitation plan the accounts have been prepared on a going concern basis* Subject to this, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the Notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014.
- ii) In the case of the Statement of Profit & Loss, of the Losses for the year ended 31st March 2014 and
- iii) In the case of the Cash Flow Statement, of the Cash Flows during the year ended that date in the functioning of the Company.

Report on other Legal and Regulatory requirements:

7. As required by Section 143(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 of account.
- c) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account maintained by the Company.
- d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of The Companies Act, 2013 to the extent applicable to the Company as stated in para (1) of the Notes on the Financial Statements.
- e) On the basis of the written representations received from four of the Directors, the said Directors are not disqualified as on 31st March 2014 from being appointed as Directors in terms of Section 164 (2) of the Act.

8) As required by the Companies (Auditors' Report) Order 2003, issued by the Ministry

of Finance (Department of Company Affairs) in terms of Section 143 (11) of the Companies Act 2013, we report on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable:

- i. (a) The Company has maintained proper records in electronic medium showing full particulars including quantitative details and situation of fixed assets.
- (b) As represented to us in writing, the company has made a policy of verifying physically, the fixed assets in a block of two years. During the period, there has been no physical verification of the fixed assets.
- (c) No substantial part of the fixed assets of the company was sold during the year.
- ii. (a) We have been informed that Physical Verification of only Billets has been made during the year. Thereafter, in the absence of production, no verification has been done of inventory. Under these circumstances, periodical physical verification was not considered necessary.
- (b) The procedures of physical verification of inventory followed by the management are reasonable but not adequate in relation to the size of the Company and the nature of its business, since the inventory was not completely verified physically other than Billets.
- (c) In our opinion and according to the information and as per the explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records as far as Billets were concerned, have been properly dealt with in the books of account of the company. We have been informed that the stock of Billets as on 30th September 2013 as per the Books was 599.141 MT whereas on physical verification the actual stock of Billets was



- 80 MT bringing the difference to 519.141 MT. It has been represented to us that from the beginning of production of Billets, the same was accounted on the basis of theoretical calculation and the dispatches of Billets for Rolling/Sale was accounted on actual weightment basis at the weighbridge. The actual stock of physical verification was done only after the shutdown of manufacturing operation in May 2013. In the absence of physical verification of other items of inventory, the question of dealing with the discrepancy in the book stock does not arise.
- iii. (a) The company had granted during the immediately preceding year an interest free loan to a company covered under Section 189 of the Companies Act. No such loans were granted to any firm or other party covered under Section 189 of the Companies Act. Balance at the end of the year was Rs. 52.52 Lakhs.
- (b) No interest has been charged to the borrower. We have been informed that the said advance was made to the holding company of Marmagaoa Steel Limited, out of the interest free loan received from another company with which there were no terms and conditions attached regarding repayment of the principal. Under these circumstances, in our opinion, the transaction is prima facie not prejudicial to the interest of the company.
- (c) The company has not taken during the year any loans from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (d) We have been informed that there were no specific terms and conditions attached to the loans taken in earlier years including repayment. The rate of interest charged on such loans is not prima-facie prejudicial to the interest of the company.
- (e) In the absence of specific terms and conditions for repayment of the loan, we are informed; the principal has not been paid/partially paid. Interest has not been charged during the year under consideration.
- iv. In our opinion and according to the information and as per the explanations given to us, there is an adequate internal control system in the company commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There were no services rendered by the company. During the course of our audit, we did not come across any continuing failure to correct any major weaknesses in the internal control system prevailing in the Company.
- v. To the best of our knowledge and belief and according to our information and as per the explanations given to us, there were no contracts or arrangements entered into by the Company that needed to be entered in the register maintained under Section 189 of the Companies Act.
- vi. In our opinion and according to the information and as per the explanations given to us, the Company has neither accepted deposits from the public during the year under consideration nor has the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal have passed any orders against the Company for any contravention under Sections 73 & 74 or any other provisions of the Companies Act.
- vii. During the year under consideration, the company did not have an Internal Audit System.
- viii. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the order made under the said Section and are of the opinion that prima-facie; the Company has maintained the prescribed accounts and records.



ix In our opinion and according to the information and as per the explanations given to us, during the year, the Company was not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, VAT, Income Tax and Service Tax. However, in the payment of Customs duty, Excise duty, cess and Wealth tax the company was regular in depositing undisputed dues with the appropriate authorities. As on 31st March 2014, a sum of Rs. 1,558.98 lakhs of tax was outstanding for a period of more than six months from the date they became payable comprising of the following -

Statutory Dues	Rs. In Lakhs
EPF – Employers Contribution (MSL)	11.37
ESI – Employers Contribution (MSL)	4.30
PF Contribution (Contractors)	1.57
Service Tax	30.75
Income Tax – TDS	62.97
Entry Tax	5.97
Central Sales Tax	1,149.65
VAT of various states	292.40
Total	<u>1,558.98</u>

x. The company has accumulated losses at the end of the year which are more than 50% of its net worth. The Company has incurred cash losses during the current financial year and during the immediately preceding financial year.

xi. In our opinion and according to the information and as per the explanations given to us, the Company has defaulted in the repayment of dues in the case of 69 Letters of Credit and Bank Guarantees which had devolved on the Company / invoked. The date of default, the name of the Bank, the amount of the Letter of Credit / Bank Guarantee and the number of days of delay up to 31st March 2014 are given here below.

1) Bank of Maharashtra:	Date of Default	Outstanding Amount (Rs. In Lakhs)	Delay upto 31.03.2014 (in no. of Days)
	28-01-2013	104.31	428
	29-01-2013	46.93	427
	30-01-2013	15.99	426
	31-01-2013	42.07	425
	01-02-2013	15.34	424
	04-02-2013	12.10	421
	05-02-2013	25.39	420
	06-02-2013	8.52	419
	18-02-2013	11.81	407
	18-02-2013	51.75	407
	19-02-2013	224.65	406
	22-02-2013	130.99	403
	26-02-2013	12.57	399
	27-02-2013	111.96	398
	01-03-2013	37.10	396
	02-03-2013	12.64	395
	05-03-2013	14.14	392
	14-03-2013	57.78	383
	21-03-2013	16.98	376
	23-03-2013	231.55	374
	25-03-2013	45.23	372
	26-03-2013	8.34	371
	02-04-2013	56.67	364
	06-04-2013	66.56	360
	15-04-2013	19.67	351
	19-04-2013	9.08	347
	20-04-2013	23.98	346
	22-04-2013	27.99	344
	23-04-2013	90.73	343
	25-04-2013	67.71	341
	30-04-2013	86.90	336
	10-05-2013	45.45	326
	10-05-2013	42.86	326
	10-05-2013	40.91	326
	18-05-2013	37.81	318
	08-06-2013	360.44	297
	20-06-2013	25.81	285
	24-06-2013	49.60	281
	25-06-2013	6.73	280
	26-06-2013	43.18	279
	12-07-2013	78.73	263



