



INDUCTO STEEL LTD

September 30, 2017

To,
Dept. of Corporate Services
Bombay Stock Exchange Limited
1st Floor, Rotunda Building
Dalal Street, Mumbai - 400 001

- Sub: 1. Proceedings of the Twenty Ninth Annual General Meeting of Inducto Steels Limited ("the Company") held on September 30, 2017**
2. Annual Report of the Company for the Financial Year 2016-17 duly approved by the Members

Ref: Regulation 30 & 34(1) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Scrip Code: 532001

Dear Sir,

The Twenty Ninth Annual General Meeting of the Company was held today i.e., Saturday, September 30, 2017 at 10.30 a.m. at 156 Maker Chambers VI, 220 Nariman Point, Mumbai - 400 021 ("said AGM"). The said AGM concluded at 11.00 a.m.

In terms of the provisions of the Companies Act, 2013 read with the Rules made thereunder and provisions of the SEBI Listing Regulations, the Company had provided the E-voting facility to the Members whereby they could cast their votes from place other than the venue of the said AGM i.e. Remote E-voting.

The following items, forming part of the Notice for the said AGM, were considered by the Members through Remote E-voting and ballot voting at the said AGM:

Sr. No.	Resolution	Type of Resolution	Method of Voting	Result
1	Adoption of Audited Financial Statement	Ordinary	Remote E-voting and Ballot	Passed with requisite Majority
2	Appointment of Director	Ordinary		
3.	Re-appointment of M/s. P.D Goplani & Associates, Chartered Accountants, Firm Registration No. 118023W as Statutory Auditors of the Company for a term of 5 years and to fix their remuneration	Ordinary		

Corporate Office: 156, Maker Chambers VI, 220, Jammalal Bajaj Marg, Nariman Point, Mumbai- 400 021.

Tel.- 022 - 22043211 Fax- 22043215 E-mail: contact@hariyanagroup.com

Web Site: www.hariyanagroup.com CIN NO. L27100MH1988PLC194523



INDUCTO STEEL LTD

4.	Appointment of M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 116870W) to audit the Accounts of the Mumbai Division of the Company for a period of 5 years and to fix their remuneration	Ordinary	voting at the AGM	
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Mr. Dilip Bharadiya, Proprietor of M/s Dilip Bharadiya & Associates, Company Secretaries was appointed as the Scrutinizer to scrutinize the entire voting process (i.e., Remote e-voting and Ballot voting at the said AGM).

Results of the voting will be intimated to you separately alongwith the report of the Scrutinizer.

Further, please note that, a copy of Annual Report of the Company for the Financial Year 2016-17, duly approved and adopted by the Members at the said AGM as per the provisions of the Companies Act, 2013 is enclosed herewith in the terms of provisions of Regulation 34(1) of the SEBI Listing Regulations.

The above is for your information and record.
Thanking you,

Yours faithfully,
For Inducto Steels Limited

A. H. Doshi



Arpita Doshi
Company Secretary

Cc:
Central Depository Services (India) Ltd
16th & 17th Floor
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai- 400 023

National Securities Depository Ltd
Tradeworld, 4th & 5th floors
Kamala Mills Compound
Lower Parel
Mumbai- 400 013

Corporate Office: 156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point,
Mumbai- 400 021.

Tel.- 022 - 22043211 Fax- 22043215 E-mail: contact@hariyanagroup.com
Web Site: www.hariyanagroup.com CIN NO. L27100MH1988PLC194523

**ANNUAL
REPORT**

29TH

2016-17



INDUCTO
STEELS LTD

GO GREEN TODAY

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of Annual Reports and other documents of your Company sent to shareholders. Members are requested to support this green initiative by updating their email address with the respective Depository Participants in case of electronic shareholding or registering their email addresses with the Company's Registrar and Transfer Agents in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

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Annual General Meeting

Date : September 30, 2017

Time : 10.30 a.m.

Venue : 156, Maker Chamber VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

INDUCTO STEELS LIMITED

(CIN: L27100MH1988PLC194523)

TWENTY NINTH ANNUAL REPORT 2016 - 2017

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Rajeev Shantisarup Reniwal (DIN 00034264)	Promoter, & Managing Director
Mrs. Sweety Rajeev Reniwal (DIN 00041853)	Non Executive Director
Mr. Yogesh Anantrai Thakkar (DIN 00043588)	Non-Executive Independent Director
Mr. Bhushanlal Behl (DIN 03023697)	Non-Executive Independent Director

KEY MANAGERIAL PERSON:

Mr. Rajeev Shantisarup Reniwal	Managing Director
Mr. Rakesh Shantisarup Reniwal	Chief Financial Officer
Ms. Arpita Doshi (Appointed w.e.f. May 02, 2017)	Company Secretary & Compliance Officer
Ms. Radha Sharma (Resigned w.e.f May 02, 2017)	Company Secretary

STATUTORY AUDITORS:

M/s. P.D. Goplani & Associates

SECRETARIAL AUDITORS:

M/s. Dilip Bharadiya & Associates

INTERNAL AUDITOR:

Mr. Amol Shah

BRANCH AUDITORS:

M/s. Lahoti Navneet & Co.

BANKERS:

Punjab National Bank

REGISTERED OFFICE:

156, Maker Chambers VI,
220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021
E-Mail: contact@hariyanagroup.com
Web Site: - www.hariyanagroup.com
Tel No: 022 22043211 | Fax: 22043215

BRANCH OFFICE:

Haryana House, 2165/A-2, 2nd Floor, Sanskar Mandal Chowk, Bhavnagar – 364002.

SHIP BREAKING YARD:

Plot No.45, Ship Breaking Yard, Alang, District Bhavnagar.

REGISTRAR & SHARE TRANSFER AGENTS:-

Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (E), Mumbai – 400072.
Tel: 2851 5606/ 2851 5644 | Fax: 2851 2885
E-mail:- sharexindia@vsnl.com | Website:- www.sharexindia.com

NOTICE

Notice is hereby given that the **29th Annual General Meeting** (*“the Meeting”*) of the members of **Inducto Steels Limited** (*“the Company”*) (CIN : L27100MH1988PLC194523) will be held on Saturday, 30th September, 2017 at 10:30 a.m. at Registered Office of the Company situated at 156, Maker Chambers VI, 220 Jammalal Bajaj Marg, Nariman Point, Mumbai- 400021 to transact with or without modification(s), as may be permissible, the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 alongwith the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sweety Reniwal (DIN: 00041853), who retires by rotation and being eligible, offers herself for re-appointment.
3. To re-appoint M/s. P.D Goplani & Associates, Chartered Accountants, Firm Registration No. 118023W as Statutory Auditors of the Company and to fix their remuneration

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (*“the Act”*) read with the Companies (Audit and Auditors) Rules, 2014 (*“the Rules”*) including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation of the Audit Committee and the Board, M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar having ICAI Firm Registration No. 118023W, be and are hereby re-appointed as Statutory Auditors of the Company for a period of 5 years i.e. to hold office from the conclusion of this Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company to be held in the financial year 2022 subject to ratification at every Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and re-imburement of out of pocket expenses incurred by them in connection with the audit of accounts of the Company.”

4. To re-appoint M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai having ICAI Firm Registration No. 116870W as Branch Auditors for the Mumbai division of the Company and to fix their remuneration

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (*“the Act”*) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board, M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 116870W), be and are hereby re-appointed as Branch Auditors of the Company to audit the Accounts of the Mumbai Division of the Company for a period of 5 years i.e. to hold office from the conclusion of this Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company to be held in the financial year 2022 subject to ratification at every Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors in addition to applicable taxes and

INDUCTO STEELS LTD.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

On behalf of the Board of Directors
For **INDUCTO STEELS LIMITED**

Sd/-
Rajeev Shantisarup Reniwal
Managing Director
(DIN 00034264)

Date: May 30, 2017

Place: Mumbai

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM” OR THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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.

2. Corporate members are requested to forward a certified copy of the Board Resolution in terms of Section 113 of the Act authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Sunday, September 24, 2017 to Saturday, September 30, 2017 (both days inclusive).
4. Details in pursuance of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“*Listing Regulations*”) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting under Item No. 2 of the Notice, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. Pursuant to Sections 101 and 136 of the Act read with the relevant rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or Depository Participant(s).

Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in ‘E-Communication Registration Form’, available on the website of the Company i.e. www.hariyanagroup.com and also forming part of this Notice, to the Company or Sharex Dynamic (India) Pvt. Ltd., Registrar and Transfer Agent of the Company.

Members holding shares in dematerialised form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

Members may also note that the Notice of the 29th AGM and the Annual Report for Financial Year 2016-17 will also be available on the Company’s website for downloading i.e. www.hariyanagroup.com . The physical copies of all the documents mentioned/ referred to in this Notice will also be available at the Company’s Registered Office for inspection during normal business hours on working days.

