



MARMAGOA STEEL LIMITED

Report & Accounts, 2014





BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Bank of Maharashtra, Margao
Union Bank of India, Panaji

**REGISTRARS &
SHARE TRANSFER AGENTS**

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

REGISTERED OFFICE

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



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NOTICE TO THE MEMBERS

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Purushotham Jagannath Bhide (holding DIN 00012326), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."



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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ramarathnam Varadharajan Kovathakudi (holding DIN 00097892), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anant Kumar Sinha (holding DIN 00066371), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

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

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

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

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

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

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



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

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

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

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

By Order of the Board,

Sd/-
R.K.Radhakrishna
Managing Director

Date: 06.09.2014

Notes:

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



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

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

Item No. 3

Mr. Ashok Mittal:

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

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

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

Item No. 4:

Mr. Purushotham Jagannath Bhide:

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

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

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

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

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



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

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

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

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

Item No. 5:

Mr. Ramarathnam Varadharajan Kovathakudi:

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

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

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

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

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

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



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

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

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

Item No. 6:

Mr. Anant Kumar Sinha:

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

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

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

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

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

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

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



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

Item No. 7:

Mr. R. K. Radhakrishna:

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

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

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

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

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

Your directors recommend the said resolutions for your approval.

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

1. General Information:

(1) Nature of Industry

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

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

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

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

Not Applicable.