



# INERTIA STEEL LIMITED

32<sup>nd</sup> ANNUAL REPORT

2015-16

## COMPANY INFORMATION

Company's Name	:	INERTIA STEEL LIMITED
CIN	:	L51900MH1984PLC033082
Registered Office	:	422, Tulsiani Chamber, Nariman Point Mumbai – 400 021, 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> 4) Smt. Sarita Harigopal Joshi - <i>Director</i>
Auditors	:	M/s Kaloti & Lathiya, Aurangabad
Bankers	:	Axis Bank Limited

**NOTICE**

**NOTICE** is hereby given that the **32<sup>nd</sup> (Thirty Second)** Annual General Meeting of the Members of **INERTIA STEEL LIMITED** will be held on Tuesday, the 27<sup>th</sup> day of September, 2016 at 12:30 P.M. at the Registered Office of the Company at 422, Tulsiani Chambers, Nariman Point, Mumbai 400021, Maharashtra, India to transact the following business:

**ORDINARY BUSINESS:**

- 1) To consider and adopt the Audited Financial Statements consisting of Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date alongwith schedules, notes and annexure and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint Director in place of Smt. Sarita Hari Gopal Joshi (DIN 06781907), who retires by rotation and being eligible offers herself for re-appointment.
- 3) To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**RATIFICATION OF 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, the appointment of M/s Kaloti & Lathiya, Chartered Accountants, ICAI Registration No. 104589W, Aurangabad, as the Statutory Auditor of the Company as approved by the Members at the 30<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 30<sup>th</sup> September, 2014, be and is hereby ratified to hold office up to the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the calendar year 2017 (subject to ratification of the appointment by the members at every annual general meeting to be held during their tenure) and at such remuneration as may be decided / fixed by the Board of Directors / Audit Committee.”

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

**Date : 13<sup>th</sup> August, 2016**  
**Place : Mumbai**

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

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**Note(s):**

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.
- 2) Instruments appointing proxy or proxies duly filled in, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) Corporate members intending to send their authorized representative are requested to send duly certified copy of the Authorization form authorizing their representative to attend and vote at the General Meeting.
- 5) The Register of Members and Share Transfer books of the Company will remain closed from 22<sup>nd</sup> September, 2016 to 27<sup>th</sup> September, 2016 (both days inclusive).
- 6) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services Limited, on all resolutions set forth in this notice. Instructions and other information relating to remote e-voting are given in the Notice under Note No. 12.
- 7) Adv. Rahul Pandey has been appointed as the Scrutinizer to scrutinize the e-voting / ballot process.
- 8) Voting rights will be in proportion to the shares registered in the name of the Members as on 21<sup>st</sup> September, 2016 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the AGM.
- 9) Members who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes again.
- 10) The facility for voting through Ballot shall be made available at the Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through Ballot.
- 11) Members / Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report.
- 12) **INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**
  - (i) The voting period begins on 23<sup>rd</sup> September, 2016 at 9.00 A.M. and ends on 26<sup>th</sup> September, 2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID: (a) For CDSL: 16 digits beneficiary ID, (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID, (c) Members holding shares in Physical Form should enter Folio Number registered with the Company. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the Member Id / Folio Number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required

to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for INERTIA STEEL LIMITED on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp & sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer through “Ballot” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (xxi) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
- (xxii) The Scrutinizer's Report countersigned by the Chairman shall be placed on the website of the Company [www.inertiasteel.com](http://www.inertiasteel.com) and shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed.

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**ANNEXURE**

**DETAILS OF DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE ENSUING  
ANNUAL GENERAL MEETING**

<b>Name of the Directors</b>	<b>Smt. Sarita Harigopal Joshi</b>
<b><i>DIN</i></b>	06781907
<b><i>Date of Birth</i></b>	05/08/1963
<b><i>Designation</i></b>	Non-Executive Director (Promoter)
<b><i>Date of Appointment</i></b>	30/03/2015
<b><i>Qualification</i></b>	Graduate
<b><i>Experience in Specific functional areas</i></b>	Vast experience in Administration and Music
<b><i>Other Directorships (Major)</i></b>	-
<b><i>No. of Equity Shares held</i></b>	-

## REPORT OF BOARD OF DIRECTORS

To,  
The Members,  
**INERTIA STEEL LIMITED**

Your Directors are pleased to present the **32<sup>ND</sup> (THIRTY SECOND) ANNUAL REPORT** together with the Company's Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2016.

### **FINANCIAL SUMMARY:**

The Company's financial performance for the year ended 31<sup>st</sup> March, 2015 is summarised below:

(Amount in Rs.)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operations	3,59,450	2,10,000
<b>TOTAL REVENUE</b>	<b>3,59,450</b>	<b>2,10,000</b>
Expenditure:		
Administrative & Other Expenses	3,53,797	2,05,637
<b>TOTAL EXPENDITURE</b>	<b>3,53,797</b>	<b>2,05,637</b>
<b>Profit before tax</b>	<b>5,693</b>	<b>4,363</b>
Tax Expense		
Provision for - Current Tax	1,760	1,400
Income Tax of Earlier year		-
<b>Profit for the year</b>	<b>3,933</b>	<b>2,963</b>
Earnings per equity share (Basic & Diluted) (Face Value of Rs. 10/- each)	0.02	0.01

### **FINANCIAL HIGHLIGHTS AND COMPANY'S AFFAIRS:**

During the year under review, the Company has achieved total revenue of Rs. 3,59,450/- as compared to Rs. 2,10,000/- in previous year. Further, the Company has achieved Net Profit of Rs. 3,933/- for the year under review as compared to Rs. 2,963/- in previous year. The Company is actively pursuing to be fully operational and pursue activities in consonance with the objectives for which it is established and taking necessary steps to effectively implement the same.