Even after registering for E-communication, Members are entitled to receive such communication in physical form free of cost, upon making a request for the same.

INDUCTO STEELS LTD.

Members desirous of receiving any communication vide a particular mode of service, would be entitled to receive such communication vide such mode of service, on payment of requisite fees as determined by the Company. For any communication, the Members may also send requests to the Company's e-mail ID i.e. contact@hariyanagroup.com.

6. Members are requested to :-
 - i. write to the Company at least 7 days before the date of the meeting in case they desire any information as regards the Audited Accounts for the financial year ended March 31, 2017 so as to enable the Company to keep the information ready.
 - ii. bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.
 - iii. intimate to their Depository Participants (DP) about all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc. where the shares are held in electronic form and not to the Company/ R&TA. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents (R&TA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to R&TA.
 - iv. consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrars and Transfer Agents (R&TA) for assistance in this regard.
 - v. quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
 - vi. approach the R&TA of the Company for consolidation of folios.
 - vii. avail Nomination facility by filing in Form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).
 - viii. send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company- Sharex Dynamic (India) P Ltd. Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 upto the date of book closure.
7. The equity shares of the Company are listed on the BSE Limited. The listing fees till date have been paid.
8. All the relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof. The aforesaid documents will also be available for inspection by members at the meeting.
9.
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015; the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 29th Annual General Meeting (“AGM”) by electronic means and the business may be transacted through e-voting services. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility and the members may cast their votes using an electronic voting system from a place other than venue of the AGM (i.e., “remote e-voting”).

- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. The Members who have cast their vote by remote E-voting prior to the AGM will be entitled to and may attend the AGM and their presence shall be counted for the purpose of Quorum. However, they shall not be entitled to cast their vote again. If a Member casts vote by more than one mode of voting including remote E-voting, then voting done through remote E-voting shall prevail and other shall be treated as invalid.
- iv. The remote e-voting period will commence on Wednesday, September 27, 2017 (9:00 a.m.) and will end on Friday, September 29, 2017 (5:00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e., September 23, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

A. For Members receiving e-mail on their registered email ids from NSDL:

- a. Open the attached PDF file “remote e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password” for e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- c. Click on “Shareholder - Login”.
- d. Put User ID and password as initial password noted in step (1) above and Click Login.
- e. 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.
- f. Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
- g. Select “EVEN” of INDUCTO STEELS LIMITED which is 107016
- h. Members can cast their vote online from 9.00 a.m. on Wednesday, September 27, 2017 till 5.00 p. m. on Friday, September 29, 2017.

- i. E-Voting shall not be allowed beyond 5.00 p.m. on Friday, September 29, 2017.
- j. Now you are ready for “e-Voting” as “Cast Vote” page opens.
- k. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted. Kindly note that vote once casted cannot be modified.
- l. Upon confirmation, the message “Vote cast successfully” will be displayed.
- m. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also 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 dilipbcs@gmail.com with a copy marked to evoting@nsdl.co.in.

B. For Members whose e-mail address is not registered:

- a. Initial password is provided separately in the Annual Report posted for the AGM:

EVEN (e-voting Event Number)	USER ID	PASSWORD/PIN
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- b. Please follow all steps from Sr. No. 9(A)(b) to Sr No. 9(A)(m) above, to cast vote.
- c. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- d. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+ Folio No).

- e. 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).
- f. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., September 23, 2017.
- g. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e., September 23, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in, contact@hariyanagroup.com / sharexindia@vsnl.com. However, if you are already registered with NSDL for remote e-voting, 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 or contact NSDL at the following toll free no.: 1800-222-990.

- h. A member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed to vote again at the AGM.
 - i. 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 through ballot paper.
10. The Company has appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, to act as the Scrutinizer and to scrutinize the entire e-voting process (i.e. remote e-voting and ballot voting at the AGM) in a fair and transparent manner.
11. 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 the Scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
12. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than 48 hours of the conclusion of the AGM, a combined Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
13. The results declared along with the report of the Scrutinizer, will be placed on the website of the Company viz. www.hariyanagroup.com and on the website of NSDL viz. www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and shall be made available for inspection at the Registered Office of the Company.
14. Members may also note that the notice of the 29th AGM and Annual Report 2016-17 will be available on the website of the company. “ www.hariyanagroup.com “
15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. The Securities and Exchange Board of India (“SEBI”) has mandated submission of PAN by every participant in the Securities Market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company’s Registrar and Transfer Agent.
17. Nomination Facility:

As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Both the Forms are appended in the Annual Report. Members holding

shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

18. Updation of Members Detail:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Share Registrars and Transfer Agents to record additional details of members, including their PAN details, email address, bank details for payment of dividend etc. A form for capturing the additional details is appended in this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

On behalf of the Board of Directors
For **INDUCTO STEELS LIMITED**

Sd/-

Rajeev Shantisarup Reniwal
Managing Director
(DIN 00034264)

Date: May 30, 2017

Place: Mumbai

Details of Directors seeking appointment/re-appointment at the Twenty Ninth Annual General Meeting in pursuance of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Name	Mrs. Sweety Reniwal
DIN	00041853
Date of Birth	21/10/1973
Qualification	B.Com
Nature of Expertise	Business
Experience	15 years experience in Business
Name of other Public Companies in which holds Directorship	NIL
Name of other Companies in Committees of which holds Membership/ Chairmanship	NIL
Shareholding in Inducto Steels Limited	4,07,745 Equity Shares (10.15%)

ROUTE MAP FOR AGM VENUE



INDUCTO STEELS LIMITED

CIN: L27100MH1988PLC194523

Reg. Off: 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai-400021.

Tel- 022 - 22043211 Fax- 22043215 E-mail: contact@hariyanagroup.com,

Website: www.hariyanagroup.com

Form No. SH-13 Nomination Form

**[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of
The Companies (Share Capital and Debentures) Rules, 2014]**

To,
Inducto Steels Limited
156, Maker Chambers VI,
220 Jammalal Bajaj Marg, Nariman Point,
Mumbai- 400021

I/We _____ the holder(s) of the securities, particulars of which are given here-
under, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the
rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made) :

Nature of securities	Folio No.	No. of securities.	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S –

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :

3. IN CASE NOMINEE IS A MINOR –

- (a) Date of birth :
- (b) Date of attaining majority :
- (c) Name of guardian :
- (d) Address of guardian :

**4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING
AGE OF MAJORITY —**

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :
- (i) Relationship with the minor nominee :

Name(s) and Address of Security holder(s)

Signature(s)

Name and Address of Witness

Signature

Form No. SH-14
Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and Rule 19(9) of
The Companies (Share Capital and Debentures) Rules, 2014]

To,
Inducto Steels Limited
156, Maker Chambers VI,
220 Jamnalal Bajaj Marg, Nariman Point,
Mumbai- 400021

I/We hereby cancel the nomination(s) made by me/us in favour of _____ (name(s)
and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of _____ as nominee
in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in
the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made) :

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S –

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :

3. IN CASE NOMINEE IS A MINOR –

- (a) Date of birth :
- (b) Date of attaining majority :
- (c) Name of guardian :
- (d) Address of guardian :

4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY —

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :
- (i) Relationship with the minor nominee :

Name(s) and Address of Security holder(s)

Signature(s)

Name and Address of Witness

Signature

Updation of Shareholder Information

To,
Inducto Steels Limited
156, Maker Chambers VI,
220 Jammalal Bajaj Marg, Nariman Point,
Mumbai- 400021

I/ We request you to record the following information against our Folio No :

General Information :

Folio No :	
Name of the first named Shareholder :	
PAN : *	
CIN/ Registration No : (applicable to Corporate Shareholders)	
Tel No. with STD Code :	
Mobile No :	
E-mail Id :	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC : (11 digit)	MICR :(9 digit)
Bank A/c Type :	Bank A/c No : *
Name of the Bank :	
Bank Branch Address :	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place :

Signature of Sole/ First holder :

INDUCTO STEELS LTD.

INDUCTO STEELS LIMITED
(CIN: L27100MH1988PLC194523)

156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021
Website: www.hariyanagroup.com; Email: contact@hariyanagroup.com;
Tel: 022-22043211; Fax: 22043215

E-COMMUNICATION REGISTRATION FORM

Dear Members,

The Ministry of Corporate Affairs and the Securities and Exchange Board of India have commenced Green Initiative by allowing paperless compliances by Companies. The Companies can send Annual Reports and General Notices in electronic mode to Members who have registered their e-mail addresses for the purpose.

It is a welcome move for the society at large as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This is a golden opportunity for every Shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

We therefore invite all our Members to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the enclosed registration form which is available on the website of the Company i.e. www.hariyanagroup.com.

Let's be part of this 'Green Initiative'!

Please note that as a Member of the Company you will be entitled to receive all such communication in physical form, upon request.

