



# 35th Annual Report 2014-15

**VALLABH STEELS LIMITED**



## VALLABH STEELS LIMITED

### BOARD OF DIRECTORS

Mr. Kapil Kumar Jain	Chairman & Managing Director
Mr. Rahul Jain	Director
Mr. Jawahar Jain	Director
Mrs. Parveen Sharma	Director

### CHIEF FINANCIAL OFFICER

Mr. Suresh Gupta

### STATUTORY AUDITORS

M/s. Raj Gupta & Co.  
Chartered Accountants  
549/10, Sutlej Tower, Opp. Petrol Pump,  
Near Fountain Chowk, Ludhiana - 141 001

### BANKERS

Punjab National Bank  
Large Corporate Branch  
Bhagwati Tower, R.K. Road,  
Ludhiana-141 003

Oriental Bank of Commerce  
Overseas Branch  
Jandu Tower,  
Ludhiana-141 003

### REGISTERED OFFICE

G.T. Road, Pawa, Sahnewal,  
Ludhiana - 141 120 (Punjab)  
(CIN : L27109PB1980PLC004327)  
E-mail ID : fin.ho@vallabhgroup.com

### WORKS

- |     |   |      |  |
|-----|---|------|--|
| (i) | G.T. Road, Pawa, Sahnewal,<br>Ludhiana-141 120 (Punjab) | (ii) | G.T. Road, Nandpur, Sahnewal,<br>Ludhiana-141 120 (Punjab) |
|-----|---|------|--|

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## VALLABH STEELS LIMITED

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### NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of Vallabh Steels Limited will be held at Registered Office of the company at G.T. Road, Village Pawa, Sahnewal, Ludhiana on Saturday, the 26th September, 2015 at 10.00 A.M. to transact the following business:-

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss for the year ended on that date together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Rahul Jain (DIN: 00755312) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“Resolved That** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Raj Gupta & Co., Chartered Accountants (Firm Registration No.000203N), be and are hereby appointed as the Statutory Auditors of the Company to hold the office for a term of 4 (Four) years from the conclusion of this Annual General Meeting (subject to ratification of their appointment by members at every annual general meetings to be held after this meeting) until the conclusion of the Thirty Ninth Annual General meeting of the company to be held in the calendar year 2019 at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus actual taxes and out of pocket expenses incurred by them in connection with the aforesaid audit.”

#### AS SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as a Special Resolution to adopt new set of Articles of Association of the company containing regulations in conformity with Companies Act, 2013:**

**“Resolved That** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association of the Company be and is hereby approved and adopted as the new set of Articles of Association of the Company, in substitution for, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company”.

**“Resolved Further That** for the purpose of giving effect to this resolution, the board of directors of the company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms with the Registrar of Companies.”

5. **To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as a Special Resolution for approving the related party transactions:**

**“Resolved That** pursuant to the provisions of section 188 and all other applicable provisions, if any, of the Companies Act, 2013 including any modification and/ or re-enactment thereof read with companies (Meetings of Board and its Powers) Rules, 2014 the consent, sanction, permission or approval (as the case may be) of the Company be and is hereby accorded to the Board of Directors (“the Board”) to enter into any contracts or arrangements with related parties (as listed below) as defined under the Act with respect to sale, purchase or supply of any goods or services or reimbursement of any expenses or any other transaction of whatever nature with related parties”.



## VALLABH STEELS LIMITED

Sr. No.	Name(s) of the related Party	Nature of Transactions as per section 188 of the Companies Act, 2013	Maximum amount of transactions (estimated amount Rs. in Crore)	Name of Director /KMP who is related and nature of their relationship	The nature, material terms, monetary value and particulars of the contract/ arrangement
1.	JSW Vallabh Tinplate Private Limited (JSW VTPL)	Sale Purchase Job Work	300 200 200	Enterprises over which KMP and relatives of such Personnel exercise significant influence where Sh. Kapil Kumar Jain, Shareholder and relative of Sh. Rahul Jain, common director of JSW VTPL and VIL and Sh. Rahul Jain Director, Shareholder of both the companies mentioned here carry Shareholding interest may be deemed to be concerned/ interested in their capacity as Directors of the Company.	All Proposed transactions of sale, purchase and for availing or rendering job work or services are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arm's length.
2.	Vardhman industries Ltd. (VIL)	Sale Purchase Job Work	200 200 100		

**“Resolved Further That** the Board of Directors of the Company be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

6. **To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution for re-appointment of Mr. Suresh Gupta as CFO of the Company:**

**“Resolved That** pursuant to the provisions of Section(s) 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof and subject to such approvals as may be deemed necessary, including the approval of the Central Government and consent of the Company be and is hereby accorded to the Board of Directors (“the Board”) for the re-appointment of Mr. Suresh Gupta (having PAN-ACAPG4571E) as Chief Financial Officer of the Company w.e.f. 01.04.2015 on the terms as may be mutually agreed and decided by the Board.”