22-07-2013	60.92	253
23-07-2013	31.74	252
24-07-2013	24.53	251
23-08-2013	219.73	221
08-03-2014	4.79	24
TOTAL	<u>2,760.66</u>	

2) Union Bank of India:

Date of default	Outstanding Amount (Rs. in lakhs)	Delay upto 31.03.2014 (in days)
24-05-2012	84.73	677
09-06-2012	272.14	661
15-06-2012	25.13	655
16-06-2012	14.70	654
16-06-2012	85.56	654
16-06-2012	9.91	654
18-06-2012	29.07	652
06-07-2012	100.41	634
20-07-2012	34.68	620
23-07-2012	18.37	617
23-07-2012	20.06	617
23-07-2012	17.16	617
27-07-2012	19.85	613
06-04-2013	45.41	360
15-06-2013	15.73	290
17-06-2013	11.73	288
17-06-2013	25.64	288
26-06-2013	6.42	279
27-06-2013	49.46	278
28-06-2013	6.68	277
28-06-2013	7.80	277
02-07-2013	8.94	273
20-08-2013	91.47	224
	<u>1,001.05</u>	

xii. The Company has not granted loans and advances on the basis of security given by way of pledge of shares, debentures and other securities.

xiii. In our opinion and according to the information and as per the explanations given to us, the provisions of any special statutes applicable to chit funds are not applicable to the Company.

xiv. In our opinion and according to the information and as per the explanations given to us, the Company is not dealing or trading in Shares, Securities, Debentures and other Investments.

xv. In our opinion and to the best of our information and as per the records of the Company, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

xvi. In our opinion and to the best of our information and as per the records of the Company, no Term Loans were borrowed during the period under consideration for any specific purpose.

xvii. In our opinion and to the best of our information and as per the records of the Company, no funds have been raised on short-term basis during the period under consideration.

xviii. During the period under consideration, the Company did not allot shares to any parties or companies covered in the register maintained under Section 189 of the companies Act.

xvix. During the period, the Company did not issue any debentures.

xx. The Company had not made any Public issue of Shares during the period under consideration.

xxi. During the course of our audit, we have neither come across any frauds on or by the Company nor has the same been reported to us by the management.

For N.D.HEGDE & ASSOCIATES,

CHARTERED ACCOUNTANTS

ICAI Firm Reg.No.103616W

Sd/-

NAGESH D. HEGDE PROPRIETOR

MEMBERSHIP NO.41345

Place : Curtorim

Date : 06.09.2014

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

Rs. in Lakhs

Particulars	Note No.	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
Equity & Liabilities			
1) Shareholders' Funds:			
a) Capital	2	607.63	607.63
b) Reserves and Surplus	3	(6,682.95)	(3,068.95)
2) Non-Current Liabilities			
a) Long Term Borrowings	4	3,738.22	3,396.88
b) Deferred Tax Liability (Net)	5	2.03	135.19
c) Long Term Provisions	9	317.12	307.92
3) Current Liabilities			
a) Short Term Borrowings	6	5,776.34	3,742.98
b) Trade Payables	7	3,122.85	3,108.68
c) Other Current Liabilities	8	2,170.73	2,067.57
d) Short Term Provisions	9	34.55	54.05
Total		9,086.52	10,351.95
Assets			
1) Non-Current Assets			
a) Fixed Assets			
Tangible Assets	10	1,909.98	2,137.19
b) Non-Current Investments	11	0.25	0.25
c) Long Term Loans & Advances	12	8.89	8.89
d) Other Non-Current Assets	13	5.78	5.78
2) Current Assets			
a) Inventories	14	724.35	1,211.29
b) Trade Receivables	15	2,150.24	1,975.00
c) Cash & Cash Equivalents	16	13.92	355.25
d) Short Term Loans & Advances	17	52.52	52.52
e) Other Current Assets	18	4,220.59	4,605.78
Total		9,086.52	10,351.95
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements			

Sd/-

Alexander A. C. Rodrigues
Vice President – F & A

Sd/-

Ashok Mittal
Chairman

Sd/-

R. K. Radhakrishna
Managing DirectorSubject to our Report of Even Date
For **N.D.Hegde & Associates**
Chartered Accountants

Sd/-

Nagesh D. Hegde - Proprietor

Place: Camp Bengaluru

Date: 6th September, 2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2014 Rs. in Lakhs

Particulars	Note No.	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
Revenue from Operations	19	395.29	5,554.68
Other Income	20	18.82	20.26
Total Revenue		414.11	5,574.94
Expenses			
Raw Materials Consumed	21 A	386.59	3,994.78
Changes in Inventories of Finished Goods	21 B	224.25	318.46
Employee Benefit Expenses	22	112.75	690.91
Finance Cost	23	1,238.89	1,028.09
Depreciation	10	227.32	243.13
Other Expenses	24	364.23	2,196.11
Prior Period Items	25	1,607.23	(44.90)
Total Expenses		4,161.26	8,426.58
Profit/(Loss) before Tax		(3,747.15)	(2,851.64)
Less: Tax Expense	26	(133.15)	(103.16)
Profit/(Loss) for the period		(3,614.00)	(2,748.48)
Total No. of Equity Shares		60,943,000	60,943,000
Earnings per Share		(5.93)	(4.51)

Significant Accounting Policies 1
See accompanying notes to the financial statements

Sd/-
Alexander A. C. Rodrigues
Vice President – F & A

Sd/-
Ashok Mittal
Chairman

Sd/-
R. K. Radhakrishna
Managing Director
Subject to our Report of Even Date
For **N.D.Hegde & Associates**
Chartered Accountants

