

Annual Report 2014-2015



SIRHIND STEEL LIMITED

Board of Directors

Ravi Malhotra
Chairman & Managing Director

Rajika Malhotra
Whole-time Director

Amal Dhru

Auditors

G. K. Choksi & Co.

Bankers

Axis Bank Limited

Registrars & Share Transfer Agents

Link Intime India Pvt Ltd
303, Shoppers Plaza-V,
Opp. Municipal Market, off C. G. Road,
Ahmedabad 380 009

Regd. Office

7th floor Shalin
Ashram Road
Ahmedabad 380 009

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NOTICE

Notice is hereby given that the 38th Annual General Meeting of Sirhind Steel Limited will be held on Wednesday, September 30, 2015 at 10:00 am at 7th floor, Shalin, Ashram Road, Ahmedabad 380 009 to transact the following business:

Ordinary Business

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 including Balance-Sheet as at 31st March, 2015 and the Report of Board of Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr. Amal Dhru (DIN: 00165145), who retires by rotation and who has shown his unwillingness for reappointment.
- 3 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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under, as amended from time to time, M/S G K Chokshi & Company, Chartered Accountants (Firm Registration No.101895W) be and hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of 43rd AGM of the Company to be held in the calendar year 2020 subject to ratification of their appointment at every AGM on such remuneration as may be fixed by the Board of Directors of the Company."

Special Business

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

Appointment of Mr. Nipun Kapur (DIN: 07246592) as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV of the Act, as amended from time to time, Mr.Nipun Sunil Kapur (DIN: 07246592), who was appointed as an Additional Director of the Company wef 31-07-2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold office for a period of 5 (five) consecutive years up to July 30, 2020.

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

Appointment of Mrs. Manavta Kapur (DIN: 07246650) as an Independent Director:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV of the Act, as amended from time to time, Mrs. Manavta Chandan Kapur (DIN:07246650) who was appointed as an Additional Director of the Company wef 31-07-2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold office for a period of 5 (five) consecutive years up to July 30, 2020.

By order of the Board

Ahmedabad
31.07.2015

Ravi Malhotra
Chairman & Managing Director
DIN: 00258246

NOTES

- 1 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Proxies in order to be effective must be deposited with the Company not less than 48 hours before the meeting.
- 2 The Register of Members and Share Transfer Books will remain closed from 23.09.2015 to 30.09.2015 both days inclusive.
- 3 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted is annexed hereto.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No.4

The Board of Directors in their meeting dated July 31, 2015 appointed Mr. Nipun Kapur (DIN: 07246592) as an Additional Director of the Company. According to the provisions of section 161 of the Companies Act, 2013 (Act), he holds office as Director only up to the date of the ensuing Annual General Meeting.

Mr.Nipun Kapur has done his Diploma in Electrical Engineering from Dayanand Sagar Institute of Technology, Bangalore. He has over 15 years experience of Managing Business and Industry.

Mr.Nipun Kapur has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Act read with rules made there under for appointment as an Independent Director and he is independent of the management.

Mr.Nipun Kapur is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as a Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Nipun Kapur as an independent Director is now being placed before the members for their approval.

The terms and conditions for appointment of Mr. Nipun Kapur as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to appointment of Independent Director, which are mentioned below:

Name	Nipun Kapur
DIN	07246592
Age	38 years
Date of Appointment on Board	31.07.2015
Functional Expertise	He has over 15 years of experience of managing business and industry looking after all accounting and commercial functions.
Qualifications	Diploma in Mech. Engineering
Terms and Conditions of appointment	Appointment for Five years up to July 30, 2020
Remuneration Paid	Nil
Directorship in other Companies	Nil
Chairman/ Member of Committee in other Companies	Audit Committee Chairman
No. of Equity Shares held in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	Nil
No. of Meetings of the Board attended during the year	Nil
Shareholding in the Company	Nil

The Board of Directors recommends the said resolution for your approval.

Mr. Nipun Kapur is deemed to be interested in the said resolution as it relates to his appointment. None of the other Directors or key managerial personnel or their relatives is concerned or interested in the said resolution.

Item No.5

The Board of Directors in their meeting dated July 31, 2015 appointed Mrs. Manavta Kapur (DIN: 07246650) as an Additional Director of the Company. According to the provisions of section 161 of the Companies Act 2013 (Act), she holds office as

Director only up to the date of the ensuing Annual General Meeting.

Mrs.Manvata Kapur has done her Graduation in Commerce from Gujarat University and B.Ed. (Bachelor of Education) from Eklavya Institute of Teaching Education, Ahmedabad. She has over 15 years experience of Managing and assisting family business.

Mrs.Manvata Kapur has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfils the conditions specified in the Act read with rules made there under for appointment as an Independent Director and she is independent of the management.

Mrs.Manvata Kapur is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as a Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Manvata Kapur as an independent Director is now being placed before the members for their approval.