**“Resolved Further That** the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as any be required to give effect to the aforesaid resolution.”

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution to approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016:**

**“Resolved That** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Meenu & Associates, Cost Accountants, (having Firm Registration No. 100729), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, at a remuneration of Rs. 55,000/- (Rupees Fifty Five Thousand Only) plus taxes and reimbursement of out of pocket expenses in connection with the aforesaid audit be and is hereby ratified and confirmed.”

**“Resolved Further That** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Secretarial Auditor for the financial year ending March 31, 2016:**

**“Resolved That** pursuant to the provisions of Section 204 of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration personnel) Rules 2014 of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors (“the Board”) for appointment of M/s. RCS & Company, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2015-16 on such remuneration as may be mutually decided by the Board and the Secretarial Auditors.”

**“Resolved Further That** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



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9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for regularization of Mrs. Parveen Sharma as Director of the Company:**

**“Resolved That** Mrs. Parveen Sharma (having DIN 06388464), who was appointed as an Additional Director with effect from March 31, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a director, be and is hereby appointed as a director of the Company.”

10. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointment of Mrs. Parveen Sharma as an Independent Director:**

**“Resolved That** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mrs. Parveen Sharma (having DIN 06388464), Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of her appointment and that she shall not be liable to retire by rotation.”

**BY ORDER OF THE BOARD OF DIRECTORS**

**PLACE : LUDHIANA  
DATED: 14.08.2015**

**Sd/-  
(KAPIL KUMAR JAIN)  
CHAIRMAN & MANAGING DIRECTOR**

### **NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member of the company. Proxy Form, in order to be effective, must be delivered at the Regd. office of the Company atleast 48 hours before the scheduled time of the meeting. The blank Proxy Form is enclosed.**
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 4 to 10 of Special Business is annexed hereto and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the company will remain closed from Monday, the 21st September, 2015 to Saturday, the 26th September, 2015 (both days inclusive) on account of Annual General Meeting.
4. Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Share Transfer Agents of the company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants (DPs).
5. Members are requested to send their queries on the accounts, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the company to have relevant information ready at the meeting.
6. Members are requested to bring their copy of Annual Report alongwith them to the Annual General Meeting.
7. Members may also note that the equity shares of the company have been included in the list of securities for compulsory trading in dematerialised form under ISIN No. INE457E01016. Shareholders are, therefore, advised to dematerialise their shareholding to avoid inconvenience in future. They are requested to send their Dematerialisation Request Form (DRF) through their Depository Participant (DP).
8. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Mas Services Limited, on all resolutions set forth in this Notice.

Notice of the 35th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.



## VALLABH STEELS LIMITED

### PROCESS AND MANNER FOR E-VOTING:

The instructions for e-voting are as under:

- A. In case of members receiving e-mail from RTA/NSDL (for Members whose e-mail ids are registered with the Company/Depositories):
- Open e-mail and open PDF file viz. "VSL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
  - Click on "Shareholders" Login
  - Put user ID and password as initial password noted in step (i) above. Click Login.
  - Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - Select "EVEN" (E-Voting Event Number) of "**Vallabh Steels Limited**" which is **102572**.
  - Now you are ready for remote e-voting as Cast Vote page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Once you have voted on the resolution, you will not be allowed to modify your vote.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jatinsingal@gmail.com](mailto:jatinsingal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. **In case Members receiving the physical copy of Notice of 35th Annual General Meeting (for Members whose e-mail ids are not registered with the Company/Depositories or requesting physical copy):**
- Initial password is provided in the Attendance Slip.
  - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
  - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, 19th September, 2015, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.**
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

#### General Instructions:

- The e-voting period shall commence at 9.00 a.m. on Wednesday, 23rd September, 2015 and shall end at 5.00 p.m. on Friday, 25th September, 2015. During this period members of the Company, holding shares either in physical or in dematerialised form, as on the record date i.e. Saturday 19th September, 2015, may cast their vote electronically. The voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The Company has appointed Mr. Jatin Singal, Practicing Company Secretary (M. No. ACS 32448, C.P.No. 11976) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