Best Regards,
Rajeev Reniwal
Chairman

E - COMMUNICATION REGISTRATION FORM	
Folio No. / DP ID and Client ID:	
Name of 1st Registered Holder:	
Name of Joint Holder(s):	
Registered Address:	
E-mail ID (to be registered):	
I/ We Member(s) of Inducto Steels Limited agree to receive communication from the Company in electronic mode.	
Please register my above e-mail address in your records for sending communication through E-mail.	
Date:	Signature:

Note: Member(s) are requested to provide the e-mail ID very carefully, as all the communication from the Company shall be sent to the e-mail ID provided through this form. The Shareholders are also requested to keep the Company informed as and when there is any change in the registered E-mail address.

**ATTENDANCE SLIP
INDUCTO STEELS LIMITED****CIN: L27100MH1988PLC194523****156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021****Website: www.hariyanagroup.com; Email: contact@hariyanagroup.com****Tel: 022-22043211; Fax: 22043215**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Folio No.	No. of shares held
Name of the Member	
Name of the Proxy holder	

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company on Saturday, September 30, 2017 at 10:30 a.m. at 156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

Signature of the Shareholder or Proxy

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PROXY FORM

[As per MGT-11 & Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id No.*	
DP ID	

*Applicable in case of shares held in electronic form

I/We, holding _____ Equity Shares of the above named Company, hereby appoint:

- Name: _____
Address: _____
Email ID: _____
Signature: _____ or failing him / her
- Name: _____
Address: _____
Email ID: _____
Signature: _____ or failing him / her
- Name: _____
Address: _____
Email ID: _____
Signature: _____ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Saturday, September 30, 2017 at 10:30 a.m. at 156, Maker Chamber VI, 220, Jammalal Bajaj Marg, Nariman Point, Mumbai 400021 or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote(Optional, see Note 3) (Please mention no. of shares)	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017 and the reports of the Directors and the Auditors thereon		
2.	To appoint a Director in place of Mrs. Sweety Reniwal (DIN: 00041853), who retires by rotation and being eligible, offers herself for re-appointment		
3.	To re-appoint M/s. P.D Goplani & Associates, Chartered Accountants, Firm Registration No. 118023W as Statutory Auditors of the Company for a term of 5 years and to fix their remuneration		
4.	To re-appoint M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 116870W) to audit the Accounts of the Mumbai Division of the Company for a period of 5 years and to fix their remuneration		

Signed this.....day of 2017

Note:

- This form in order to be effective should be duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- Those Members who have multiple folios with different joint holders may use copies of this proxy.
- It is optional to indicate your preference. If you leave the 'for' or 'against' any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate

Affix Revenue Stamp

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BOARD'S REPORT

[Disclosure under Section 134(3) of the Companies Act, 2013 read With Companies (Accounts) Rules, 2014]

Dear Members,

Your Directors are presenting the 29th Annual Report of your Company and the Audited Financial Statements for the year ended 31st March 2017.

FINANCIAL RESULTS:**(Amount in lacs)**

PARTICULARS	2016-17	2015-16
Revenue from operations/Net Sales	2302.75	15648.80
Other Income	436.38	824.98
Total Revenue	2739.13	16473.78
Cost of materials consumed	2328.53	2157.45
Purchase of stock-in- trade	-	12651.20
Changes in inventories of finished goods	-	411.63
Employee benefits expenses& Finance costs	207.65	794.50
Depreciation and amortization expenses	14.42	14.38
Other expenses	114.27	288.18
Total Expenses	2664.88	16317.35
Profit / (Loss) before tax	74.25	156.42
Less: Current Tax	23.58	52.60
Less: Deferred Tax	(1.11)	(0.60)
Profit / (Loss) after tax	51.77	104.42
Earnings Per Share -Basic & Diluted	1.29	2.60

HIGHLIGHTS OF COMPANY'S PERFORMANCE:

During the year under consideration, Total Revenue were Rs. 2,739.13 Lakhs as against Rs. 16,473.77 Lakhs in the preceding financial year and Profit after Tax was Rs. 51.77 Lakhs as against Rs. 104.42 Lakhs in the preceding financial year.

The company has not been able to perform well during the year due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions prevalent in the steel sector throughout the year. All these factors affected the Profit Margin severally. To avoid any losses in such an uncertain market environment in Iron and Steel industry, the management took cautious approach to the prevalent affairs and avoided any venturesome business decision in the interest of the company. The management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

DIVIDEND:

To consolidate the future position of the Company and support the fund requirements, your Board of Directors regret their inability to recommend any dividend for the year.

RESERVES:

The whole profit after tax has been transferred to P&L surplus. There is no amount that has been proposed to be carried to any other reserves.

LOANS, GUARANTEE & INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

DEPOSITS:

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act.

RELATED PARTY TRANSACTIONS:

All contract(s)/ arrangement(s)/ transaction(s) entered into by the Company with its related parties during the year under review, were

- in “ordinary course of business” of the Company,
- on “an arm’s length basis” and
- not “material”

as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations.

Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 for disclosure of details of Related Party Transactions which are “not at arm’s length basis” and also which are “material and at arm’s length basis”, is not provided as an annexure to the Directors’ Report.

However, all Related Party Transactions entered into during the year under review and as on March 31, 2017 were reviewed and approved by the Audit Committee of the Board and the Board, from time to time and the same are disclosed in Note 2.32 of the Financial Statements of the Company for the year under review, as per the applicable provisions of the Act and the Listing Regulations.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, Board has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. www.hariyanagroup.com.

INTERNAL FINANCIAL CONTROLS:

Internal financial control systems of the Company are commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to the orderly and efficient conduct of its business including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information and disclosures.

The Audit Committee deliberated with the Members of the Management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, inter-alia, their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the as Internal financial control laid down and kept the Board of Directors informed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Changes in Directors and Key Managerial Personnel (KMP)****Directors:**

Pursuant to Section 152 of the Act and the Company's Articles of Association, Mrs. Sweety Reniwal, Director, retires by rotation and being eligible, offers herself for re-appointment at the forthcoming Annual General Meeting.

During the year under review, none of the Directors of the Company resigned from their respective Directorships in the Company. Further, there was no appointment of any Director on Board of the Company.

Pursuant to the provisions of the Listing Regulations and Section 149 of the Act, all Independent Directors have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an independent director during the year. During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Further, the list of the present Directors and KMP forms part of this Annual Report under the section Corporate Information.

Key Managerial Personnel ("KMP"):

Board of Directors at its meeting held on 2nd May, 2017 appointed Ms. Arpita Doshi as the Company Secretary of the Company.

The aforesaid appointment was based on the recommendation of the Nomination and Remuneration Committee of the Board ("NRC").

Further, the list of the present Directors and KMP forms part of this Annual Report under the section Corporate Information.

PERFORMANCE EVALUATION OF THE BOARD:

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and individual Directors, including the Chairman of the Company. To enable such evaluation, an evaluation framework as recommended by the NARC has been adopted by the Company which is devised with a view to provide a more structured approach for the evaluation and which lays down overall guidelines and processes to be adopted for the evaluation of performance.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The performance of the committees was evaluated by the Board after seeking inputs from

the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

For evaluating the Board as a whole, views were sought from the Directors on various aspects of the Board's functioning such as degree of fulfillment of key responsibilities, Board Structure and composition, establishment, delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the management.

Similarly, views from the Directors were also sought on performance of individual Directors covering various aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and promoting effective relationships and open communication, communicating effectively with all stakeholders and motivating and providing guidance to the Executive Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition, effectiveness of meetings, Committee dynamics and quality of relationship of the Committee with the Board and the Management.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The Chairman of the Board provided feedback to the Directors, as appropriate. Significant highlights, learning with respect to the evaluation, were discussed at the Board meeting.

BOARD MEETINGS:

During the year 11 (Eleven) Board Meetings were held. The details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings is provided in the Corporate Governance Report.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the annual return in prescribed form MGT - 9 is appended as **Annexure- 1** to the Board's Report.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance forming part of the Directors' Report and a Certificate from the Company's Auditors is included in the Annual Report. **Annexure - 2** is attached herewith.

AUDITORS:

STATUTORY AUDITORS:

The term of the existing Statutory Auditors viz. M/s. P. D. Goplani & Associates shall expire at conclusion of the ensuing Annual General Meeting of the Company and accordingly, based on the recommendation of the Audit Committee, members are requested to re-appoint the auditors for a term of five consecutive years i.e., from the conclusion of this Annual

General Meeting of the Company till the conclusion of the Annual General Meeting to be held in the year 2022 and to fix their remuneration.

M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar, having ICAI Firm Registration No. 118023W, being eligible offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 139 of the Companies Act, 2013.