The terms and conditions for appointment of Mrs. Manvata Kapur as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to appointment of Independent Director, which are mentioned below:

Name	Manvata Kapur
DIN	07246650
Age	39 Years
Date of Appointment on Board	31.07.2015
Functional Expertise	She has over 15 years of experience of managing and assisting family business and in particulars looking after commercial functions.
Qualifications	B.Ed
Terms and Conditions of appointment	Appointment for Five years up to July 30, 2020
Remuneration Paid	Nil
Directorship in other Companies	Nil
Chairman/ Member of Committee in other Companies	Member of Audit Committee
No. of Equity Shares held in the Company	Nil
Relationship with other directors, Manager and other KMP of the Company	Nil
No. of Meetings of the Board attended during the year	Nil
Shareholding in the Company	Nil

The Board of Directors recommends the said resolution for your approval.

Mrs.Manvata Kapur is deemed to be interested in the said resolution as it relates to her appointment. None of the other Directors or key managerial personnel or their relatives is in anyway, concerned or interested in the said resolution.

By order of the Board

Ahmedabad
31.07.2015

Ravi Malhotra
Chairman & Managing Director
DIN: 00258246

DIRECTORS' REPORT

To The Members,

Your Directors present the 38 th Annual Report and the Audited Accounts for the year ended 31 st March, 2015.

	Year ended 31.03.2015	₹ Lacs Year ended 31.03.2014
Financial Results		
Profit before Depreciation	762.63	424.76
Depreciation	38.94	22.85
Profit before Tax	723.69	401.91
Provision for Tax	85.09	32.65
Profit after Tax	638.60	369.26
Balance brought forward	373.38	249.11
Balance available for appropriation	1011.98	618.37
Appropriations		
Transfer to General Reserve	350.00	245.00
Balance carried to Balance Sheet	661.98	373.37
	1011.98	618.37

Review of Operations

The Company during the year has earned profit of ₹ 638.60 lacs after tax provision of ₹ 85.09 lacs compared to profit of ₹ 369.26 lacs after tax provision of ₹ 32.65 lacs in the previous year. After brought forward balance of profit of ₹ 373.37 lacs the balance available for appropriation was ₹ 1011.98 lacs.

The funds are mainly invested in Mutual Funds, Shares and fixed deposits. The profitability in coming year would depend on revival of the economy.

Transfer to Reserves:

The Company has carried an amount of ₹ 350.00 lacs to General Reserves.

Dividend:

Your Directors are of the view to retain the profits for investments and therefore do not recommend any dividend for the year.

Fixed Deposits:

The Company has not accepted any fixed deposits from the public or from any other source.

Particulars of Loans, Guarantees, Investments etc;

The Company has not given or provided any loans or guarantees during the year. The details of Investments are as disclosed at Note no. 8 to the audited financial statements.

Subsidiaries etc:

The Company has no Subsidiary, Associates and Joint Ventures.

Significant & material orders passed by the Regulators or Courts:

There are no significant or material orders passed by the Regulators or Courts or Tribunals during the year under review which would impact the going concern status of the Company and its future operations.

Related Party Transactions:

There were no related party transactions except the payment of remuneration to key managerial personnel's as disclosed at Note no. 23 to the audited financial statements.

Internal Financial Controls with reference to financial statements:

Adequate systems of internal controls provide assurance on the efficiency of operations, security of assets, timely statutory compliances, reporting and recording of transactions. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

Details relating to Remuneration of Directors and employees:

There is no employee covered under Section 197(12) of the Companies Act, 2013, read with the Rules framed there under. The other information required under Section 197 are as per **Annexure-A**.

Extract of Annual Return:

An extract of Annual Return as prescribed under sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT-9 is annexed to this report. **Annexure-B**

Board Meetings:

The Board of Directors met 4 (Four) times during the year. The Board Meetings were held on 30/05/2014, 30/07/2014, 31/10/2014 & 27/01/2015.

Audit Committee:

During the financial year 2014-15, Company has not formed audit committee. However, in July, 2015 Company has formed Audit Committee after induction of independent directors on the Board. The Audit Committee now consists of Mr. Nipun Kapur as Chairman of the Committee, Mrs. Manvata Kapur and Mr. Ravi Malhotra as Members of the Committee.

Nomination and Remuneration Committee:

During the financial year 2014-15, Company has not formed nomination and remuneration committee and therefore, no remuneration policy was formed by the Company. However, in July, 2015 Company has formed Nomination and Remuneration Committee after induction of independent directors on the Board. The Nomination and Remuneration committee will form remuneration policy.

Director's Responsibility Statement

Pursuant to Section 134 (3) of the Companies Act, 2013 the Directors confirm that:

- i) in preparation of annual accounts the applicable accounting standards have been followed,
- ii) the accounting policies have been selected and applied consistently and the judgment and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) the annual accounts have been prepared on a going concern basis.
- v) proper internal financial controls were in place and that the financial controls were adequate and operating effectively.
- vi) systems to ensure compliances with the provisions of applicable laws were in place and adequate and operating effectively.

Directors

Mr. Narendra C Kapadia (DIN: 06713898) resigned on 30-05-2014 from the post of Whole Time Director.