Place: Camp Bengaluru
Date: 6th September, 2014

Sd/-
Nagesh D. Hegde - Proprietor



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 Rs. in Lakhs

	Figures as at the end of Current Reporting Period		Figures as at the end of Previous Reporting Period	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit/(loss) before Tax		(3,747.15)		(2,851.64)
Adjustments for:				
Deferred tax adjustment (Net)	(133.16)		(103.16)	
Prior Period Adjustment (Net)	1,607.23		(44.90)	
Depreciation	227.32		243.13	
Interest received	(18.82)		(11.65)	
Interest	836.28		632.29	
Loss on sale of Asset	-		-	
		2,518.85		715.71
Operating Profit before working capital changes		(1,228.30)		(2,135.93)
Adjustments for :				
Trade and other Receivables	(175.24)		25.53	
Inventories	486.94		237.15	
Loans and Advances	385.19		(225.44)	
Trade Payables	107.03	803.92	(1,403.91)	(1,366.67)
Cash generated from operations		(424.38)		(3,502.60)
Payment of Taxes - Current tax	-		-	
- Deferred tax (net)	133.15	133.15	103.16	103.16
		(291.23)		(3,399.44)
Extraordinary items:				
Prior Period Adjustments (net)		(1,607.23)		44.90
NET CASH FROM OPERATING ACTIVITIES		(1,898.46)		(3,354.54)
B CASH FLOW FROM INVESTING ACTIVITIES :				
Interest received	18.82		11.65	
Purchase of Fixed Assets	(0.11)		(1.95)	
Sale of Asset	-		-	
NET CASH FROM INVESTING ACTIVITIES		18.71		9.70



	Figures as at the end of Current Reporting Period		Figures as at the end of Previous Reporting Period	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term borrowings	341.34		2,396.88	
Proceeds from Short Term borrowings	2,033.36		1,520.24	
Interest paid	(836.28)		(632.29)	
NET CASH FROM FINANCING ACTIVITIES		1,538.42		3,284.83
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		(341.33)		(60.01)
Cash and Cash Equivalents as at 31st March, 2013		355.25		415.26
Cash and Cash Equivalents as at 31st March, 2014		13.92		355.25

sd/-
Alexander A. C. Rodrigues
Vice President - F & A

sd/-
Ashok Mittal
Chairman

sd/-
R.K.Radhakrishna
Managing Director

Place : Bengaluru
Date : 06.09.2014

AUDITORS' CERTIFICATE

To,
The Board of Directors,
MARMAGOA STEEL LTD.
Curtorim, Goa.

We have examined the attached Cash Flow Statement of Marmagao Steel Limited for the year ended 31st March, 2014. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 6th September, 2014 to the members of the Company.

For **N. D. HEGDE & ASSOCIATES**
CHARTERED ACCOUNTANTS
ICAI FIRM REG. NO.103616W

Place : Camp, Bengaluru
Date : 06.09.2014

Sd/-
NAGESH D. HEGDE
PROPRIETOR
(Membership no. 041345)



NOTES TO FINANCIAL STATEMENTS

1) Significant Accounting Policies & compliance of Accounting Standards.

a) System of Accounting:

The financial statements are prepared on accrual basis and are in accordance with the historical cost convention.

b) Sales:

Sales are exclusive of Excise Duties and Value Added Tax and are recognized on transfer of property in the goods.

c) Accounting for Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction as reduced by MODVAT/CENVAT credit availed and depreciation. All costs relating to the acquisition and installation of fixed assets including financing and other costs incurred upto the date of commencement of commercial production/ the asset was put to use, are included in the cost of fixed assets.

d) Depreciation Accounting:

Depreciation on assets is written off on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to The Companies Act, 1956. Assets costing upto Rs 5000 are depreciated fully during the year of purchase/ capitalization. Double and triple shift of depreciation has not been written off from the inception of the Company. The depreciation not so written off up to date works out to be Rs.106.66 Lakhs. (Previous year Rs.106.29 Lakhs)

e) Valuation of Inventories:

Finished Goods are valued at lower of cost or net realizable value. Raw materials, stores & spare parts are valued on Weighted Average Cost (on FIFO method). Work in Process is valued at cost. VAT component is not considered for valuation. Excise duty paid is included in the valuation of stock of finished goods at depots.

f) Accounting of Investment:

Investments are shown at Cost.

g) Accounting for Employee benefits:

i) **Gratuity:** Liability on account of gratuity payable to the employees if they were to retire from service on 31st March 2014 amounted to Rs 242.95 Lakhs (previous year - Rs. 232.63 Lakhs). Provision has been made for the said liability in the books. The Company has set up a Recognized Gratuity fund which has taken a Group Gratuity cum Life Assurance Scheme Policy of Life Insurance Corporation of India covering all the employees of the Company. The amount funded in the said policy as on 31st March 2014 is Rs. 14.51 Lakhs (Previous year Rs. 130.44 Lakhs). The balance amount of provision with the Company is Rs. 228.44 Lakhs.

ii) **Leave Encashment Benefit:** Liability on account of Leave Encashment benefit should all the employees retires from the Company computed up to 31st March 2013 amounts to Rs.71.22 Lakhs (Previous Year Rs.88.58 Lakhs). Although provision has been made for the above sum in the books, the liability is not funded. However, incremental provision for the current reporting period has not been made as the entire operations were shut since June 2013.

iii) **Bonus and Ex-Gratia Payment:** As the entire operations were shut since June 2013, no Bonus is provided for the current reporting period (Previous year Rs.4.08 Lakhs). Ex-Gratia payments payable on account of the informal practice of the Company has not been provided as in last year on account of losses incurred by the company and the financial stringency the company is facing.



iv) **Leave Travel Allowance:** Employees are entitled for reimbursement of leave travel expenses/ encashment, subject to a limit of one month's salary (Basic + DA) per year. However, as the entire operations were shut since June 2013, no provision is made for the current reporting period (Previous Year Rs. 35.84 Lakhs). A sum of Rs.19.42 lakhs provided in earlier years is outstanding as on 31.03.2014.

h) Leases:

Keeping in view the nature of the Operating Leases and the terms and conditions there under; rentals for the year in respect of assets taken on operating leases up to 31.03.2013 have been charged to the profit and loss account on accrual basis. The Company had no finance leases or non-cancelable operating leases current during the year.

i) Segment Reporting:

The Board of Directors of the Company has identified the business segment as the primary segment and the geographical segment as the secondary segment. The Company has only one segment comprising of manufacture and sale of Steel Billets and its Rolled Products, restricted only to the geographical segment of India.

