KANISHK STEEL INDUSTRIES LIMITED



Twentyfourth Annual Report 2013 - 2014

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KANISHK STEEL INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY Mr. M.K. Madhavan

REGISTERED OFFICE & FACTORY

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

ADMINISTRATIVE OFFICE

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

Website : www.kanishksteels.in

AUDITORS

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

COST AUDITORS

M/s. Vivekanandan & Unni Associates
Cost Accountants
Chennai

BANKERS

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

State Bank of Patiala
Whites Road
Chennai - 600 006

Corporation Bank
G.T. Branch
Chennai - 600 001

SHARE TRANSFER AGENT

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

DIRECTORS' REPORT

Dear Shareholders,

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

FINANCIAL HIGHLIGHTS:

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

(Amount in Rs.)

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

OPERATIONS:

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

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

DIVIDEND:

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



DIRECTORS' RESPONSIBILITY STATEMENT:

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

i) the applicable accounting standards have been followed in preparation of annual accounts for financial year ended 31st March, 2014 and proper explanations have been furnished relating to material departures;

ii) the accounting policies have been selected and applied consistently and reasonably and prudent judgments and estimates have been made so as to give a true and fair view of state of affairs of the Company at end of financial year and of profit of the Company for year under review;

iii) the proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) the annual accounts for financial year ended 31st March 2014 have been prepared on a going concern basis.

DIRECTORS:

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

AUDITORS REPORT:

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

AUDITORS:

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

COST AUDITORS:

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

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

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

PARTICULARS OF EMPLOYEES:

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

CORPORATE GOVERNANCE:

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

DEMATERIALISATION OF SHARES:

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

PERSONNEL:

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

ACKNOWLEDGEMENT:

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

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

Date: 28th May, 2014
Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-I

A. CONSERVATION OF ENERGY

(A) Energy conservation measures taken - NIL

(B) Additional Investment and proposals if any, being implemented for reduction of consumption of energy - NIL

(C) Impact of measures at (A) and (B) above for reduction of energy consumption and consequent impact on the cost of production of goods - NIL

(D) Total Energy Consumption and energy consumption per unit of production as per Form A

Form A

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

B. TECHNOLOGY ABSORPTION

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

Form B

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in Rs.)

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

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

Date: 28th May, 2014
Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director.

ANNEXURE- II A

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF KANISHK STEEL INDUSTRIES LIMITED

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

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

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

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

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

S GANESAN
Partner
(Membership No: 217119)

Place: Chennai
Date: 28th May, 2014



ANNEXURE- II B

REPORT ON CORPORATE GOVERNANCE

(For the Financial year 2013-14)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS

I. A. Board Composition:

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

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

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

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

[#] Only Public Companies

B. Board Meetings:

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

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

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

II. Committees of the Board

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

A. Audit Committee:

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

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

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



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

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

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

B. Remuneration Committee:

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

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

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

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

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

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

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

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

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

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

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

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

Name and designation of compliance officer

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

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

3. DETAILS OF PREVIOUS THREE ANNUAL GENERAL MEETINGS:

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

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



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

Year	Special resolution
2010-11	No special resolution was passed
2011-12	Amendment of Articles of Association under section 31 of the Companies Act,1956
2012-13	• Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director • Re-appointment of Mr. Ravi Kumar Gupta as Chairman and Managing Director

5. POSTAL BALLOT:

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

6. DISCLOSURES:

Related Party Transactions:

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

Statutory Compliance:

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

Whistle Blower Policy Access of personnel to Audit Committee:

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

Mandatory and Non-mandatory requirements:

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

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

CEO/CFO Certification:

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

8. MEANS OF COMMUNICATION

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

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

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

9. GENERAL SHAREHOLDER INFORMATION:

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

Plant Location:

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

Stock market price data

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

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



Share transfer system

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

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

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

Registrar and Transfer Agent:

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

Shareholding pattern as on 31st March 2014

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

Distribution of shareholding

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

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

Demat of shares:

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

Request to Shareholders:

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

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

Investor query/address for correspondence:

Company Secretary
Kanishk Steel Industries Limited,
Old No: 4 New No: 7, Thiru-Vi-Ka 3rd Street,
Royapettah High Road,
Mylapore, Chennai-600 004

Ph: 044 42919700 Fax: 044 42919719
E-mail: company.secretary@kanishksteels.in

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

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai- 600 002

Ph : 044-28460390 (6 lines)
E-mail : cameo@cameoindia.com

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

Date: 28th May, 2014
Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director



ANNEXURE- II C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

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

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

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

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

ANNEXURE-II D

CODE OF CONDUCT

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

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

"I hereby confirm that:

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

Date: 28th May, 2014
Place: Chennai

RAVI KUMAR GUPTA
Chairman & Managing Director."