Further the Statutory Auditors in their report dated May 30, 2017 have commented that provision for gratuity and long term employee benefits as per AS-15 has not been made. In this regard, the Company would like to clarify that since none of the employees of the Company were in continuous service of more than five years, thus, making provision for Gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted as and when incurred and the payment under the Pension Act, 1871 is not applicable to the Company.

SECRETARIAL AUDITORS:

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; the Board of the Company at its meeting held on May 30, 2017 has appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2017-18.

Further, the Secretarial Audit report for the year 2016-17 forms part of the Board's Report as the **Annexure- 3**.

BRANCH AUDITORS:

The term of the existing Branch Auditors viz. M/s. Lahoti Navneet & Co shall expire at conclusion of the ensuing Annual General Meeting of the Company and accordingly, based on the recommendation of the Audit Committee, members are requested to re-appoint the auditors for a term of five consecutive years i.e., from the conclusion of this Annual General Meeting of the Company till the conclusion of the Annual General Meeting to be held in the year 2022 and to fix their remuneration.

M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai, having ICAI Firm Registration No. 116870W, being eligible offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 139 of the Companies Act, 2013.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2017 do not contain any qualification, reservation, adverse remark or disclaimer other than mentioned above.

MATERIAL CHANGES AND COMMITMENTS:

No material changes have taken place affecting the financial position of the Company from the date of closure of financial year till the date of signing of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

HUMAN RESOURCES:

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. Your Company’s thrust is on the promotion of talent internally through job rotation and job enlargement. Your Company believes in harnessing its leadership and people capabilities through sharp focus and initiatives on talent development. We review our talent based on their performance and potential to assess their readiness for future roles of higher scale and complexity. We believe in developing our employees through multiple experiences requiring them to handle scale and complexity.

DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 and loss of the company for that period;
- (iii) 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;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors, further state that they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. & FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

A. Conservation of energy:

- (i) the steps taken or impact on conservation of energy;

The Company recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The company has implemented various initiatives for the conservation of energy and all efforts are made to minimize energy costs. Company is engaged in Ship Breaking and Trading in metal scrap, coals, aluminium foil & other industrial inouts. No significant

power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities and the company has taken various measures to control the consumption of fuel and energy.

(ii) **the steps taken by the company for utilising alternate sources of energy;**

Company is engaged in Ship Breaking and Trading in metal scrap, coals, aluminium foil & other industrial inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities. The Company has taken various measures to control the consumption of fuel and energy. Hence, the Company has not made any investment towards any alternate source of energy.

(iii) **the capital investment on energy conservation equipments;**

The Company is taking adequate steps to conserve energy though no such capital investment has been made.

B. Technology absorption:

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products. The Company's operations do not require significant absorption of technology. There has been no import of technology in FY 2016-17.

Particulars	Current Year		Previous Year	
	In Rs.	In USD	In Rs.	In USD
Foreign Exchange Earnings	NIL	NIL	NIL	NIL
Foreign Exchange Outgo	3,03,73,89,089	4,58,05,682.78	2,06,88,25,015	3,32,65,360

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of section 135 and Schedule VII of the Act, the Board of Directors has constituted a CSR Committee under the Chairmanship of Mr. Yogesh Thakkar. Mrs. Sweety Rajeev Reniwal and Mr. Bhushanlal Behl are the other members of the Committee.

The CSR Committee of the Board has framed a CSR Policy and uploaded it on the website of the Company www.hariyanagroup.com. During the year, based on these rules the amount to be spent for CSR activities was Rs. 8.32 lakhs, however, the Company has not spent any amount towards Corporate Social Responsibility activities as the Management and CSR Committee are in the process of finding better avenues of CSR Expenditure to be incurred in near future.

AUDIT COMMITTEE:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms part of this report.

NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted a Nomination and Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 and has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes and independence of a Director. The Committee shall function in accordance with the terms and reference of the policy. Policy of the Company is enclosed herewith as **Annexure- 4**.

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The details pertaining to composition of the Committee is included in the Corporate Governance Report, which forms part of this report. The role of the Committee is explained in detail in the Corporate Governance Report enclosed herewith.

VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website. "www.hariyanagroup.com"

PERFORMANCE OF EMPLOYEES:

A) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Company has not paid any remuneration to the Directors of the Company and hence the information is not furnished.

- b. **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, if any, in the financial year:**

Save and except, the payment of remuneration to Company Secretary with no percentage increase in remuneration in the financial year, no remuneration is being paid to any Director or KMP of the Company. Hence, the information pertaining to percentage increase in remuneration cannot be provided.

- c. **The percentage increase in the median remuneration of employees in the financial year:**

There has been no increase in the median remuneration of employees in the financial year and hence the information cannot be furnished.

- d. **The number of permanent employees on the rolls of Company: 21 (Twenty One)**
- e. **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 there are any exceptional circumstances for increase in the managerial remuneration:**

Save and except, the payment of remuneration to Company Secretary with no percentage increase in remuneration in the financial year, no remuneration is being paid to any Director or KMP of the Company. Hence, the information pertaining to percentage increase in remuneration cannot be provided.

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

Remuneration paid to Key Managerial Personnel is as per the remuneration policy of the Company.

- B) **Details of the top ten employees in terms of remuneration drawn and the name of every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Company has no such employees drawing remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no subsidiary, associate companies or joint venture companies within the meaning of Section 2(87) and Section 2(6) of the Act and thus pursuant to the provisions of Section 129(3) of the Act, the statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is not required to be attached to the financial statements of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review is set out in a separate section forming part of this Report.

RISK MANAGEMENT:

The Company has adopted a policy on risk management in accordance with the applicable provisions of the Act and the Listing Regulations. The objectives of the policy are to optimize business performance, minimize adverse impact on the business, protect it from damages, frauds and enhance stakeholder value. Risk management aims to identify and then manage threats that could severely impact the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence and then taking appropriate actions to address the most likely threats. The Board of the Company is responsible for risk management of the Company and for ensuring that robust internal controls are instituted to respond to changes in the business environment. The Audit Committee has additional oversight in the area of financial risks and controls.

The said policy is also placed on the website of the Company viz. www.hariyanagroup.com.

FAMILIARIZATION PROGRAMME:

Pursuant to Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company has formulated a programme for familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives. Details of the Familiarization Programme of the Independent Directors are available on the website of the Company. www.hariyanagroup.com

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder which is available on the website of the Company "www.hariyanagroup.com". The Policy aims to provide protection to employees at the work place and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2016-17

DETAILS OF VARIOUS PLANTS:

During the financial year 2016-17, ship breaking unit at Alang and Ship Breaking Yard has not shown negative growth, however the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with fluctuations in value of Indian Rupee vis-à-vis US Dollar during the year, the net profit margins of this segment has been affected. The Trading Unit has performed well in terms of turnover during the year under consideration. However, the management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

Overall, since the prices of iron and steel having been reasonably stabilized and the inventory levels of the company and its market position, both the segments of the company, viz. Ship Breaking and Trading, are expected to see major increase in terms of Gross Revenues and Net profit Margins in the coming year.

The company is hopeful that in the coming period the company will continue its ship breaking and trading activities and take it to the level of extended growth and will contribute more to the overall growth of the business of the company and your directors see a very positive and bright future prospects ahead for the company looking to the prevailing upward trend in the Iron and Steel sector in India and internationally.

The Company is hopeful that with the stabilizing the price for the old ship in the international market and also sale prices of companies products in the domestic market; the company will be able to improve the turnover and also the profitability in the coming year.

The Company has also entered into partnership with "M/s. Shree Balaji Associates" (with 5% share). The firm is engaged in the business of trading in iron & steel, coal and real estate. The company's share of profit from the firm is Rs. 1.49 Lakhs for the year ended on March 31, 2017.

The Company has also entered into partnership with “M/s. Calvin Divine Enterprise” (with 20% share) for redevelopment and construction activities. The firm has acquired 4500 yards at Andheri – Kurla Road, Andheri, Mumbai. The project is expected to commence in December 2017.

ACKNOWLEDGEMENT:

The Directors thanks the Company’s employees, customers, vendors, investors, Bankers, Financial Institutions, various State/ Central Government authorities and concerned government departments and agencies, stakeholders and academic partners for their continuous support.

We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on Behalf of the Board of Directors
INDUCTO STEELS LIMITED

Sd/-

Rajeev Shantisarup Reniwal
Managing Director
(DIN 00034264)

Sd/-

Sweety Reniwal
Director
(DIN 00041853)

Date: May 30, 2017**Place:** Mumbai

INDUCTO STEELS LTD.