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4. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.vallabhgroup.com](http://www.vallabhgroup.com) and on the website of NSDL within two (2) days of the passing of the resolutions at the 35th AGM of the Company to be held on Saturday, 26th September, 2015.
5. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode, allowing to send documents such as Notice convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. and any other Notice/Documents, henceforth in electronic form in lieu of the paper form.
6. Section 20 of the Companies Act, 2013 permits service of documents on members by a company through electronic mode. Accordingly, as a part of the Green Initiative in Corporate Governance, electronic copy of the Annual Report for FY 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 and Clause 32 of the listing agreement, the physical copies of Abridged Annual Report is being sent through permitted mode to all other members who have not registered their email address(es). Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website [www.vallabhgroup.com](http://www.vallabhgroup.com) for download.
7. **Members are requested to please register your e-mail ID with your Depository Participant (DP), if you hold the Company's shares in electronic form, under intimation to the Registrar & Share Transfer Agents through your registered e-mail ID. However, if you hold the shares in physical form then you may register your e-mail ID with Registrar & Share Transfer Agents of the Company by sending a letter under your Registered Signature at the below mentioned address:**

**Mas Services Limited**

T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020 Phone: 011-26387281-83,  
Fax : 011- 26387384, E-mail: [info@masserv.com](mailto:info@masserv.com)

**BY ORDER OF THE BOARD OF DIRECTORS**

**PLACE : LUDHIANA  
DATED : 14.08.2015**

**Sd/-  
(KAPIL KUMAR JAIN)  
CHAIRMAN & MANAGING DIRECTOR**

**EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 CONCERNING ITEM NOS. 4 TO 10 OF SPECIAL BUSINESS:**

**ITEM NO. 4**

In view of the notification of the Companies Act, 2013 and rules thereunder in place of Companies Act, 1956, it is necessary to adopt new set of Articles of Association giving effect to the provisions and rules framed therein.

Various clauses in the existing Articles of Association necessitate amendment and/or alteration in order to reflect inter-se various provisions and rules framed therein. As per the provisions of Section 14 of the Companies Act, alteration in Articles of Association of the Company will required to be approved by the shareholders of the Company by way of Special Resolution and hence placed for seeking approval of shareholders. Copy of existing and amended Articles of Association of the company will be available for inspection by members during 11.00 a.m. to 2.00 p.m. at the registered office of the company during Monday to Saturday till the date of Annual General Meeting. Further the entire set of proposed Articles of Association is available on the website of the company i.e. [www.vallabhgroup.com](http://www.vallabhgroup.com).

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice. The Board recommends the Special Resolution set out at Item No. 4 of the Notice for your approval.


**ITEM NO. 5**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by a special resolution. The related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto and the Company's Related Party Transaction Policy are furnished hereunder:

Sr. No.	Name(s) of the related Party	Nature of Transactions as per section 188 of the Companies Act, 2013	Maximum amount of transactions (estimated amount Rs. in Crore)	Name of Director /KMP who is related and nature of their relationship	The nature, material terms, monetary value and particulars of the contract/ arrangement
1.	JSW Vallabh Tinplate Private Limited (JSW VTPL)	Sale Purchase Job Work	300* 200* 200*	Enterprises over which KMP and relatives of such Personnel exercise significant influence where Sh. Kapil Kumar Jain, Shareholder and relative of Sh. Rahul Jain, common director of JSW VTPL and VIL and Sh. Rahul Jain Director, Shareholder of both the companies mentioned here carry Shareholding interest may be deemed to be concerned/ interested in their capacity as Directors of the Company.	All Proposed transactions of sale, purchase and for availing or rendering job work or services are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arm's length.
2.	Vardhman Industries Ltd. (VIL)	Sale Purchase Job Work	200* 200* 100*		

(\*) Expected maximum annual value of transaction over the next two to three years.

Any other information relevant or important for the members to take a decision on the proposed resolution: None. The above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on May 30, 2015 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval. As per Clause 49(VII)(E) of the Listing Agreement, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company, including, among others, related entities and the Promoter Directors and Key Managerial Personnel of the company will not vote on this resolution. None of the Directors or any of the Key Managerial Personnel except Promoter Directors of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice. The Board recommends the Special Resolution set out at item no. 5 of the Notice for your approval.

**ITEM NO. 6**

Mr. Suresh Gupta aged about 50 years (date of birth 16.10.1965) has already been working as Chief Financial Officer (CFO) and was re-appointed as CFO of the Company with effect from April 1, 2015. Mr. Gupta is a Graduate in Commerce and a member of the Institute of Chartered Accountants of India. The Board is of the view that continuation of services of Mr. Gupta as a CFO will greatly benefit the operations of the Company. He has an experience of over 26 years in profession. He is also on Board of Directors of M/s. Vallabh Textiles Company Limited, M/s. Vallabh Steel East Limited and Checkmate Vallabh Geosynthetics Private Limited.