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KANISHK STEEL INDUSTRIES LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We draw attention to

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and

   e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

PLACE : Chennai
DATE: 28th May, 2014

S.GANESAN
Partner
(Membership No. 217119)

Annexure to Independent Auditors' Report

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

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

   b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

   c) The Company has not disposed of substantial part of the Fixed Assets during the year which could affect the going concern status of the Company.

ii) a) Inventories have been physically verified during the year by the management at reasonable intervals.

   b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

   c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between the physical stock and book records which were not material having regard to the size of the company and nature of its business have been properly dealt with in the books of account.

iii) a) As per the information and explanation given to us and as per the records produced to us, the company has not granted any secured / unsecured loans to company covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii) (b) to (g) not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the internal controls system.

v) a) We are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under the said section;

b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) The Company has not accepted any deposit from the public.

vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the rule made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, and are of the opinion that, prima facie, the prescribed account and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

ix) a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, wherever applicable and no dues are pending for a period of more than six months from the date they become payable.

b) According to the information and explanations given to us and the records of the Company, there were no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except as follows: (also refer Note:No: 28 (iii), Additional Information to the Financial Statements)

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



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

x) The Company has no accumulated losses. The Company has also not incurred cash losses during this financial year and the immediately preceding financial year.

xi) The company has not defaulted in repayment of loans availed from Banks. The company has no borrowings from financial institution and has not issued debentures.

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

xiii) The Company is not a chitfund, nidhi, mutual benefit fund or society and therefore the requirements pertaining to such class of companies is not applicable.

xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. The Investments in shares has been held by the company in its own name.

xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions the terms and conditions whereof are prejudicial to the interest of the Company.

xvi) The company did not have any term loan outstanding during the year.

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we are of the opinion that there are no funds raised on short-term basis which have been used for long term investment by the Company.

xviii) The Company has not made any preferential allotment of shares during the year.

xix) The Company has not issued any debentures during the year.

xx) The company has not raised any money by way of public issue during the year.

xxi) Based on the audit procedures performed and the information and given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

PLACE : Chennai
DATE: 28th May, 2014

S. GANESAN
Partner
(Membership No. 217119)

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

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

Significant Accounting Policies & Notes on Accounts 2
Additional Information to Financial Statements 28
Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed

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

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

RAVI KUMAR GUPTA
Chairman & Managing Director

VISHAL KEYAL
Whole-time Director

KANISHK GUPTA
Director

M K MADHAVAN
Company Secretary



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

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

Significant Accounting Policies & Notes on Accounts 2
Additional Information to Financial Statements 28
Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed

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

S GANESAN
Partner (Memb.No:217119)

Place: Chennai, Date: 28-05-2014

RAVI KUMAR GUPTA
Chairman & Managing Director

VISHAL KEYAL
Whole-time Director

KANISHK GUPTA
Director

M K MADHAVAN
Company Secretary

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

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



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

As per the report of even date annexed

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

S GANESAN
Partner (Memb.No:217119)

Place: Chennai, Date: 28-05-2014

RAVI KUMAR GUPTA
Chairman & Managing Director

VISHAL KEYAL
Whole-time Director

KANISHK GUPTA
Director

M K MADHAVAN
Company Secretary

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

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

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

2.2 Use of Estimates:

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

2.3 Revenue Recognition:

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

2.4. Depreciation:

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

2.5 Fixed Assets:

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

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

2.6 Impairment

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



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

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

2.7 Investments:

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

2.8 Inventories:

Inventories are valued as under:

a) Raw Materials, Consumables and Stores & Spares are valued at lower of cost and net realizable value. Cost of inventories is generally ascertained on the weighted average basis, which includes expenses incidental to procurement of the same.

b) By-products are valued at net realizable value.

c) Finished Goods are valued at lower of cost and net realizable value. Cost for this purpose means full absorption cost basis which includes direct materials, direct labour, excise duty, related depreciation and appropriate production overheads.

d) Materials-in-Transit are valued at Cost including Freight & Insurance.