Annexure 1
EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2017
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]
FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS:

CIN:-	L27100MH1988PLC194523
Registration Date:	29/11/1988
Name of the Company:	Inducto Steels Ltd.
Category / Sub-Category of the Company	Company Limited by Shares/ Non government company
Address of the Registered office and contact details:	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai: 400021.
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	Unit-1, Luthra Ind. Premises,1st floor, 44 E Safed Pool, M. Vasanti Marg, Andheri-Kurla Road, Andheri(E), Mumbai-400072.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
a.	Trading in Metal Scrap, Coals, Aluminium Foil & Other Industrial Inouts	4662/4669	0
b.	Dismantling / Breaking of old and used ships	3830	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
a	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	2777354	7400	2784754	69.320	2777354	7400	2784754	69.320	0
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corp		0				0			0
(e). FIINS / BANKS		0				0			0
(f). Any Other		0				0			0
Sub-total (A) (1):-	2777354	7400	2784754	69.32	2777354	7400	2784754	69.32	0
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0
(d). Banks / FII		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2777354	7400	2784754	69.320	2777354	7400	2784754	69.320	0
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds		0				0			0.000
(b). Banks / FI		0				0			0.000
(c). Central Govt.		0				0			0.000
(d). State Govt		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance		0				0			0.000
(g). FIs		0				0			0.000
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	52713	0	52713	1.312	54180	0	54180	1.349	0.037
(ii). Overseas		0				0			0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	390391	52800	443191	11.032	375140	52800	427940	10.653	-0.379
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	731067	0	731067	18.198	720323	0	720323	17.931	-0.267
(c). Other (specify)									
Non Resident Indians	5058	0	5058	0.126	5236	0	5236	0.13	0.004
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	471	0	471	0.012	24821	0	24821	0.618	0.606
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	1179700	52800	1232500	30.68	1179700	52800	1232500	30.681	0.001
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1179700	52800	1232500	30.680	1179700	52800	1232500	30.681	0.001
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	3957054	60200	4017254	100.00	3957054	60200	4017254	100.00	0.001

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(ii) Company : Inducto Steels Ltd. from 01-04-2016 to 31-03-2017
Shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	RAKESH SHANTISARUP RENIWAL	1489988	37.09	34.857	1489988	37.09	34.857	0
2	SWEETY R. RENIWAL	407745	10.15	0	407745	10.15	0	0
3	RAJEEV SHANTISARUP RENIWAL	337526	8.402	0	337526	8.402	0	0
4	RAJEEV RENIWAL HUF	193900	4.827	0	193900	4.827	0	0
5	SANJEEV RENIWAL (HUF)	186800	4.65	0.916	186800	4.65	0.916	0
6	LALITADEVI S RENIWAL	153375	3.818	1.568	153375	3.818	1.568	0
7	SHANTISARUP RENIWAL & SONS . HUF	12255	0.305	0	12255	0.305	0	0
8	SHANTISARUP R. RENIWAL	2665	0.066	0	2665	0.066	0	0
9	SANJEEV S. RENIWAL	500	0.012	0	500	0.012	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares at beginning /end of the year	% of shares of the company	Date	Increase/ decrease of share-holding	Reason	No. of shares	% of total shares of the company
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total Shares of the Company
1	BABITA SANDIP AGARWAL	203100	5.056	01-04-2016				
	-Closing Balance			31-03-2017		No Change	203100	5.056
2	JAYSHREDEVI TRILOKCHAND AGARWAL	188400	4.69	01-04-2016				
	-Closing Balance			31-03-2017		No Change	188400	4.69
3	DIPAK KANAYALAL SHAH	83000	2.066	01-04-2016				
	-Closing Balance			31-03-2017		No Change	83000	2.066
4	INDIRA SHIVSHANKAR AGARWAL	62055	1.545	01-04-2016				
	-Closing Balance			31-03-2017		No Change	62055	1.545
5	KAMALA SUNIL GADEKAR	57090	1.421	01-04-2016				
				22-04-2016	40	Buy	57130	1.422
				30-06-2016	169	Buy	57299	1.426
				22-07-2016	300	Buy	57599	1.434
				12-08-2016	200	Buy	57799	1.439
				19-08-2016	200	Buy	57999	1.444
				26-08-2016	200	Buy	58199	1.449
				02-09-2016	100	Buy	58299	1.451
				21-10-2016	401	Buy	58700	1.461
				04-11-2016	600	Buy	59300	1.476
				11-11-2016	304	Buy	59604	1.484
				18-11-2016	100	Buy	59704	1.486
				25-11-2016	200	Buy	59904	1.491
				02-12-2016	78	Buy	59982	1.493
				23-12-2016	76	Buy	60058	1.495
				20-01-2017	82	Buy	60140	1.497
				31-03-2017	35	Buy	60175	1.498
6	SHARVARI AGRAWAL	60000	1.494	01-04-2016				
	-Closing Balance			31-03-2017		No Change	60000	1.494
7	SATYA PRAKASH MITTAL (HUF)	41581	1.035	01-04-2016				
				08-04-2016	463	Buy	42044	1.047
				22-04-2016	-1280	Sold	40764	1.015
				03-06-2016	-5143	Sold	35621	0.887
				10-06-2016	4855	Buy	40476	1.008
				17-06-2016	215	Buy	40691	1.013
				19-08-2016	7916	Buy	48607	1.21
				21-10-2016	-399	Sold	48208	1.2
				18-11-2016	953	Buy	49161	1.224
				02-12-2016	-550	Sold	48611	1.21
				09-12-2016	-101	Sold	48510	1.208
				10-02-2017	-940	Sold	47570	1.184
				31-03-2017	199	Buy	47769	1.189
8	PRABHUDAS LILLADHER PVT. LTD	100	0.002	03-06-2016				
				10-06-2016	-81	Sold	19	0
				17-06-2016	-2	Sold	17	0
				06-01-2017	23036	Buy	23053	0.574
	-Closing Balance			31-03-2017			23053	0.574
9	MANAN TRADING COMPANY PRIVATE LIMITED	22897	0.57	01-04-2016				
	-Closing Balance			31-03-2017		No Change	22897	0.57
10	JITENDRA DALICHAND BADANI	15841	0.394	01-04-2016				
				17-06-2016	100	Buy	15941	0.397
				19-08-2016	-117	Sold	15824	0.39
	-Closing Balance			31-03-2017			15824	0.394
11	ANSUYA MAHESH SACHADE	20000	0.498	01-04-2016				
				13-05-2016	-300	Sold	19700	0.49
	-Closing Balance			27-05-2016	-19700	Sold	0	0

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(v) Shareholding of Directors and Key Managerial Personnel:

For each director and KMP		Shareholding at the beginning of the year			Cumulative Shareholding during the year			
Sr .no	Name	No. of shares at beginning /end of the year	% of shares of the company	Date	Increase/ decrease of share-holding	Reason	No. of shares	% of total of the company
1	RAKESH SHANTISARUP RENIWAL	1489988	37.09	-	NIL	N.A.	1489988	37.09
2	SWEETY R. RENIWAL	407745	10.15	-	NIL	N.A.	407745	10.15
3	RAJEEV SHANTISARUP RENIWAL	337526	8.402	-	NIL	N.A.	337526	8.402

V. INDEBTEDNESS

Indebtness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	UnsecuredLoans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	116,838,229	-	-	116,838,229
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	116,838,229	-	-	116,838,229
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	116,838,229	-	-	116,838,229
Net Change	(116,838,229)	-	-	(116,838,229)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

Sr. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:: Nil

Sr. no.	Particulars of Remuneration	Name of Director/Manager	Total Amount
1.	Independent Directors		
	•Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (1)		
2.	Other Non-Executive Directors		
	•Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		RADHA SHARMA	RAKESH RENIWAL	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,85,000	NIL	3,85,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission- as % of profit- others, specify	-		-
	Others, please specif	-		-
	Total	3,85,000		3,85,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ / NCLT/ COURT]
A. COMPANY				
Penalty			NONE	
Punishment			NONE	
Compounding			NONE	
B. DIRECTORS				
Penalty			NONE	
Punishment			NONE	
Compounding			NONE	
C. OTHER OFFICERS IN DEFAULT				
Penalty			NONE	
Punishment			NONE	
Compounding			NONE	

Annexure-2**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and enhancing investor confidence.

The Company believes in adopting and carrying out best practices in the area of Corporate Governance and follows the principle of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its stakeholders. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company Towards this, the Company has taken following steps to strengthen it belief by ensuring:

- Adequate disclosure and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholders interest;
- Commitment to values and ethical conduct of Business

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

During the year under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

Moreover, the Company undertakes to take an audit of its secretarial records and documents to ensure timely compliance with applicable laws to the Company.

BOARD OF DIRECTORS:**Composition of Board of Directors**

As on March 31, 2017; the Board comprised of four Directors, of whom 3 (Three) are Non-Executive Directors and the remaining one is Executive Director. Pursuant to Regulation 17 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company shall have an optimum combination of Executive and Non-Executive Directors with at least 1 Woman Director and not less than fifty percent of the Board of Directors comprising of Non- Executive Directors. The Company have 3 out of 4 Directors as Non- Executive which also has 1(one) Woman Director. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors.