j) RELATED PARTY DISCLOSURES

Sl. no.	Name of related party	Nature of relationship	Nature of transaction	Transaction value		Outstanding balance	
				2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)	31.03.14 (Rs. in lakhs)	31.03.13 (Rs. in lakhs)
1.	Rukmani Finance Private Ltd	Associate	Current Account repayment	2.00	14.40	1161.67 (Cr)	1165.76 (Cr)
			Interest credited	-	129.48		
			Rent credited	-	1.80		
			Expenses paid on behalf of Rukmini finance Pvt. Ltd. and advances repaid to them	2.09	18.32		
			Advance received	-	44.49		
2.	Sri Ashok Mittal	Key management personnel - Chairman & whole time director-	Rent & perquisites	-	2.89	-	-
3.	Sri R. K. Radhakrishna	Key management personnel - Managing Director	Remuneration given	5.54	12.95	-	-



Sl. No.	Name of related party	Nature of relationship	Nature of transaction	Transaction value		Outstanding balance	
				2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)	31.03.14 (Rs. in lakhs)	31.03.13 (Rs. in lakhs)
4	Amona Power Pvt. Ltd (Previously Marmagoa Sponge Pvt. Ltd)	Fellow Subsidiary	Expenses paid on behalf Amona Power	-	0.38	0.38 (Dr)	0.38 (Dr)
5	Goa Infra-logistics Ltd.	Associate	Expenses paid on behalf of Goa Infralogistics Ltd.	1.65	2.78	31.28 (Cr)	32.93 (Cr)
6	Chandor Engineering & Trading Company Pvt Ltd	Holding Company	Advance Given	-	300.02	52.52 (Dr)	52.52 (Dr)
			Repayment	-	247.50		

k) Accounting for Taxes on Income:

In compliance with the Accounting Standard 22 on 'Accounting for Taxes on Income', the Company has recognized a net cumulative deferred tax liability of Rs. 323.20 Lakhs (previous year Rs. 352.14 Lakhs) & deferred tax assets of Rs. 321.17 Lakhs (previous year Rs. 216.95 Lakhs). Deferred tax assets created on account of items u/s 40(a)(ia) and 43B of the Income Tax Act, 1961 amounts to Rs. 127.36 Lakhs (Previous Year 194.54 Lakhs)

l) Earnings per Share:

The basic earnings per share has been calculated by dividing the profits/ loss for the year attributed to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and the immediately preceding year were 6,09,43,000.

m) Impairment of assets:

In the opinion of the Board there are no indications that any of the assets of the Company are or may become impaired in the near future.



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
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NOTE - 2

SHARE CAPITAL

Authorised

200,000,000 (Previous year 20,00,00,000)

Equity Shares of Re. 1/- each

2,000.00

2,000.00

Issued, Subscribed & Paid-up

60,943,000 (Previous year 6,09,43,000) Equity Shares of Re. 1/- each 609.43

(79,48,000 Shares of Re 1 each are issued

for consideration other than cash)

Less: Unpaid Allotment Money

from Persons other than Directors

1.80

607.63

607.63

607.63

607.63

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Equity Shares	31/3/2014		31/3/2013	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
At the beginning of the year	60,943,000	609.43	60,943,000	609.43
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>60,943,000</u>	<u>609.43</u>	<u>60,943,000</u>	<u>609.43</u>

b) Details of Shareholders holding more than 5% Equity Shares in the company

Name of the Shareholders	31/3/2014		31/3/2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Re. 1/- each				
i) Chandor Engg & Trading Co. Pvt. Ltd	40,230,000	66.01	40,230,000	66.01
ii) Jaikrish Investments Private Ltd	3,759,632	6.17	3,759,632	6.17

The company has only one type of share named as equity share which is entitled for dividends as and when declared. Under the companies act, a shareholder is entitled for the proportionate amount of residual money retained after distribution of all preferential amounts due by the company in the event of liquidation of the company.

c) The Holding Company of Marmagaoa Steel Limited and its Associates are the holders of the following Number of Shares-

	31-03-2014	31-03-2013
	No. of Shares	No. of Shares
1) Rukmani Finance Private Limited	222,049	222,049



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
2) Chandor Engg & Trading Co. Pvt. Ltd.	40,230,000	40,230,000
Unpaid calls from shareholders other than directors	Rs. 1.80 Lakhs	Rs. 1.80 Lakhs

NOTE - 3

RESERVES AND SURPLUS

Share Premium Account	2,861.28	2,861.28
Profit/(Loss) for the Period	(3,614.00)	
Add : Profit/(Loss) brought forward from the previous year	(5,930.23)	(5,930.23)
	<u>(9,544.23)</u>	<u>(5,930.23)</u>
	<u>(6,682.95)</u>	<u>(3,068.95)</u>

NOTE - 4

LONG TERM BORROWINGS

a) Term Loans

From Banks - Bank of Maharashtra WCTL - Principal	2,340.00	2,340.00
- Interest	398.22	56.88

b) Loans & Advances from Related Parties

From Companies - Unsecured	1,000.00	1,000.00
	<u>3,738.22</u>	<u>3,396.88</u>

a) The WCTL by Bank of Maharashtra was granted for 60 months with a Moratorium period of 12 months i.e., from July 2012 to June 2013. Although repayment commenced from July 2013 at a monthly instalment of Rs. 48.75 Lakhs and interest at the rate of 15% per annum, the Company has defaulted in making the payments leading to the Bank classifying the account as NPA from June 2013. This Term Loan is secured against additional charges on all fixed assets (present and future) and additional charge on all current assets of the company on pari passu basis.

b) The above long term borrowing from Rukmani Finance Private Limited, is a related party borrowing. There are no terms stipulated for repayment of loan which carries interest at 12.50%. While no repayment of principal has been made, no interest has been provided for the current reporting period .