2.9 Employee Benefits:

(a) Defined contribution plan:

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

(b) Defined Benefit Plan:

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

2.10 Foreign Exchange Transactions:

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

2.11 Borrowing Cost:

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

2.12 Segment Accounting:

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

2.13 Taxes on Income:

(a) Provision for current tax is made in accordance with the Income Tax Act, 1961.

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

2.14 Provisions and Contingencies:

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

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

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



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

a) Movement of Shares

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

b) Terms/ right attached to equity shars :

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

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

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

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

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



PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
5. LONG TERM BORROWINGS		
Long term maturities of Finance Lease Obligations Hire Purchase Loans	**7,735,339**	15,138,730
(secured against assets purchased under HP Scheme)		
Less : Amount shown under other current liabilities	**7,425,103**	8,876,488
TOTAL	**310,237**	6,262,242

Terms of Repayment and rate of interest:

HP Loan of Rs.1,199,000/- is repayable in 24 monthly instalments of Rs.55,605/- each and it carries an interest @ 10.50% p.a.

HP Loan of Rs.1,070,000/- is repayable in 24 monthly instalments of Rs. 49,622/- each and it carries an interest @ 10.50% p.a.

HP Loan of Rs.17,450,000/- is repayable in 24 monthly instalments of Rs. 817,400 each and it carries an interest @ 11.67 % p.a.

Security :

Secured HP Loans from Bank / Financial Institutions are secured by the respective vehicles and machinery.

6. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Fixed Asset: Impact of Difference between tax depreciation and depreciation charged in the financial statement {Refer Note No:28(vi)}	**47,597,296**	50,867,304
Gross Deferred Tax Liability	**47,597,296**	50,867,304
7. OTHER LONG TERM LIABILITIES		
Deposits from Customers	**–**	124,157,000
	–	124,157,000
8. LONG TERM PROVISIONS		
For Employee Benefits	**4,191,723**	3,830,712
	4,191,723	3,830,712

PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
9. SHORT TERM BORROWING		
From Banks		
Cash Credit		
Corporation Bank - Cash Credit	**19,857,901**	10,743,303
SBI - CC ACCOUNT - I & F	**150,371,333**	39,551,991
(All the above loans are secured by equitable mortgage of land and building including Plant and Machinery and also by hypothecation of Raw Materials, Stock-in-Process and Finished Goods, Corporate guarantee by M/s. Tamilnadu Property Developers Ltd. Also personally guaranteed by the CMD of the company)		
	170,229,234	100,710,805
10. OTHER CURRENT LIABILITIES		
a. Current maturities of long term borrowings (refer note No.3)	**7,425,103**	8,876,488
b. Unclaimed Dividend	**638,538**	1,200,055
c. Outstanding Liability	**8,301,329**	22,379,695
d. Other Liabilities	**1,814,700**	18,724,507
	18,179,670	**51,180,745**
11. SHORT TERM PROVISIONS		
a. Taxation	**22,784,961**	24,614,311
b. Other Provisions	**–**	220,983
	22,784,961	24,835,294