The composition of the Board of the Company is in conformity with act and the Listing Regulations. The Company currently has right mix of Directors on the board who possesses the requisite qualifications and experience in general corporate management, finance, banking, marketing and other allied fields which enables them to contribute effectively to the company in their capacity as director of the company.

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Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

In accordance with the provisions of the Companies Act, 2013 (“Act”) and the Company’s Articles of Association; Mrs. Sweety Rajeev Reniwal, Director, retires by rotation and is eligible for re-appointment.

Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), profile of Director seeking re-appointment has been given along with the Notice of the Annual General Meeting.

Board Meetings:

11 Board Meetings were held at Mumbai during the year under review.

The Board Meetings were held on **11/04/2016, 25/04/2016, 27/05/2016, 24/06/2016, 14/08/2016, 25/08/2016, 21/10/2016, 14/11/2016, 21/11/2016, 14/02/2017 and 01/03/2017.**

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company’s Registered Office in Mumbai. The time gap between the two meetings did not exceed one hundred twenty days. Necessary quorum was present for all the meetings. All the information required to be furnished to the Board were made available to them along with detailed Agenda notes.

The Board has granted leave of absence to the Directors who were absent at the respective Board Meeting(s) at their request.

Separate Board Meeting of Independent Directors was held to review the performance of Executive Directors and the Board as a whole.

Membership, Attendance & Other Directorships:

The category of each Director together with his attendance at Board Meetings; the number of his Directorships and memberships of the SEBI-designated Board Committees of other companies, as on March 31, 2017 are given below:

Name of Directors & DIN	Category of Director	Board Meetings attended during 2016-17		Attended Last AGM	*No. of Directorships of other Indian companies	## No. of Committee memberships	
		Held	Attended			Public	Private
Mr. Rajeev Reniwal (DIN: 00034264)	Promoter, Chairman & Managing Director	11	11	Yes	03	Nil	Nil
Mrs. Sweety Reniwal (DIN: 00041853)	Promoter & Non Executive Director	11	11	Yes	04	Nil	Nil
Mr. Yogesh Thakkar (DIN: 00043588)	Independent & Non-Executive Director	11	7	No	Nil	Nil	Nil
Mr. Bhushanlal Behl (DIN: 03023697)	Independent & Non-Executive Director	11	7	No	Nil	Nil	Nil

* Other Directorships do not include Directorships of Section 8 Companies and of companies incorporated outside India.

Since, the Directors are not acting as a Member of any Committee except the Company; hence the question of Chairmanship in other Committee does not arise.

There are no nominees or Institutional Directors in the Company. None of the Directors have pecuniary or Business relationship with the Company other than as mentioned elsewhere in the Annual Report.

Code of Conduct:

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel as on March 31, 2017 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto in the Corporate Governance Report.

Independent Directors Meeting:

In terms of Section 149 of the Act and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held on March 31, 2017, inter alia, to discuss:

- a) Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- c) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

COMMITTEE OF DIRECTORS:

Audit Committee

Sr. No.	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Yogesh Thakkar	Chairman	7	7
2	Mr. Bhushanlal Behl	Member	7	7
3	Ms. Sweety Reniwal	Member	7	7

Nomination and Remuneration Committee

Sr. No.	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Yogesh Thakkar	Chairman	1	1
2	Mr. Bhushanlal Behl	Member	1	1
3	Ms. Sweety Reniwal	Member	1	1

Stakeholders' Relationship & Share Transfer Committee

Sr. No.	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Bhushanlal Behl	Chairman	3	3
2	Mr. Yogesh Thakkar	Member	3	3
3	Ms. Sweety Reniwal	Member	3	3

Corporate Social Responsibility Committee

Sr. No.	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Yogesh Thakkar	Chairman	1	1
2	Mr. Bhushanlal Behl	Member	1	1
3	Ms. Sweety Reniwal	Member	1	1

AUDIT COMMITTEE

The audit committee of the Company is constituted in compliance with the Section 177 of the Act and Regulation 18 of the Listing Regulations. All the members of Audit Committee possess expert knowledge in the field of accounts, audit and finance.

Terms of reference of the Audit Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the Management, the annual financial statements and auditors' report before submission to the Board for approval, with particular reference to:
 - Matters to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
- To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor's Report;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

- To define significant related party transactions;
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the chief internal auditor

The Audit Committee reports its findings to the Board at the subsequent meeting and its recommendations are implemented by the management.

NOMINATION AND REMUNERATION COMMITTEE

The Company constituted a Nomination and Remuneration Committee of Directors in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations. The purpose of the NARC is to oversee the selection of members of the Board based on criteria related to the specific requirement of expertise, independence and execution. Further, the role of NARC is also to identify and select senior management personnel one level below the Board. The Committee shall also evaluate the performance of the Board members based on the expected performance criteria.

The broad terms of reference of the Committee consists as below:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

Remuneration Policy:

The Company adopted a Remuneration Policy for Directors, KMPs and other employees in accordance with the provisions of the Act and the Listing Regulations. For details on the Remuneration Policy, kindly refer the Annexure to the Board's Report. None of the directors (Executive, Non-executive & Independent) have been paid any kind of remuneration, commission, sitting fees, etc. for the financial year ended March 31, 2017.

The Company does not have any Employee Stock Option Scheme.

STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted.

The Committee approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Share Registrars, oversee overall improvement of the quality of Investor services, performance of Registrar and Share Transfer Agents, oversee compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention of Insider Trading.

There was no complaint pending as on March 31, 2017.

There were no investor complaints received during the year 2016-17 which were to be redressed.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted under Section 135 of Act.

The terms of reference of Corporate Social Responsibility Committee are as follows:-

- a) Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b) Recommend the amount to be spent on the CSR activities;
- c) Monitor the Company's CSR policy periodically;
- d) Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company www.hariyanagroup.com

BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for performance evaluation process for the Board, its Committees and Directors, including Chairman of the Company. The criteria laid down by the Committee are:

A. Criteria for Board Evaluation:

- i. Degree of fulfillment of key responsibilities.
- ii. Board structure and composition.
- iii. Establishment and delineation of responsibilities to Committees.
- iv. Effectiveness of Board processes, information and functioning.

- v. Board culture and dynamics.
- vi. Quality of relationship between the Board and the management.
- vii. Efficacy of communication with various stakeholders.

B. Criteria for Evaluation of Independent and Non-Independent Directors:

- i. Attendance.
- ii. Contribution at Board Meetings.
- iii. Guidance/ support to management outside Board/ Committee Meetings.
- iv. For the Chairman of the Board, additional criteria include providing effective leadership to the Board; setting an effective strategic agenda of the Board; encouraging active engagement by all the members of the Board, promoting effective relationships and open communication; communicating effectively with all stakeholders and enabling meaningful relationships and motivating and providing guidance to the Managing Director & CEO/CFO.

C. Criteria for Evaluation of Board Committees:

- i. Degree of fulfillment of key responsibilities.
- ii. Adequacy of Board Committee composition.
- iii. Effectiveness of meetings.
- iv. Committee dynamics.
- v. Quality of relationship of the Committee with the Board and the management.

Familiarisation Programme:

The Company has Familiarisation Programme for the Independent Directors with respect to the Company, their roles, rights, responsibilities and details of such Familiarisation Programme is available at the Company's website. "www.hariyanagroup.com"

GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held:

Location	Date	Time
156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2014	09.30 a.m.
156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2015	10.00 a.m.
156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2016	10.00 a.m.

Special resolutions passed at last three Annual General Meetings (AGM):

- a) **26th AGM held on 30th September 2014:**
- a. To re- appoint Mr. Bhusahanlal Behl (DIN: 03023697) as an Independent Director of the Company
 - b. To re- appoint Mr. Yogesh Thakkar (DIN: 00043588) as an Independent Director of the Company
 - c. To re- appoint Mr. Rajeev Reniwal (DIN: 00034264) as Managing Director of the Company
 - d. To borrow monies in excess of paid up Share Capital and Reserves, to the extent of Rs. 500 Crore
 - e. Adoption of new Articles of Association of the Company containing regulation with the Companies Act, 2013
- b) **27th AGM held on 30th September 2015: NONE**
- c) **28th AGM held on 30th September 2016: NONE**

Postal Ballot:

Members' approval was sought vide the following Postal Ballot Notices under Section 110 of the Act, details of which are relayed below:

A. *Postal Ballot Notice dated August 25, 2015, pertaining to the following matters:-

Sr. No.	Special Resolutions	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
1.	Resolution under section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of charge on assets	855243	100	0	0
2.	Resolution under section 186 of the Companies Act, 2013, authorizing the Board of Directors for inter-corporate loans & deposits over and above the limits.	855243	100	0	0
3.	Resolution under section 13 of the Companies Act, 2013, to alter the Main objects of the Company.	855243	100	0	0

Appointment of Scrutinizer: Mr. Dilip Bharadiya, Practicing Company Secretary, Mumbai

Cut-off Record Date for reckoning Members eligible to receive Notice and vote: August 28, 2015

Cut-off date and time for voting: October 5, 2015 till 05.00 p.m.