NOTE - 5

Deferred Tax Liability (Net)

Deferred Tax Liability	323.20	352.14
Deferred Tax Asset	(321.17)	(216.95)
	<u>2.03</u>	<u>135.19</u>

Refer Note - 1 (k)



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
NOTE - 6		
SHORT TERM BORROWINGS		
A) From Banks		
a) Working Capital		
- Bank of Maharashtra - Principal	633.30	675.16
- Interest	88.12	-
- Union Bank of India - Principal	198.30	199.96
- Interest	28.83	-
b) Due on account of devolution of Letters of Credit & Bank Guarantees		
- Bank of Maharashtra - Principal	2,431.04	1,276.86
- Interest	329.67	-
- Union Bank of India - Principal	824.24	591.00
- Interest	242.84	-
B) From a Limited Company	1,000.00	1,000.00
	<u>5,776.34</u>	<u>3,742.98</u>

The above facilities from Banks are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, stocks in process, consumable stores and book debts of the Company and all fixed assets (present and future).

NOTE - 7 TRADE PAYABLES (INCLUDING ACCEPTANCES)

Trade Payable (Including Acceptances)	3,122.85	3,108.68
	<u>3,122.85</u>	<u>3,108.68</u>

The names of the Small Scale Industrial undertakings to whom the Company owes sums exceeding Rs 1.00 Lakh, which is outstanding for more than 30 days, as also the bifurcation of liabilities between the total outstanding dues of Small Scale Industrial Undertakings and the total outstanding dues of creditors other than Small Scale Industrial Undertaking is required to be disclosed. This has not been disclosed for want of information for identifying Small Scale Industrial Undertaking from amongst the creditors.

NOTE - 8 OTHER CURRENT LIABILITIES

Education Cess Payable - TDS	0.34	0.34
Education Cess Payable - Service Tax	1.95	1.90
ESI Payable	2.42	1.29
TDS Payable	62.97	26.53



	Figures as at the end of Current Reporting Period	Figures as at end of Previous Reporting Period
Central Sales Tax Payable	1,149.65	1,140.78
Labour Fund Payable	0.32	0.31
PF Employees	11.59	7.43
PF Contractors	1.57	2.38
Service Tax Payable	30.75	28.83
Goa VAT Payable	13.27	13.23
Share Application Money Refundable	7.48	7.48
Haryana VAT Payable	130.78	130.78
Maharashtra VAT Payable	50.02	49.53
Madhya Pradesh VAT Payable	54.50	54.50
Madhya Pradesh Entry Tax Payable	5.97	5.97
Maharashtra VAT Payable (Comm.)	18.34	18.34
Chennai VAT Payable	25.49	25.49
Salary Payable	-	28.63
Electricity Charges Payable	410.55	304.17
LIC Premium of Employee Payable	0.65	4.65
Employee Salary Linked Loan Payable	0.06	-
MSL Employee Union Account	2.01	4.04
Security Deposit - Rahul Engg	3.40	3.40
Outstanding Liabilities	68.39	101.78
Security Deposit - Maula Nadaf	1.34	1.34
Security Deposit - Babharam	0.24	0.24
Security Deposit - Sabari Enterprises	1.59	1.59
EMD - Muala Nadaf	0.05	0.05
Staff Advance	5.86	5.21
Travel Advance	1.15	1.30
Advance received from Debtors	108.03	96.06
	2,170.73	2,067.57

NOTE - 9

PROVISIONS

	LONG TERM PROVISIONS		SHORT TERM PROVISIONS	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
For Bonus - 2012-13	-	-	4.08	4.08
- 2011-12	-	-	0.73	4.93
For Gratuity	232.63	223.43	10.32	9.20
For Paid Leave Encashment	71.22	71.22	-	-
For Leave Travel Assistance	-	-	19.42	35.84
For Medical Reimbursement	13.27	13.27	-	-
	317.12	307.92	34.55	54.05

NOTES TO FINANCIAL STATEMENTS

NOTE - 10

TANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at 01.4.2013	Additions (Sales/ Transfer)	Cost as at 31.03.2014	Up to 31.03.2013	For the Year (Withdrawn on sale of Assets)	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
1. Land	45.99	-	45.99	-	-	-	45.99	45.99
2. Buildings	1,184.59	-	1,184.59	746.97	39.56	786.53	398.06	437.62
3. Plant & Equipment	4,989.44	0.11	4,989.55	3,372.94	178.64	3,551.58	1,437.97	1,616.50
4. Furniture & Fixtures	31.58	-	31.58	28.29	0.88	29.17	2.41	3.29
5. Vehicles	88.76	-	88.76	65.39	7.24	72.63	16.13	23.37
6. Office Equipments	25.55	-	25.55	15.13	1.00	16.13	9.42	10.42
	6,365.91	0.11	6,366.02	4,228.72	227.32	4,456.04	1,909.98	2,137.19
Previous Year	6,363.96	1.95	6,365.91	3,985.59	243.13	4,228.72	2,137.19	2,378.37

Refer Note 1(c) & 1(d)



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
NOTE - 11		
NON-CURRENT INVESTMENTS		
In Equity Shares of Limited Companies		
Non-Trade & Non-Quoted-At Cost		
1) 250 Equity Shares of Rs. 100 each in Goa State Co-operative Bank Limited	0.25	0.25
2) 1 Equity Share of Rs. 50 in Goa Urban Co-operative Bank Limited	0.005	0.005
	<u>0.25</u>	<u>0.25</u>
NOTE - 12		
LONG TERM LOANS & ADVANCES		
<u>(Unsecured - considered good)</u>		
Deposits	8.89	8.89
	<u>8.89</u>	<u>8.89</u>
NOTE - 13		
OTHER NON-CURRENT ASSETS		
Deposit with Registrar High Court of Bombay (Unsecured Considered Good)	5.78	5.78
	<u>5.78</u>	<u>5.78</u>
NOTE - 14		
INVENTORIES		
Raw Materials	342.17	591.94
Stores & Spares	350.87	363.79
Finished Goods	31.31	255.56
	<u>724.35</u>	<u>1,211.29</u>
Refer Note 1 (e)		
NOTE - 15		
TRADE RECEIVABLES		
<u>Unsecured considered good</u>		
a) Outstanding for more than six months	2,159.51	
b) Others	-	
	<u>2,159.51</u>	
Less: Reserve for doubtful debts	9.27	1,975.00
	<u>2,150.24</u>	<u>1,975.00</u>