None of the Directors, except Mr. Suresh Gupta, the appointee, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 6 of the Notice. The Board recommends the Ordinary Resolution set out at item no. 6 of the Notice for your approval.

**ITEM NO. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Meenu & Associates, Cost Accountants as the Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.





## VALLABH STEELS LIMITED

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for appointment and ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

### ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. RCS & Company, Company Secretaries as Secretarial Auditors to conduct the audit of the Company for the financial year 2015-16 pursuant to the provisions of Section 204 of the Act read with rule 9 of the Companies (Appointment and Remuneration personnel) Rules 2014 of the Companies Act. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for appointment of the Secretarial Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

### ITEM NOS. 9 & 10

Mrs. Parveen Sharma was appointed as an Additional Director w.e.f. March 31, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company along with requisite deposit proposing Mrs. Parveen Sharma candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Further she has given a declaration that she meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013. The Board feels that presence of Mrs. Parveen Sharma on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 9 and 10 for adoption.

None of the Directors, except Mrs. Parveen Sharma, the appointee and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item Nos. 9 and 10 to be passed as ordinary resolutions.

### Brief Profile of Director(s) being appointed/ Re-appointed as set out in this notice in terms of clause 49 of the listing agreement relating to Corporate Governance:

Name of Director	Mrs. Parveen Sharma
Date of Birth	17-03-1975
Qualification	Graduate
Date of Appointment on the Board	31-03-2015
Relationship with Other Directors	None
Expertise in Specific Functional Area	Experience in Dealing with Human Resource Management
Directorship held in other public companies	Nil
Chairman/Member of the Committee of Directors of Other Company/ies in which She is a Director	Nil
Number of Shares held in the Company	Nil

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(KAPIL KUMAR JAIN)

CHAIRMAN & MANAGING DIRECTOR

PLACE : LUDHIANA

DATED : 14.08.2015



## VALLABH STEELS LIMITED

### DIRECTORS' REPORT

To

The Members,  
Vallabh Steels Limited

We have pleasure in presenting the 35th Annual Report of the Company alongwith the Audited Statement of Accounts for the year ended 31st March, 2015:

### FINANCIAL RESULTS:

	(₹ in Lacs)		
	Current Year		Previous year
Revenue from Operations and Other Income	13776.33		16959.54
Profit before Interest, Depreciation and Tax	547.08		637.03
Less :			
Financial Costs	423.20	302.36	
Provision for Depreciation	72.79	110.27	
Taxes : Current Tax	5.90	-	
MAT Credit Entitlement	(5.90)	-	
Deferred Tax/Earlier year tax adjustment	(176.51)	(35.11)	377.52
<b>Profit after Tax</b>	<b>227.60</b>		<b>259.51</b>
Add:			
Balance b/f from Previous Year	2965.04		2730.53
<b>Profit available for appropriations</b>	<b>3192.64</b>		<b>2990.04</b>
<b>Appropriations</b>			
Transferred to General Reserve	25.00		25.00
Surplus Carried to Balance Sheet	3167.64		2965.04
	<b>3192.64</b>		<b>2990.04</b>

### PERFORMANCE REVIEW:

During the year under review the Company has recorded a lower Income from operations & other income of Rs. 13776.33 as compared to Rs. 16959.54 lacs of previous year, which has been mainly on account of lower production due to sluggish demand and pertaining market conditions. As a result, the Company earned a lower net profit after tax of Rs.227.60 lacs as compared to Rs. 259.51 lacs in the previous year. The Company expects to show better financial performance during the current year as compared to that of the year under report.

### INDUSTRY AND ECONOMIC SCENARIO:

India's steel industry is passing through one of the most challenging phases. It has been impacted by sluggish domestic demand, Iron ore supply constraints coupled with strong domestic Iron ore prices, dumping of steel into India by steel-surplus countries, primarily China, Russia, Japan and Korea and uncompetitive Steel export due to stable rupee. The Indian economy, supported by lower oil prices, improved FDI inflows and pro-growth economic reforms, saw a moderate improvement in growth momentum during financial year 2014-15; some of the key macroeconomic Indicators also strengthened over the year. The Indian economic growth improved to 7.3% in financial year 2014-15 as compared to 6.9% in financial year 2013-14. However, the Indian economy will need some time to recover and show positive results on ground. The new government is focusing on implementing reforms to spur investments and re-energise the economy for Infrastructure development and Industrial growth, which will accelerate steel demand in line with economic growth.