



INERTIA STEEL LIMITED

30th ANNUAL REPORT

2013-14

COMPANY INFORMATION

Company's Name	:	INERTIA STEEL LIMITED
CIN	:	L51900MH1984PLC033082
Registered Office	:	422, Tulsiani Chamber, Nariman Point Mumbai – 400 022, Maharashtra (India)
E-mail ID	:	contact@inertiasteel.com
Board of Directors	:	1) Shri Hari Gopal Joshi - <i>Director</i> 2) Shri Suresh Ajmera - <i>Director</i> 3) Shri Dhanesh Ajmera - <i>Director</i>
Auditors	:	M/s Kaloti & Lathiya, Aurangabad
Bankers	:	Axis Bank Limited

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the members of Inertia Steel Limited will be held on Tuesday, 30th September, 2014 at 11.00 A.M. at 422, Tulsiani Chamber, Nariman Point, Mumbai – 400 021, Maharashtra, to transact the following businesses:

ORDINARY BUSINESS:

- 1) To consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date alongwith notes and annexure and the reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Hari Gopal Joshi (DIN 00024800), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
- 3) To appoint Auditors and fix their remuneration and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

APPOINTMENT OF STATUTORY AUDITOR

“RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, M/s Kaloti & Lathiya., Chartered Accountants, ICAI Registration No. 104589W, be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this 30th Annual General Meeting, to hold such office for a period of 3 (Three) years, till the conclusion of the 33rd Annual General Meeting, subject to ratification by the members at every Annual General Meeting to be held during the respective year, at such remuneration as may be decided / fixed by the Board of Directors.”

SPECIAL BUSINESS:

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

BORROWING POWERS OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent of the Company be and is



hereby given to the Board of Directors to borrow moneys, from time to time, whether as rupee loans, foreign currency loans, debentures, bonds and/or other instruments or non fund based facilities or in any other form (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) from the Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate or from any other source, located in India or abroad, whether unsecured or secured, on such terms and conditions as may be considered suitable by the Board of Directors up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 50 Crores."

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

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

CREATION OF CHARGE / SECURITY ON THE PROPERTIES OF THE COMPANY IN FAVOUR OF THE LENDERS

"RESOLVED THAT pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors for creation of mortgage / hypothecation / pledge / charge / security in any form or manner on the properties of the Company whether tangible, intangible or otherwise, both present and future, in favour of lenders including Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate, Trustees for holders of debentures / bonds and / or other instruments to secure all credit facilities including rupee loans, foreign currency loans, debentures, bonds and / or other instruments or non fund based facilities availed / to be availed by the Company and / or for any other purpose, from time to time, together with interest, further interest thereon, compound interest in case of default, accumulated interest, liquidated damages, all other costs, charges and expenses payable by the Company in respect of such borrowings."

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

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

GIVING OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES

"RESOLVED THAT pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification or re-enactment thereof for the time



being in force) and Articles of Association of the Company, approval of the shareholders of the Company be and is hereby given to the Board of Directors upto an amount of Rs. 50 Crores for:-

- (i) giving any loan to any person or other body corporate,
- (ii) giving any guarantee or providing security in connection with a loan to any other body corporate or person, and/or
- (iii) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to this resolution.”

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

APPOINTMENT OF SHRI SURESH AJMERA AS INDEPENDENT DIRECTOR

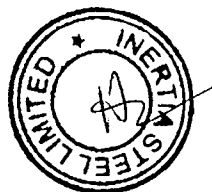
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Suresh Ajmera (DIN 01341331), who pursuant to the provisions of the Companies Act, 2013 (being an independent director) is no longer liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto 35th Annual General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to this resolution.”

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

APPOINTMENT OF SHRI DHANESH AJMERA AS INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Dhanesh Ajmera (DIN 02446635), who pursuant to the provisions of the Companies Act, 2013 (being an independent director) is no longer liable to retire by rotation and in respect of whom the Company has received a notice in



writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto 35th Annual General Meeting."

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

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

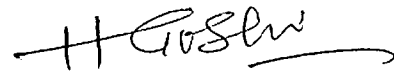
ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of the Articles of Association of the Company in the form and manner as per the draft Articles of Association placed before the meeting, be and is hereby approved and adopted and the same shall be in substitution for, and to the entire exclusion of the existing set of Articles of Association of the Company."