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
NOTE - 16		
CASH & CASH EQUIVALENTS		
1) Cash on hand	11.61	
2) Balances with Scheduled Banks in Current Account	2.22	
3) Balance in Current Account with Goa State Co-op. Bank Ltd.	0.09	
4) Balance in Current Account with Goa Urban Co-op. Bank Ltd.	0.002	
5) Margin Money and Guarantee Deposit accounts with Scheduled Banks	-	
	<u>13.92</u>	<u>355.25</u>
	<u>13.92</u>	<u>355.25</u>
NOTE - 17		
SHORT TERM LOANS & ADVANCES		
<u>Loans & Advances to Related Parties</u>		
<u>(Unsecured, considered good)</u>		
Chandor Engineering & Trading Company Pvt Ltd	52.52	52.52
	<u>52.52</u>	<u>52.52</u>
Refer Note - 1 (j 6)		
NOTE - 18		
OTHER CURRENT ASSETS		
(Unsecured Considered Good)		
1) Prepaid Expenses	0.57	26.38
2) Advances recoverable in cash or kind or for value to be received	4,209.80	4,569.10
3) Balance with Central Excise Dept.	10.22	10.30
	<u>4,220.59</u>	<u>4,605.78</u>
NOTE - 19		
REVENUE FROM OPERATIONS		
Sale of products		
Gross Sales	382.76	6,234.78
Less : Excise Duty & Education Cess	42.11	685.85
Net Sales	<u>340.66</u>	<u>5,548.93</u>



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
Other Operating Revenues		
Sale of Processing Waste & Spoiled Raw Materials	<u>54.63</u>	<u>5.75</u>
	<u>395.29</u>	<u>5,554.68</u>
NOTE - 20		
OTHER INCOME		
Interest	18.82	11.65
Insurance Claim	-	0.13
Dividend	-	-
Excess Provision Created for Paid Leave Encashment no longer required	-	8.48
	<u>18.82</u>	<u>20.26</u>
NOTE 21		
<u>COST OF MATERIALS CONSUMED</u>		
(A) RAW MATERIALS CONSUMED		
Opening Stock	591.94	461.22
Add: Purchases	<u>136.82</u>	<u>4,125.50</u>
	<u>728.76</u>	<u>4,586.72</u>
Less: Closing Stock	<u>342.17</u>	<u>591.94</u>
	<u>386.59</u>	<u>3,994.78</u>
(B) CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening Stock	255.56	574.02
Less: Closing Stock	<u>31.31</u>	<u>255.56</u>
(Increase)/Decrease	<u>224.25</u>	<u>318.46</u>
NOTE - 22		
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	82.07	474.26
Bonus	-	4.08
Gratuity	13.09	107.38
ESI Premia	2.21	12.41
Staff Welfare	1.41	45.25
Employer's Contribution of EPF	<u>13.97</u>	<u>47.53</u>
	<u>112.75</u>	<u>690.91</u>



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
NOTE - 23		
FINANCE COST		
Interest on Term Loans	368.35	248.47
Interest on Working Capital Loans	836.28	632.29
Bank Charges, L.C. Commission, Discounting Charges etc.	34.26	147.33
	<u>1,238.89</u>	<u>1,028.09</u>
NOTE - 24		
OTHER EXPENSES		
Stores & Spares Consumed	27.24	356.70
Power & Fuel Consumed	223.89	1,292.99
Water Supply Charges	9.43	11.68
Machinery Lease Charges	-	3.50
Labour Charges	14.32	149.48
Repairs to Building	0.77	1.17
Repairs to Machinery	0.13	8.26
Rent of Director's House & Bangalore Office	0.19	1.99
Insurance	3.13	9.35
Other Repairs	11.98	18.90
- Others	0.14	3.66
Postage, Telephone, Telex & Fax Charges	6.06	10.67
Printing & Stationary	0.98	3.31
Professional Fees	10.48	43.79
Miscellaneous Expenditure	26.18	52.44
Travelling, Conveyance, Boarding & Lodging Expenses (Directors: Rs.14,64,288/-(Previous year Rs.22,52,247/-)	22.21	42.26
Payment to Auditors excluding service tax		
- Audit Fees	0.75	
- Tax Audit Fee	-	
- Certification Fees	-	
- Out of Pocket Expenses	0.38	
Internal Audit Fees	-	3.60
Director's Sitting Fees	0.66	1.24
Perquisites to Directors	3.17	6.10
Advertisements	0.73	0.53
Depot Lease Rent	-	2.24



NOTES TO FINANCIAL STATEMENTS

Rs. In Lakhs

	Figures as at the end of Current Reporting Period	Figures as at the end of Previous Reporting Period
Freight Outwards	1.06	60.28
Quantity Discount	-	103.54
Cash Discount	-	5.01
Other Selling Expenses	0.35	-
	<u>364.23</u>	<u>2,196.11</u>
NOTE - 25		
PRIOR PERIOD ADJUSTMENTS		
EXPENDITURE		
Raw Material Purchase	1,440.70	-
Interest on Other Loan	224.25	-
Interest on Forced Loan	76.90	-
Leave Travel Allowance	6.79	-
Repair & Maintenance - Transformer	-	17.53
Miscellaneous & Others	3.40	0.45
TOTAL (A)	<u>1,752.04</u>	<u>17.98</u>
INCOME		
Excess Provision for Gratuity in 2012-13 Reversed/Funded		
Money Withdrawn	120.12	-
Interest on Other Loan	17.09	-
Raw Material Purchase	7.60	56.23
Excess Provision Reversed	-	6.65
TOTAL (B)	<u>144.81</u>	<u>62.88</u>
TOTAL (A) - (B)	<u>1,607.23</u>	<u>(44.90)</u>
NOTE 26		
TAX EXPENSE		
a) <u>Deferred Income tax</u>		
Reversal of Deferred Tax Liabilities	(28.93)	(26.73)
Add: Deferred Tax Asset (Net of Reversal)	(104.22)	(76.44)
	<u>(133.15)</u>	<u>(103.16)</u>
b) <u>Current tax</u>		
Income tax	-	-
Wealth tax	-	-
	<u>(133.15)</u>	<u>(103.16)</u>



Note – 27

Contingent Liabilities:

The following contingent liability existed as on 31-03-2014 for which no provision has been made: A penalty up to Rs 4 Lakhs (Previous year -Rs.4 Lakhs) which could be levied by a Court for lapses under the Negotiable Instruments Act.