**DIVIDEND:**

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

**TRANSFER TO RESERVES:**

The Company does not propose to transfer any amount to the general reserve for the financial year ended 31<sup>st</sup> March, 2016.

**DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152(6) the Companies Act, 2013 and Rules made there under and Articles of Association of the Company, Smt. Sarita Hari Gopal Joshi, Director, retires at the ensuing Annual General Meeting and being eligible offered herself for re-appointment.

The present Directors of the Company are as follows:

- (a) Shri Hari Gopal Joshi, Director (DIN 00024800);
- (b) Smt. Sarita Harigopal Joshi, Director (DIN 06781907);
- (c) Shri Suresh Jayantilal Ajmera, Director (Independent) (DIN 01341331);
- (d) Shri Dhanesh Suresh Ajmera, Director (Independent) (DIN 02446635);

**NUMBER OF MEETINGS OF BOARD:**

During the year under review, 4 (Four) meetings were held. The dates of the meetings are 29<sup>th</sup> May, 2015, 13<sup>th</sup> August, 2015, 9<sup>th</sup> November, 2015 and 10<sup>th</sup> February, 2016.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Board confirms that all Independent Directors of the Company have given a declaration to the Board under Section 149(7) of the Companies Act, 2013 and Rules made thereunder that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Rules made thereunder.

## **COMMITTEES OF BOARD OF DIRECTORS:**

The Board of Directors has duly constituted Audit Committee and Nomination & Remuneration Committee, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder.

## **ANNUAL PERFORMANCE EVALUATION:**

The Board of Directors of the Company is committed to assess its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established the process for evaluation of performance of all the Directors and the Board including Committees. The Company has devised a Policy for performance evaluation of all the Directors, the Board and the Committees which includes criteria and factors for performance evaluation. The appointment / re-appointment / continuation of Directors on the Board shall be based on the outcome of evaluation process.

## **RISK MANAGEMENT POLICY:**

In compliance with the provisions of Section 134(3)(n) of the Companies Act, 2013, the Board of Directors has formulated and adopted the Risk Management Policy. The Board of Directors has delegated the Audit Committee authority to monitor the Risk Management Policy including (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. We affirm that, all risk managements are monitored and resolved as per the process laid out in the policy.

## **NOMINATION AND REMUNERATION POLICY:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of directors and recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The brief terms of the policy framed by the Nomination and Remuneration Committee, in pursuant to the provisions of Section 178(4) of the Companies Act, 2013 and Rules made thereunder are as follows:

- (a) The committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) The committee shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) The committee shall also ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



The Key Objectives of the Committee are:

- (a) To guide the Board in relation to appointment and removal of directors, key managerial personnel and senior management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on remuneration payable to the directors, key managerial personnel and senior management.

## **VIGIL MECHANISM**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism policy are made available on the Company's website [www.inertiasteel.com](http://www.inertiasteel.com)

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors state that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **INTERNAL FINANCIAL CONTROL SYSTEMS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were operating effectively and no reportable material weakness in the design or operation were observed.

## **AUDITORS & AUDITORS' REPORT:**

At the Annual General Meeting held on 30<sup>th</sup> September, 2014, M/s. Kaloti & Lathiya., Chartered Accountants, ICAI Registration No. 104589W, Aurangabad, were appointed as the Statutory Auditor of the Company to hold office till the conclusion of 33<sup>rd</sup> Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Statutory Auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Kaloti & Lathiya., Chartered Accountants, Aurangabad, as Statutory Auditor of the Company, is placed before the members for ratification.

The Company has received the consent letter / certificate from the Statutory Auditor to the effect that their ratification of appointment, if made, would inter-alia be within the prescribed limits under Section 139 & 141 of the Companies Act, 2013 and that they are not disqualified for ratification of appointment. The Board recommends the ratification of appointment of Statutory Auditor to the members.

The Report of Auditor of the Company and the notes forming part of the financial statements are self-explanatory and hence requires no explanation from the Board of Directors. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## **SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. R. A. Daga and Co, Practising Company Secretary, Nagpur to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 in Form MR-3 is attached as "*Annexure II*" and forms a part to this Report. The comments of the Board on the observations of the Secretarial Auditors are given in "*Annexure III*".

## **CORPORATE GOVERNANCE REPORT:**

As per the requirement of the latest SEBI Circular No. CIR/CFD/Policy Cell/7/2014 issued on 15<sup>th</sup> September, 2014, the listed companies having paid up equity share capital not exceeding Rs. 10 Crores and Net Worth not exceeding Rs. 25 Crores, as on the last day of the previous financial year is not required to comply with the norms of the Corporate Governance Report.

Since, the Paid Up Equity Share Capital of the Company is Rs. 24,88,000 and Net Worth is of Rs. 22,14,929 as on Financial Year ending 31<sup>st</sup> March, 2016, therefore, the provisions relating to Corporate Governance Report are not applicable to the Company.