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

For and on behalf of the Board of Director
INERTIA STEEL LIMITED

Date : 29th May, 2014
Place : Mumbai



HARI GOPAL JOSHI
CHAIRMAN
(DIN 00024800)

Notes:

- 1) A Member entitled to attend & vote at the meeting is entitled to appoint a proxy to attend & vote instead of himself & such a proxy need not be a member of the Company.
- 2) The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2014 to 30th September, 2014 (both days inclusive).





CIN : L51900MH1984PLC033082

Registered Office Address : 422,
Tulsiani Chamber, Nariman Point,
Mumbai, Maharashtra, 400021

Ph.No. : 022 22832381

Email ID : contact@inertiasteel.com

Website : www.inertiasteel.com

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

Item No. 4 & 5

With the enactment of Companies Act, 2013 and Rules framed thereunder and as per provisions of the Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 (corresponding to Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956) with respect to creation of mortgage, charge, hypothecation, lien and other encumbrances, if any, or disposal of assets of the Company in any manner by the Company and to borrow money in excess of the aggregate of the paid-up share capital of the Company and its free reserves respectively, approval of the shareholders need to be obtained by way of Special Resolution.

Further, by considering the above and with compliance with the Companies Act, 2013, the Board of Directors recommends the resolutions as set out under Item No. 4 & 5 for your approval as Special Resolution to approved the borrowing limits of the Company to Rs. 50 Crores and respectively creation of mortgage, charge, hypothecation, lien and other encumbrances, if any, on the properties of the Company.

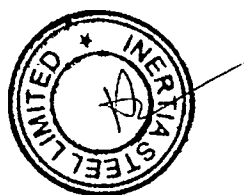
Except the Directors or their relatives who may be concerned or interested, financial or otherwise, by way of directorship / shareholding or in any other manner in one or more companies / bodies corporate / individuals as described in the said resolutions, no other Director or their relatives is concerned or interested in the said resolutions

Item No. 6

As per the provisions of the Section 186 of the Companies Act, 2013 (corresponding to Section 372A of the Companies Act, 1956), the Board of Directors of a Company cannot make loan, investments or give guarantee or provide any security to body corporate or person beyond the prescribed ceiling of sixty percent of the aggregate of the paid up capital and free reserves or hundred percent of its free reserves, whichever is more, unless a Special Resolution is passed by the shareholders of the lending / investing Company.

The Company is undertaking various business activities and is also making strategic investments, from time to time, in joint ventures, associates companies, other bodies corporate and would, therefore, be required to provide financial assistance / support by way of giving of loans / guarantees, proving of securities, making of investment in securities in order to expand its business activities and also for optimum utilization of funds.

Therefore, the Board of Directors recommends the resolutions as set out under Item No. 6 for your approval as Special Resolution.



Except the Directors or their relatives who may be concerned or interested, financial or otherwise, by way of directorship / shareholding or in any other manner in one or more companies / bodies corporate / individuals as described in the said resolutions, no other Director or their relatives is concerned or interested in the said resolutions

Item No. 7 & 8

As per the Section 149 of the Companies Act, 2013 (Act) and amended Clause 49 of the Listing Agreement inter alia stipulates the maximum tenure for an Independent Director to 10 (Ten) years. The said amendment to Listing Agreement also provides that where a Director has served the Company for 5 years or more as on 1st October, 2014 as an Independent Director shall be eligible for one more term of 5 (Five) years.

Considering the above provisions of the Listing Agreement, it is propose to appoint Shri Suresh Ajmera and Shri Dhanesh Ajmera as an Independent Directors of the Company under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for further 5 (Five) consecutive years for a term up to 35th Annual General Meeting.

Shri Suresh Ajmera and Shri Dhanesh Ajmera are not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Independent Director.

The Company has also received declaration from Shri Suresh Ajmera and Shri Dhanesh Ajmera that they meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under Clause 49 of the Listing Agreement.

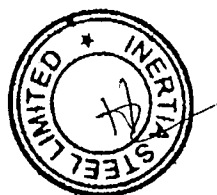
In the opinion of the Board, Shri Suresh Ajmera and Shri Dhanesh Ajmera fulfils the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of Shri Suresh Ajmera and Shri Dhanesh Ajmera, nature of his expertise in specific functional areas and names of major companies in which they holds directorships and memberships of Board Committees, is attached as annexure to the Notice.

Notice under Section 160 of the Act has been received from a member proposing the appointment of Shri Suresh Ajmera and Shri Dhanesh Ajmera as an Independent Director of the Company.

Copy of the draft letter for appointment of Shri Suresh Ajmera and Shri Dhanesh Ajmera as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.