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

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01.04.2013	Additions	Transferred to Demerged Companies	Deletions/ Refund	**As on 31.03.2014**	As on 01.04.2013	For the Period	On Sales/ Adjustment	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
LAND FREE HOLD	1,290,258	-	-	-	**1,290,258**	-	-	-	**-**	**1,290,258**	1,290,258
LAND LEASE HOLD	745,204	-	-	-	**745,204**	-	-	-	**-**	**745,204**	745,204
FACTORY BUILDINGS	45,035,876	-	-	-	**45,035,876**	16,790,467	1,504,198		**18,294,665**	**26,741,211**	28,245,409
BUILDINGS	-	-	-	-	**-**	-	-	-	**-**	**-**	-
PLANT & MACHINERY	345,261,917	9,803,602	-	-	**355,065,519**	205,364,372	21,740,034	-	**227,104,406**	**127,961,113**	139,897,545
ELECTRICAL INSTALLATION	17,179,316	-	-	-	**17,179,316**	13,013,402	816,017	-	**13,829,419**	**3,349,896**	4,165,914
CRANE	35,218,290	-	-	-	**35,218,290**	12,014,454	1,672,869	-	**13,687,323**	**21,530,967**	23,203,836
FURNITURE & FITTINGS	3,938,216	-	-	-	**3,938,216**	1,978,590	249,289	-	**2,227,879**	**1,710,337**	1,959,626
VEHICLES	20,876,841	2,913,543		878,170	**22,912,214**	12,365,857	2,156,581	493,700	14,028,738	8,883,476	8,510,984
OFFICE EQUIPMENTS	4,483,002	-	-	-	**4,483,002**	2,361,704	212,943	-	**2,574,647**	**1,908,355**	2,121,298
TOTAL	474,028,920	12,717,145		878,170	**485,867,895**	263,888,847	28,351,931	493,700	**291,747,078**	**194,120,818**	210,140,074
PREVIOUS YEAR	1,338,814,316	30,027,041	894,812,438		474,028,920	235,315,231	28,573,616		**263,888,847**	**210,140,073**	891,292,947



PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
13. NON-CURRENT INVESTMENTS		
TRADE INVESTMENTS (Stated at Cost)		
a. Investments in unquoted Equity Shares:		
1882020 Class C Equity shares of Rs.10/- each (fully paid-up) in OPG Energy Private Limited (Others)	**18,820,200**	18,820,200
5400 Class A Equity shares of Rs.10/- each (fully paid-up) in OPG Energy Private Limited (Others)	**54,000**	54,000
277500 Class A Equity shares of Rs.10/- each (fully paid-up) in OPG Renewable Energy Private Limited (Others)	**2,775,000**	1,900,000
284375 Class A Equity shares of Rs.10/- each (fully paid-up) in OPG Business Centre Private Limited (Others)	**2,843,750**	2,112,500
1000000 Class A Equity shares of Rs.10/- each (partly paid-up) in OPG Power Generation Private Limited (Others)	**100,000**	100,000
6981480 Class A Equity Shares of Re.0.10/- each (fully paid up) in OPGS Power Gujarat Private Limited (Others)	**698,148**	-
1069371 Equity Shares of Rs.10/- each (fully paid up) in Gita Renewable Energy Limited (Others)	**26,734,275**	-
b. Other Investments:		
SBI Mutual Fund	**387,605**	382,050
	52,412,978	23,368,750
14. LONG TERM LOANS & ADVANCES (Unsecured, Considered good)		
a) Security Deposits	**34,977,491**	33,739,342
b) Deposits with related parties	**7,500,000**	37,500,000
	42,477,491	71,239,342
15. INVENTORIES (Valued at lower of Cost and Net Realisable Value) (as valued and certified by the manangement)		
a) Raw Materials	**269,411,659**	392,843,899
b) Finished Goods	**135,289,231**	158,450,828
c) Stores and Spares	**15,647,988**	4,732,859
	420,348,877	556,027,586
16. TRADE RECEIVABLES		
(Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months	**44,113,888**	241,560,465
Other Debts	**598,529,858**	480,255,103
	642,643,746	721,815,568



PARTICULARS	AS AT 31.03.2014 (Amount in Rs.)	AS AT 31.03.2013 (Amount in Rs.)
17. CASH & CASH EQUIVALENTS		
a) Cash on Hand	**1,144,625**	1,667,200
b) Cash at Bank		
In Current Account	**1,682,979**	3,433,659
In Unpaid Dividend Account	**638,538**	1,200,055
In Deposit Account:		
Deposits with banks within 3-9 months maturity	**59,957,458**	67,184,540
	63,423,600	73,485,454
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Loans & Advances to related parties	**150,000**	-
b) Others	**169,850**	184,564,078
	319,850	184,564,078
19. OTHER CURRENT ASSETS		
a) Balance with Revenue Authorities	**28,555,891**	61,477,618
b) Cenvat Balances	**33,080,149**	-
	61,636,040	61,477,618