Note – 28

Rehabilitation Scheme of BIFR:

a) Supply of power at a concessional rate:

The Board for Industrial and Financial Reconstruction (BIFR) through its order dated 26th June 2009, had once again affirmed that the sanction scheme dated 21st November 2002 pronounced by the BIFR was not appealed against by the Government of Goa (GOG) before the AAIFR or any other superior legal forum, challenging the prescribed provisions of the said scheme, and therefore the said provisions attained finality, and consequently, the same is legally binding for implementation by GOG for granting relief to the Company (MSL) in terms of Para 8(c) of the order dated 21st November 2002 passed by the BIFR. On the basis of the two above mentioned orders and on account of the fact that the Government of Goa has appointed a committee of four persons to address the sickness of all micro, small, medium and large industries under the Goa Sick Industrial Units Rehabilitation Scheme for recommending necessary steps to be taken by the Government for their revival, your company had recomputed individually in the five years ending 31st March 2012, the amount recoverable from the Electricity Department at the rate of 16 paise per unit of electricity consumed in each of the year. The aggregate charges so reversed upto 31st march 2012 amounted to Rs.1,718 Lakhs (previous year Rs. 1,718 Lakhs).

The committee appointed to look into the above mentioned issue prepared its report at the end of January, 2012 and had put the same for Government approval. However, no action was taken by the Government since from February 2012, the code of conduct for elections came into force followed by elections, and later on formation of the new Government. When the representation was made to the present Government, the company was informed to get fresh directions from the Hon'ble BIFR as the last directions had been given in July 2010.

The aforesaid facts were placed before the Hon'ble BIFR vide the company's letter dated 07-05-2012. In response, the Hon'ble BIFR was pleased to fix a review hearing on 06-06-2012. In that hearing, the Monitoring Agency (MA) IFCL was directed to write to the Government to expedite the process of implementation of the sanctioned scheme within 30 days. The case was posted for next hearing on 16th April 2013.

At the review hearing held on 16.04.2013 and during the course of the subsequent review hearings held on 04.06.13 and 1.08.13 respectively, the Bench reiterated its directions to the Government to expedite the grant of reliefs and concessions in a time bound manner. Vide their Orders; the Bench also directed the Banks i.e. Bank of Maharashtra and Union Bank of India to continue to lend need based working capital support. At the hearing held on 01.08.2013, considering the financial status of the Company, the Bench observed that the Company should explore alternate remedies including that of filing a Modified Draft Rehabilitation Scheme (MDRS) considering the latest financial status of the Company and posted the next review hearing on 12.09.13.

During the course of review hearing held on 12.09.13, the Company had placed before the bench the financial status and the effect of the delay in implementation of the sanctioned scheme by Goa Government coupled with the global economic recession during the year 2008-2009 and also the recent banning of iron ore mining, which had reduced the capacity utilization of the Company considerably. It was submitted that due to this the Company had been incurring losses for the past 3-4 years and that the entire working capital had eroded. It was also submitted that the non-



release of need based working capital limits by the Bank(s) had brought the entire operations to a standstill compelling the Company to suspend its operation from June 2013. Based on the submissions made by the Company, the Bench directed the Company to submit to MA (IFCI) a fully tied-up MDRS by taking cut-off date as 30.09.13 within six weeks.

The Company submitted the MDRS to MA (IFCI) on 06.12.13. Thereafter at the hearing held on 10.12.13, the Bench directed the MA (IFCI) to examine the MDRS filed by the Company, to circulate the same to all concerned and to convene a joint meeting of all concerned in order to submit the fully tied-up DRS along with minutes of the joint meeting, within a period of six weeks. The reliefs and concessions envisaged in the MDRS are:

1. Restructuring of accounts and working capital support by Banks.
2. Infusion of funds
3. Reliefs and concessions from the Government of Goa which include:

➤ **Commercial tax department:**

- Extension of the Sales Tax exemption from 2005 to 2016
- Exemption from payment of Entry Tax from September, 2000.

➤ **Electricity department:**

- Concessional supply of power at actual NTPC cost with no demand charges and no duty for 5 years.

A joint meeting of all concerned was convened by MA (IFCI) on 18.01.14 and minutes of the said meeting were filed before the Hon'ble BIFR on 07.02.14. During the course of the hearing held on 11.02.14, based on the submissions of MA (IFCI) and the Company; the Bench passed following directions:

- i. MA (IFCI) to convene another joint meeting of all the stake holders and Government Agencies to consider the MDRS and submit the fully tied-up MDRS along with minutes of joint meeting, within a period of eight weeks.
- ii. In the mean time, all the Govt. Departments from whom the company has sought reliefs and concession in the MDRS to submit their stand to MA(IFCI) with in a period of four weeks.
- iii. Both the Banks i.e. Bank of Maharashtra and Union Bank of India to consider the request of the company sympathetically for restructuring and rehabilitation proposal of the company and to extend all cooperation to charge interest at base rate, during the rehabilitation period.
- iv. Both the Banks i.e. Bank of Maharashtra and Union Bank of India to issue necessary 'No Objection Certificate' to the company to take up job-work for conversion prevailing upon the company to take appropriate measures to identify storage separately of the stock supply by the other / third party.

The next date of hearing was fixed on 21.04.14 which was later postponed to 23.07.14. The MA (IFCI) has written twice to the stakeholders/Government agencies concerned to revert with their say on the MDRS. There has been continuous follow up with the Banks to give effect to the directions dated 11.02.14 of the Bench.

Simultaneously Company is pursuing with the Goa Government for sanction of the necessary reliefs. The Chief of the State has assured to address the issue of the Company within the month of September 2014.

b) **Extension of CST exemption and Exemption from payment of Entry Tax:**

The Board for Industrial and Financial Reconstruction (BIFR) through its order dated 21st November 2002, with a view for the long term sustenance had granted Extension of CST exemption from July 2005 up to 2012 and Exemption from payment of Entry Tax from September 2000. Accordingly, a liability of Rs.490 lakhs and Rs.1711.96 lakhs (previous year – Rs. 490 lakhs and Rs. 1709.59 lakhs) has not been provided towards CST and Entry Tax respectively.



Note – 29

Excise duty liability:

In respect of manufactured goods held in stock, excise duty at 12.36% is estimated at Rs. 3.87 Lakhs (Prev. year Rs. 31.59 Lakhs @ 12.36%). The same has not been provided in the books as per the policy of the Company except on stock at depots and stock sent to converters on which duty already paid has been included in the valuation. This does not affect the profits made by the Company.

Note – 30

Claims against the Company not acknowledged as debts:

Penal interest was being charged by the Electricity Department for late payment of bills for the period December 1991 to November 1996. The Company was entitled during the said years for 25% rebate on the power tariff. However, no such reduction was given by the Department.