Keeping in view his rich experience, expertise and knowledge, it will be in the interest of the Company that Shri Suresh Ajmera and Shri Dhanesh Ajmera are appointed as an Independent Director to hold office for 5 (Five) consecutive years for a term up to 35th Annual General Meeting, hence the Board recommends the Resolution set out at Item No. 7 & 8 of the Notice for approval by the shareholders as Special Resolution.

Except Shri Suresh Ajmera and Shri Dhanesh Ajmera none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, in the resolution.

Item No. 9

The Companies Act, 2013 and the Rules made thereunder (the 'Act') has been enacted to replace the existing Companies Act, 1956. The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ('MCA') had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. The substantive sections of the Act dealing with the operations and management of companies have been notified. The existing Articles of Association of the Company based on the Companies Act, 1956 and some regulations in the existing Articles of Association may not, therefore, be in conformity with the Act.

With the coming into force of the Act, the existing Articles of Association require alteration or deletions in several regulations in the Articles of Association. Hence, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles of Association to align the provisions of the Articles of Association with the provisions of the Act.

A copy of the existing Articles of Association of the Company and a copy of new set of Articles of Association are available for inspection, on all business days, at the Registered Office of the Company during business hours.

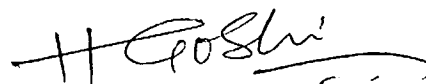
Except the Directors or their relatives who may be concerned or interested, financial or otherwise, by way of directorship / shareholding or in any other manner in one or more companies / bodies corporate / individuals as described in the said resolutions, no other Director or their relatives is concerned or interested in the said resolutions.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

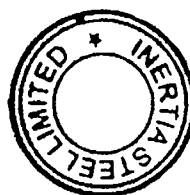
**For and on behalf of the Board of Director
INERTIA STEEL LIMITED**

Date : 29th May, 2014

Place : Mumbai



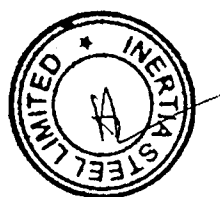
**HARI GOPAL JOSHI
CHAIRMAN
(DIN 00024800)**



ANNEXURE

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

Names of Directors	Shri Hari Gopal Joshi	Shri Suresh Ajmera	Shri Dhanesh Ajmera
DIN	00024800	01341331	02446635
Date of Birth	01/05/1956	11/10/1943	06/06/1966
Designation	Director	Director (Independent)	Director (Independent)
Date of Appointment	05/06/1984	05/06/1984	05/06/1984
Qualification	B.Sc., Diploma in Import & Export Management, Diploma in Business & Marketing Management & Diploma in Material Management	B. Com.	B.E. (Civil)
Experience in Specific functional Areas	34 years in Export and Shipping Business	50 years in Plumbing Material Business	30 years in Construction Business
Other Directorships (Major)	None	Raj Dyes And Estate Developers Limited	None
Membership on Committees of other Companies	None	None	None
No. of Equity Shares Held	5,000 (in joint capacity)	-NIL-	-NIL-





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Mumbai, Maharashtra, 400021
Ph. No. : 022 22832381
Email ID : contact@inertiasteel.com
Website : www.inertiasteel.com

DIRECTORS' REPORT

To,
The Members

The Directors herewith presents the 30th Annual Report on the business and operations of your Company together with audited accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The summary of financial results of your company is as under:

<i>(Amount in Rs.)</i>		
PARTICULARS	2013-14	2012-13
Total Income	95,000	1,00,500
Total Expenditure	92,795	92,008
Profit / (Loss) for the year.	2,205	8,492
Less: Provision for tax		
Current Tax	700	2,700
Income Tax of Earlier year	(11,460)	-
Net Profit / (Loss) after tax	12,965	5,792
Earnings per share (Basic & Diluted (Face Value of Rs. 10/- each)	0.05	0.02

DIVIDEND

With a view to conserve the resources of the Company, the Board of Directors do not recommend any dividend for the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 / 2013 and Articles of Association of the Company Shri H. G. Joshi (DIN 00024800), Director retires at the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri Suresh Ajmera (DIN 01341331) and Shri Dhanesh Ajmera (DIN 02446635), the existing Independent Director of the Company is to be re-appointed as an Independent Director for the fresh term. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Suresh Ajmera and Shri Dhanesh Ajmera for the office of Director. The Board recommends their appointment for the approval of shareholders as an Independent Director for 5 (Five) consecutive years w.e.f. the date of ensuing AGM.