PARTICULARS	YEAR ENDED 31.03.2014 (Amount in Rs.)	YEAR ENDED 31.03.2013 (Amount in Rs.)
20. REVENUE FROM OPERATIONS		
Sale of Manufactured products	**1,860,793,199**	2,263,809,232
Sale of Traded Products	**1,346,363,738**	2,567,247,845
Other Operating Revenue:		
Conversion charges received	**-**	1,023,048
	3,207,156,937	4,832,080,125
21. OTHER INCOME		
Rent Received	**516,600**	504,000
Sales Commission	**-**	143,883
Insurance claim received	**328,469**	209,486
Commitment Charges	**32,506,137**	-
Liabilities no longer required - written back and Profit on Mark to Market	**65,936,869**	-
Interest Received	**6,131,248**	7,838,933
	105,419,323	8,696,302

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



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

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

28. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

i) Contingent liability not provided for:

(a) Counter Guarantees furnished to the bank Rs. 1,04,37,200/- (Previous year Rs.5,00,000/-)

(b) Towards outstanding Letter of Credit Rs. 25,45,74,922/- (Previous year Rs.7,03,41,723/-) on account of import of raw materials.

ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. Nil (Previous year Rs. Nil pertaining to resulting company) and for others is nil.

iii) Claims against the company not acknowledged as debt:

a) towards the disallowance of deemed Credit to the extent of Rs.2,34,094/- under Rule 57-I of the Central Excise Rules, 1944 read with Section 11-A of Central Excise Act, 1944 made on the erstwhile Avanti Oil and Steel Industries Private Limited, the transferor company. Matter under appeal before the Commissioner of Central Excise (Appeals) Chennai.

b) towards the demand of Rs.35,66,000/- plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise on the erstwhile O.P.Steels Limited, the transferor company. Company has filed stay petition. This matter is pending before Honb'le High Court of Madras.

c) towards the demand of differential duty of Rs.52,38,000/- (Rs.87,25,000/- less Rs.34,87,000/- already paid) plus interest and penalty as per the provisions of the Central Excise Act, 1944 as per the show cause notice no:2/06 dated 17-1-2006 issued by the Commissioner of Central Excise, Chennai claiming wrong adoption of assessable value for the excisable goods cleared from factory to depots. Company has won the appeal before the settlement commission. The Central Excise Department has filed an appeal in the Hon'ble High Court of Madras against the order of the settlement commission.

d) towards the demand of Rs 9,00,000/- plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise. The department has filed its appeal against this company. This matter is pending before Hon'able High Court of Madras.

e) towards the demand of Central Excise duty of Rs.69,06,945/- plus equal amount of penalty plus interest of Rs.50,12,040/- plus fine of Rs.5,00,000/- (total demand Rs.19,325,930/- and Rs.1,36,45,721/- paid there-against) - matter under appeal with CESTAT, Chennai.



iv) Revaluation of Fixed Assets:

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

v) Employee Benefits:

Disclosures in terms of AS-15 are under:

a. Defined contribution plan:

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

b. Defined Benefit Plan:

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

(Amount in Rs.)

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

(Amount in Rs.)

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

vi) Deferred Taxes:

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

(Amount in Rs.)

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

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

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

(Amount in Rs.)

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

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



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

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

x) CIF Value of Imports:

(Amount in Rs.)

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

xi) Remittance in Foreign Currency towards Dividend - Nil

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

xiii) Expenditure in Foreign currency (Amount in Rs.)

	2013-14	2012-2013
Travelling Expenses	**2,05,334**	–

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

30. RELATED PARTY DISCLOSURES:

Enterprises:

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

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

Key Management Personnel:

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

Related Party Transactions: (Amount in Rs.)

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

Notes:

a) Remuneration to key management personnel is disclosed in the notes attached to and forming part of accounts.

b) Sitting Fees to Directors Rs.47,000/-

c) Related party relationship is as identified by the company and relied upon by the Auditors.

31. EARNING PER SHARE:	**2013-14**	**2012-13**
a) Weighted Average No. of Equity Shares of Rs.10/- each		
I. No. of Shares at the beginning of the year	28,436,074	28,436,074
II. No. of Shares at the end of the year	28,436,074	28,436,074
Weighted average number of equity shares outstanding during the year	28,436,074	28,436,074
b) Net profit after tax available for equity shareholders (Rs.)	1,22,22,902	1,02,75,797
c) Basic and diluted earning per share (Rs.)	0.43	0.36

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

a) The company does not have any subsidiary and has not given any loans and advances in the nature of loans to its associates.

b) No Interest free loans have been given to its employees.