The Company started paying only 75% of the monthly bill as per the Government Notification in view of 25% rebate entitlement. However, the balance 25% of the bill was taken as non-payment and penal interest was levied at 2% per month on the rebate for which the company was entitled but not given by the Department.

By an order of the Chief Electrical Engineer, Government of Goa, dated 31.03.1998, the disbursement of rebate benefit in installment (which was started from Sept. 1996 onwards) to the company was suspended unilaterally, against which the company preferred a Writ Petition in the High Court of Mumbai, Panaji Bench, Goa, which was disposed of in favour of the company and was further upheld by the Hon'ble Supreme Court of India on an appeal preferred by the Department.

The Chief Electrical Engineer, Government of Goa has, through a revised bill issued to the Company, communicated the interpretation of the Court Order by the Department. The same was not agreeable to the Company. As per the computation of the department, the Company was allegedly liable to pay a sum of Rs. 8,633 lakhs.

The Company preferred a Writ Petition to the High Court of Mumbai, Panaji Bench, Goa, on the issue. The Hon'ble High Court directed that the matter be referred to the Billing Disputes Redressal Committee of the Government of Goa. Submissions have been made to the said Committee in several Hearings which have taken place. In the last Hearing of the committee held on 5th October 2010, a chart alleging that the Company has to pay Rs. 8,784 Lakhs comprising of Rs. 216 Lakhs as the principal amount of the demand and Rs. 8,568 Lakhs for delayed payment of charges calculated at 24% p.a. compounded. The said computation was arrived at by granting 25% rebate for 3.5 years instead of 5 years and then charging the delayed charges at 24% p.a. compounded.

As per a fresh Demand notice dated 3rd March 2011, a sum of Rs. 152 Lakhs was reduced from the aforesaid principal of Rs. 216 Lakhs resulting in a net demand of Rs. 8,568 Lakhs as delayed payment charges, arriving at the aggregate demand of Rs. 8,633 Lakhs. As per the computation made by your Company, a sum of Rs. 15,300 Lakhs comprising of Rs. 400 Lakhs as the principal amount and Rs. 14,900 Lakhs as the interest at 24% p.a. is receivable as on 1st October 2010 calculated by applying the Law of Equity.

In the meanwhile, the Hon'ble High Court also held as illegal the disconnection of power made by the Department during the months of June, July and August 1998 and the demand charges levied on the company was not in order. Accordingly, through a letter dated 11.03.2010, the Executive Engineer Margao agreed to refund a sum of Rs. 32.92 Lakhs paid and collected by the Dept. for the said disconnection period.

The Demand Notice dated 03-03-2011 was challenged before the Hon'ble High Court of Bombay at Goa vide W.P.240/2011. The Hon'ble High Court disposed of this petition with a direction to the company to appear and represent before the Billing Dispute Redressal Committee on the aspect of delayed payment



charges within two weeks from the date of the order and the committee was directed to calculate the actual delay, if any, within four weeks thereon.

The company filed its representation on the issue of delayed payment charges before the committee within two weeks as directed. Simultaneously, the company filed a Special Leave Petition before the Hon'ble Supreme Court challenging the Order passed in Writ Petition 240/2011, seeking clarification. The said Special Leave Petition came up for hearing before the Hon'ble Supreme Court on 19-11-2012 wherein after arguments, the Hon'ble Supreme Court ordered that the amount due may be collected by the Department in accordance with law subject to the final decision of the Supreme Court. In the meanwhile the demand has been kept in abeyance pending final decision by the court.

Having due regard to the past judgments given by the Hon'ble Bombay High Court, your Company is confident of getting the demand quashed.

Note – 31

The balances of Loans & Advances under Current Assets, Sundry Debtors & Sundry Creditors are subject to confirmation / reconciliation.

Note – 32

The Board is of the opinion that the Current Assets, Loans and Advances have, in the ordinary course of business, value at least equal to the amount at which they are stated in the Balance Sheet, except Trade Receivables of Rs.2159.51 lakhs which is disputed by the Debtors.

Note – 33

Figures for the previous year have been regrouped to conform to those of the current year.

Note – 34

Foreign Exchange Transactions

	31-03-2014 (Rs. In Lakhs)	31-03-2013 (Rs. In Lakhs)
a) Value of Imports (C.I.F. Basis)		
Accounted during the year		
- Raw Material	-	1,407.48
- Component & Spare Parts	-	-
- Capital Goods	-	-
b) Earnings in Foreign Exchange	NIL	NIL
c) Director's Traveling, Boarding & lodging Expenses	-	1.91

Sd/-
Alexander A. C. Rodrigues
Vice President – F & A

Sd/-
Ashok Mittal
Chairman

Sd/-
R. K. Radhakrishna
Managing Director
For **N.D.Hegde & Associates**
Chartered Accountants

Sd/-
Nagesh D. Hegde - Proprietor

Place : Camp, Bengaluru
Date : 06.09.2014



PROXY FORM

I/We.....
of.....in the district of.....
..... being a member/members of the above
named Company, hereby appoint Sri ofin the
district of.....or failing him Sri..... of.....in the
district of..... as my/our Proxy to vote for me/
us on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of Marmagao Steel Limited
to be held on 29th September 2014 at 4.30 p.m. and at any adjournment thereof.

Signed this.....day of..... 2014.

Regd. Folio No.

To be
signed on
1 Rupee
Revenue
Stamp

Note: The Proxy form should be deposited at the Registered Office of the Company at least 48 hours before the meeting.

ATTENDANCE SLIP MARMAGOA STEEL LIMITED

ANNUAL GENERAL MEETING

FOLIO NO.	
-----------	--

29th September, 2014
at 4.30 p.m. at the Registered Office
Plot No. 280, Eclate
Curtorim, Salcete, Goa

Full Name of Shareholder/Proxy attending the Meeting.....

Full Name of First Holder
(If Joint Holder/Proxy Attending)

For Signature of the Shareholder if attending the Meeting	For Signature of the Proxy if attending the meeting

Note: Shareholders are requested to bring this slip to the meeting duly filled up including Folio Number.

cut here

BOOK - POST

To

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If undelivered please return to:



MARMAGOA STEEL LIMITED
Plot No. 280, Eclate
Curtorim, Salcette
GOA - 403 709

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