Date of declaration of result: October 8, 2015

Procedure for Postal Ballot:

In compliance with the Section 110 and other applicable provisions of the Act, read with related Rules, the Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members / the List of beneficiaries as on a cut-off date. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in the names of Members as on the cut-off date. Members desiring to exercise their votes are requested to return the forms duly completed and signed to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting. The Scrutinizer submits his/her report to the Chairman after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorised officer.

Extraordinary General Meetings

No Extraordinary General Meeting was held during the past three years.

DISCLOSURES:

- a) During the year, there were no materially significant transactions with related parties, as per the Policy adopted by the Company that have potential conflict with the interests of the Company at large. All the transactions with Related Party are after obtaining prior approval of Audit Committee. Details of the same are covered under Directors' Report.

The policy is also available on the website of the Company. "www.hariyanagroup.com"

- b) There were no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- c) There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- d) There has been no instance of non-compliance by the Company on any matter related to capital markets. No penalties or strictures have been imposed by them on the Company.
- e) **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:**

The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy which provides a formal mechanism for all the Directors and Employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

A copy of the policy is also uploaded on the website of the Company "www.hariyanagroup.com". The Company affirms that during the year under review,

no report has been registered by any Director or Employee of the Company. Also, no Director or Employee of the Company has been denied access to the Audit Committee.

f) Policy on Preservation of Documents:

Pursuant to the provisions of Regulation 9 of the SEBI Listing Regulations, your Company has adopted the policy for preservation of documents.

This Policy contains guidelines for identifying Documents (as define under the SEBI Listing Regulations) that need to be maintained, the period of preservation of such Documents and its destruction/ disposal. This Policy aims to provide efficient and systematic control on the periodicity and destruction of business related Documents.

g) Policy for Determination of Materiality of Information or Event:

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted the policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information to the stock exchange(s) in compliance with the provisions of the SEBI Listing Regulations. This Policy shall act as a guidance for determining materiality of such price sensitive information, so as to ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company.

h) Policy for Archival of Documents:

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted the policy for the archival of documents of the Company to comply with the provisions of the SEBI Listing Regulations.

i) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI):

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("*SEBI PIT Regulations*"), to adhere to each of the Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as set out in Schedule A to the SEBI (PIT) Regulations.

j) Code of Conduct for Trading in Listed or Proposed to be Listed Securities of Inducto Steels Limited:

This document explains the Code to be observed by all the Connected Persons of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time ("the SEBI PIT Regulation").

The objective of this Code is to communicate to all the Connected Persons the Code related to trading in listed or proposed to be listed securities of the Company. It is intended to serve as a guideline to all concerned, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

k) Code of Conduct for Board Members and Senior Management:

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of Regulation 17 of the SEBI Listing Regulations.

The code incorporates the duties of independent directors as laid down in the Act and also helps the Board Members and Senior Managers to observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgment.

l) Means of Communication:

The unaudited quarterly results and audited results for the year are published in one English newspaper and atleast one vernacular newspaper shortly after its submission to the Stock Exchanges. The Company's website www.hariyanagroup.com contains relevant information including matters pertaining to investor relations, shareholder benefits as well as quarterly/annual financial results.

m) Reporting of Internal Auditor:

The Internal Auditor reports to the Audit Committee of the Company to ensure independence of the Internal Audit function.

n) Subsidiary Companies:

The Company does not have any Subsidiary.

o) Green Initiative:

Your Company encourages the shareholders to register their email addresses with the Company or its Registrar & Transfer Agents viz. Sharex Dynamic (India) Pvt. Ltd. by sending a letter signed by the Shareholders and intimate changes in the email ids from time to time.

Those shareholders who have not opted for receiving the Annual Report in physical form, we look forward to receiving your full support in our endeavour to contribute towards greener environment and request you to join us in this noble initiative and look forward to your consent to receive Annual Report from now onwards in electronic form.

GENERAL SHAREHOLDERS INFORMATION

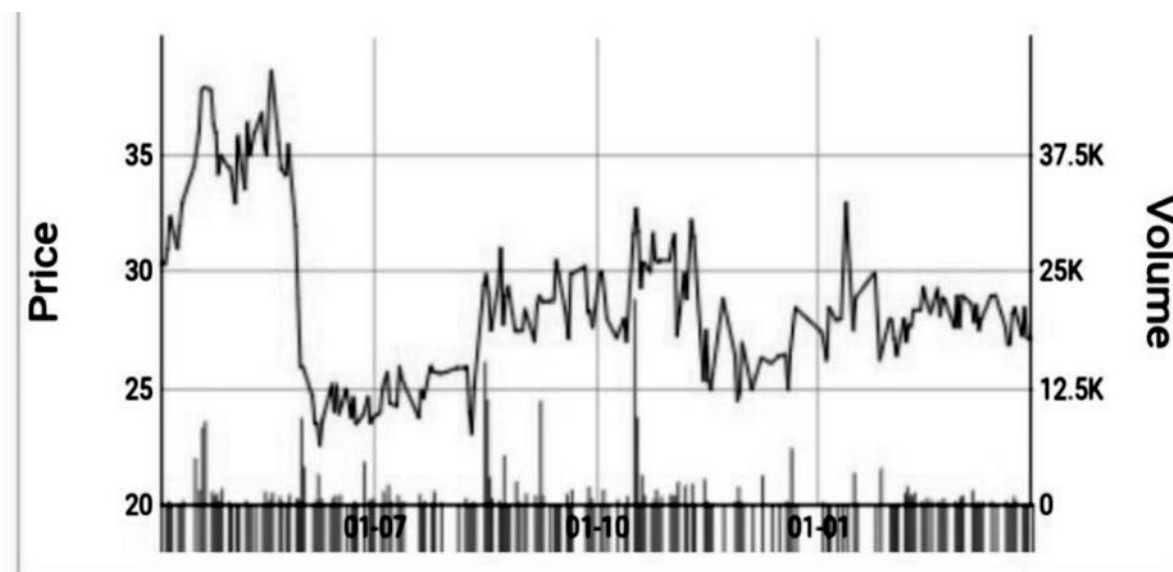
General Shareholder Information :	
Compliance Officer	Ms. Arpita Doshi
Registered Office(Address for Correspondence)	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021 E-Mail: contact@hariyanagroup.com Web Site: - www.hariyanagroup.com
Annual General Meeting(Date, Time and Venue)	Saturday, 30th September, 2017 at 10.30 A.M. 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021
Financial Year	The Financial Year of the Company ends on 31st March each year.
Book Closure Date	Sunday, 24th September 2017 to Saturday, 30th September 2017 (both days inclusive).
Dividend Payment Date	The Board does not recommend any dividend for the financial year ended 31st March 2017
Listing on Stock Exchange:	BSE Limited (BSE) 25th Floor, P.J. Towers, Dalal Street, Mumbai – 400001
Stock Code & ISIN	BSE:532001 & ISIN : INE146H01018
Demat of Shares	Available on National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 98.5% of the Company's shares are in dematerialized mode. Annual Custodial charges have been paid to both Depositories upto 31st March, 2018.

Market Price data, high, low during each month in the last financial year and Performance in comparison to broad-based indices such as BSE Sensex is as under:

Month	High Price	Low Price
April-16	39.35	28.90
May-16	40.00	28.80
June-16	28.00	22.35
July-16	27.70	21.95
August-16	32.90	18.50
September-16	32.85	25.15
October-16	35.65	27.00
November-16	34.95	24.00
December-16	31.45	22.55
January-17	32.95	26.00
February-17	31.90	26.05
March-17	30.45	25.85

INDUCTO STEELS LTD.

Performance of the share price of the Company in comparison to the BSE Sensex



Registrar and Share Transfer Agents (R&TA):

Contact Person: Mr. Shashikumar
Sharex Dynamic (India) Pvt Ltd
Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri
(E), Mumbai – 400 072. Ph: 28515606, 28515644, Fax: 28512885
Email: sharexindia@vsnl.com

Share Transfer Systems:

98.5% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

As regards transfer of shares held in physical form the transfer documents can be lodged with the R&TA at any of the above mentioned addresses. Transfer of shares in physical form is processed within fifteen days from the date of receipt, if the documents are complete in all respects. The Shareholders'/Investors Grievance & Transfer Committee (now Stakeholders' Relationship & Share Transfer Committee) periodically take note of transfers.