33. PREVIOUS YEAR FIGURES

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

As per the report of even date annexed

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

S GANESAN
Partner (Memb.No: 217119)

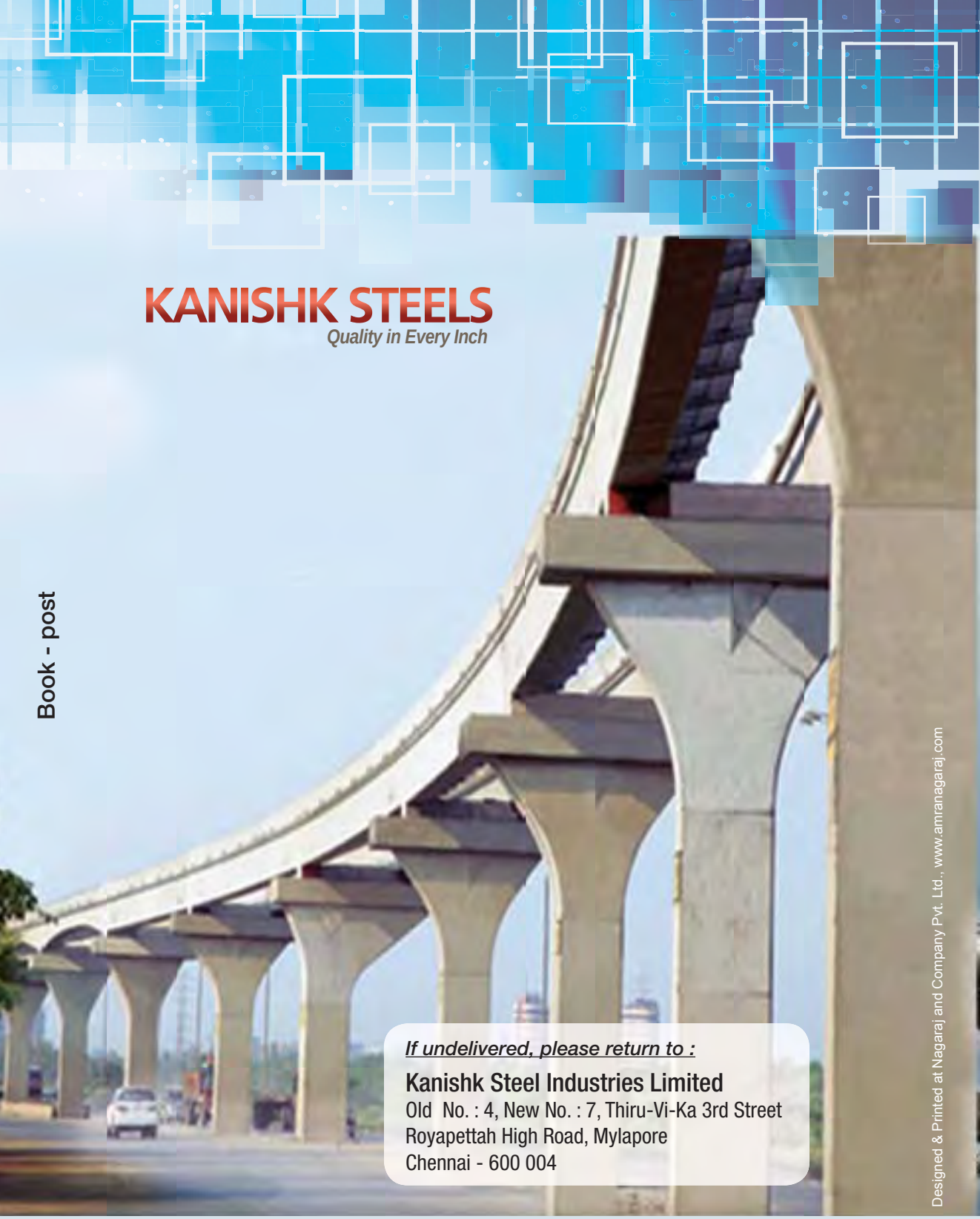
Place: Chennai
Date: 28th May, 2014

RAVI KUMAR GUPTA
Chairman & Managing Director

KANISHK GUPTA
Director

VISHAL KEYAL
Whole-time Director

M.K. MADHAVAN
Company Secretary



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