Mr. Amal Dhru (DIN: 00165145) retires by rotation at the ensuing Annual General Meeting of the Company. Mr. Dhru has informed the Company that he is not interested in his re-appointment as director of the Company. Accordingly Mr. Amal Dhru shall cease to be director of the Company on the date of ensuing Annual General Meeting on 30/09/2015. The Board places on record valuable contribution made by Mr. N C Kapadia and Mr. Amal Dhru during their tenure as directors of the Company.

Mr. Nipun Kapur (DIN: 07246592) and Mrs. Manvta Kapur (DIN: 07246650) were appointed Additional Independent Directors on 31st July 2015. In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement their continuation as an Independent Directors on the Board of the Company for a period of 5 years will have to be approved by the Members of the Company at the ensuing Annual General Meeting.

The Independent Directors have submitted their Declaration of Independence as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in Section 149(6) of the Act.

Board Evaluation:

During the period under review, Company does not have required number of Independent and non executive directors and therefore, Company was not able to formulate mechanism for evaluation of board.

Business Risk Management:

The Company has not much business activities, the day to day activities of management is managed by Managing Director of the Company. He is supported by middle level office staff effectively.

Material changes and Commitments:

There has been no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

Corporate Social Responsibility:

The Company does not fall under the criteria as mentioned in the provisions of section 135 of the Companies Act, 2013 it has not formed the Corporate Social Responsibility (CSR) Policy and the CSR Committee.

Equal Opportunity Employer:

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. The Company has zero tolerance policy on sexual harassment and there were no such cases reported during the year.

Auditors and their Report:

M/S. G.K.Chokshi & Company Chartered Accountants Ahmedabad (Registration No. 101895W) retires as Auditors at the ensuing Annual General Meeting of the Company. The Board recommends their appointment as Auditors of the Company for a period of 5 years until the conclusion of 43rd Annual General Meeting to be held in Calendar Year 2020. This appointment may be subject to ratification at each Annual General Meeting.

The qualification/observation made in the auditors report about non-registration of Company as NBFC in terms of the provisions of Section 45I of the Reserve Bank of India Act, 1934 read with Note No. 19 to the Accounts is self explanatory.

Secretarial Audit Report:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with rules made there under your Company had appointed M/S Ravi Kapoor & Associates Practicing Company Secretaries to undertake secretarial audit of the Company. The Secretarial Audit Report for financial year 2014-15 is attached as **Annexure-C** to this report. There are certain qualifications and observations in secretarial auditors' report. In this regard we would like to clarify that Company has already stopped manufacturing activities and also there is no substantial public interest involved in the Company and therefore, practically it is very difficult for the Company to comply some of the provisions of the companies Act as well as of the listing agreement. However, as members are aware that in July, 2015 Company has managed to appoint two independent directors and therefore to some extent Company will be in a position to meet the criteria prescribed under the Companies Act and as well as criteria prescribed under the listing agreement.

Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Your directors have nothing to report on the aforesaid matters as your Company is not engaged in manufacturing, has no foreign collaboration and has not imported or exported any goods or services and there is no earning / outgo of foreign exchange.

Appreciation:

The Board place on record its deep appreciation for all those who are associated with the Company and has continued their support towards the growth and stability of the company.

Ahmedabad
July 31, 2015

For and on behalf of the Board
Ravi Malhotra
Chairman & Managing Director
DIN: 00258246

Annexure - A

As per the provision of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company are required to disclose following information in the Boards Report

1	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	
	Name	Ratio to Employees
	Ravi Malhotra Mg. Director	1: 0.068
	Rajika Malhotra Whole Time Director	1: 0.431
	N C Kapadia Whole Time Director ceased w.e.f 30.5.2014	-
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	% increse
	Name	
	Ravi Malhotra Mg. Director	0.22
	Rajika Malhotra Whole Time Director	(3.40)
	N C Kapadia Whole Time Director ceased w.e.f 30.5.2014	
3	Percentage increase in the median remuneration of employees in the financial year	
4	Number of permanent employees on the rolls of company	8
5	Explanation on the relationship between average increase in remuneration and company performance.	Increase in Profit Before Tax 80.06% Increase in over all remuneration 5.38%
6	Comparison of the remuneration of the Key personnel against the performance of the company	increase in remuneration of KMP- NIL
7	Variation in the market capitalization of Company Price Earnings Ratio as at the closing date of current financial year and Price Earnings Ratio as at the closing date of previous financial year and Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer * in case of listed companies and in case of unlisted Companies, the variations in the net worth of the company as at the close of current financial year and previous financial year.	Market Quotes not available
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if thereof if there are any exceptional circumstances for increase in the managerial remuneration.	Non Managerial Staff 10.35 Managerial Personel - NIL
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	same as above
10	Key parameters for any variable component of remuneration availed by the directors.	
11	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	N A

We affirm that the remuneration paid to the Managerial and Non-Managerial personnel is as per the remuneration policy of the Company.

By Order of the Board of Director

Ahmedabad
31.07.2015

Ravi Malhotra
Chairman & Managing Director
DIN: 00258246