Distribution of Shareholding as on 31st March 2017:

DISTRIBUTION SCHEDULE ON SCRIP VALUE - AS ON MARCH 31, 2017				
SHARES OF NOMINAL VALUE	NUMBER OF HOLDERS	(%) OF HOLDERS	TOTAL AMOUNT	% OF AMOUNT
UPTO TO 5000	584	73.92	1248770.00	3.11
5001 TO 10000	93	11.77	752040.00	1.87
10001 TO 20000	56	7.09	859320.00	2.14
20001 TO 30000	16	2.03	426020.00	1.06
30001 TO 40000	4	0.51	141060.00	0.35
40001 TO 50000	9	1.14	421640.00	1.05
50001 TO 100000	10	1.27	714790.00	1.78
100001 TO ABOVE	18	2.28	35608900.00	88.64
T O T A L	790	100.00	40172540.00	100.00

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES/DEBS -AS ON MARCH 31, 2017				
SHARES	NUMBER OF HOLDERS	(%) OF HOLDERS	TOTAL SHARES	% OF SHARES
UPTO TO 100	263	33.29	10762	0.27
101 TO 200	98	12.41	17595	0.44
201 TO 500	223	28.23	96520	2.40
501 TO 1000	93	11.77	75204	1.87
1001 TO 5000	85	10.76	184804	4.60
5001 TO 10000	10	1.27	71479	1.78
10001 TO 100000	10	1.27	400056	9.96
100001 TO ABOVE	8	1.01	3160834	78.68
T O T A L	790	100.00	4017254.00	100.00

Details of Shares held by Directors as on 31st March 2017:

Name of Directors	No. of Equity Shares Held
Mr. Rajeev Shanti Sarup Reniwal DIN: 00034264	3,37,256
Mrs. Sweety Reniwal DIN: 00041853	4,07,745
Mr. Bhushanlal Behl DIN: 03023697	0
Mr. Yogesh Thakker DIN: 00043588	0

Details of Shareholding Pattern as on March 31, 2017

Detailed information about Shareholding pattern is covered under extract of Annual Return forming part of Board's Report.

Dematerialization of shares and liquidity:

As on March 31, 2017, 98.5 % of the total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form, traded on BSE Limited.

Outstanding GDRs/ADRs/Warrants/ Convertible Instruments and their impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants/ Convertible Instruments in the past and hence as on March 31, 2017 does not have any outstanding GDRs/ADRs/Warrants/ Convertible Instruments.

The Plant of the Company are situated at

Ship Breaking Yard

Plot No.45, Ship Breaking Yard, Alang, Dist. Bhavnagar, Gujarat - 364001

The other Division of the Company is situated at:

Bhavnagar Division ::

Hariyana House, 2165/A-2, 2nd Floor, Sanskar Mandal Chowk, Bhavnagar 364 002, (Gujarat). Ph. 0278-3005955 Fax 0278-567222

DECLARATION AFFIRMING ADHERENCE TO THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL:

In accordance with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended March 31, 2017.

For INDUCTO STEELS LIMITED

Sd/-

Rajeev Shantisarup Reniwal

Managing Director
(DIN 00034264)

Date: May 30, 2017

Place: Mumbai

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION**

To
The Members
Inducto Steels Limited
Mumbai

We have reviewed financial statements and the cash flow statement of Inducto Steels Limited ('Company') for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that;

1. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to be taken for rectifying these deficiencies.
4. We have indicated to the auditors and the Audit committee
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Rajeev Reniwal
Managing Director

Sd/-

Rakesh Reniwal
Chief Financial Officer

Place: Mumbai
Date: May 30, 2017

INDEPENDENT AUDITORS' CERTIFICATE

To
The Members of
Inducto Steels Limited

1. We have examined the compliance of conditions of Corporate Governance by INDUCTO STEELS LIMITED ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P. D. Goplani & Associates

Chartered Accountants

Firm Reg. No. 118023W

CA Sonam Langalia

Partner

Membership No.154014

Bhavnagar

May 30, 2017

Annexure- 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Inducto Steels Limited
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Inducto Steels Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure- A** for the financial year ended March 31, 2017 according to the provisions of:
 - (i) The Companies Act, 2013 (“*the Act*”) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘*SCRA*’) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **NOT APPLICABLE**
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘*SEBI Act*’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **NOT APPLICABLE**

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **NOT APPLICABLE**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **NOT APPLICABLE**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **NOT APPLICABLE**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **NOT APPLICABLE**
2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/ group of Acts, Laws and Regulations as applicable to Company is as follows:
- (i) Gujarat Maritime Board Act, 1981;
 - (ii) The Factories Act, 1948;
 - (iii) The Contract Labour Act, 1970;
 - (iv) The Hazardous Wastes (Management & Handling) Rules, 1989 under Gujarat Pollution Control Board
3. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by the “Institute of Company Secretaries of India”
 - (ii) The Listing Agreements entered into by the Company with the Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions/decisions at the Board and the Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and the Committee.

INDUCTO STEELS LTD.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit year there were no instances of:

- (i) Public/ Rights Issue of Equity Shares & Equity Warrants/ Debentures/ Sweat Equity
- (ii) Redemption/ Buy- back of securities
- (iii) Merger/ Amalgamation/ Reconstruction, etc
- (iv) Foreign Technical Collaborations

This Report is to be read with our letter of even date which is annexed as **Annexure B** and forms an integral part of this Report.

For **DILIP BHARADIYA & ASSOCIATES**

Sd/-

(DILIP BHARADIYA)
Practicing Company Secretary
FCS No. 7956/CP No. 6740

Date: May 30, 2017

Place: Mumbai

Annexure- A**List of documents verified:**

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2016
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee along with Attendance Registers held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013
8. Intimations received from Directors under the Prohibition of Insider Trading Code
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Regulations during the financial year under report

Annexure- B

To,
The Members,
Inducto Steels Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

Sd/-

(DILIP BHARADIYA)
Practicing Company Secretary
FCS No. 7956/CP No. 6740

Date: May 30, 2017
Place: Mumbai

Annexure-4
POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP
AND SENIOR MANAGEMENT

Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:**General**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managing Director/ Executive Director/ KMP and Senior Management Personnel

a) Fixed pay:

The Managing Director/ Executive Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Executive Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director/ Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

For and on behalf of the Board of Directors
Inducto Steels Limited

Sd/-
Rajeev Shantisarup Reniwal
Managing Director
(DIN: 00034264)

Sd/-
Rakesh Reniwal
Chief Financial Officer
(DIN 00029332)

Place: Mumbai
Date: May 30, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC INSIGHT:

The world economy is gaining its stability and moving towards a path of encouraging growth, after recovering from a sustained period of sluggishness. Supported by buoyant financial markets, along with improvement in manufacturing and trade sectors, the global economy is expected to grow from 3.1% in 2016 to 3.5% in FY17 [source: IMF].

The performances of advanced economies had been promising in the second half of 2016. US-based firms are anticipating a growth in their future demand. The US economy recorded a lower rate of unemployment as the newly elected President has vouched for an expansion of domestic investments and production within the country. Domestic demand also increased in the UK following Brexit. Eurozone witnessed an increased domestic demand after sustaining low growth and deflationary tendencies for some time because of geopolitical uncertainties.

If these trends continue, the world economy is expected to gain back its momentum in the medium term. However, the growing trend towards protectionism could prove detrimental to global trade.

Today, however, the major players of the world economy are the developing countries and their emerging markets. These countries account for 75% of global growth; almost twice than the share they had two decades ago. Though the growth patterns in these economies are varied, there is a general sense of cautious optimism all over the world.

The picture of emerging markets and developing economies (EMDEs) remained diverse throughout 2016-17.

- China witnessed a stronger than expected growth, backed by constant policy stimulus and consolidation after a sustained period of break-neck speed
- Latin American countries like Brazil and Argentina, and Turkey witnessed weaker economic activities, as there was sharp fall in their tourism revenues
- Economic activities were better than expected in Russia

Global growth pattern

(%)

	2015	2016	2017 (P)	2018 (P)
World Output	3.2	3.1	3.4	3.6
Advanced Economies	2.1	1.7	2.0	2.0
United States	2.6	1.6	2.3	2.5
Euro Area	2.0	1.7	1.7	1.6
Japan	1.2	1.0	1.2	0.6
United Kingdom	2.2	1.8	2.0	1.5
Other Advanced Economies*	2.0	2.2	2.3	2.4
Emerging and Developing Economies	4.1	4.1	4.5	4.8
China	6.9	6.7	6.6	6.2
Sub-Saharan Africa	3.4	1.4	2.6	3.5

P: Projections *(Excludes the G7 - Canada, France, Germany, Italy, Japan, United Kingdom, United States and euro area countries)(Source: International Monetary Fund)

INDIAN ECONOMIC REVIEW:

In FY17, India's GDP showed promising growth of 7.1%, which was aided by encouraging macroeconomic stability. The country recently emerged as the sixth-largest manufacturing country in the world. While this growth is being driven by the emerging urban clusters, the rural economy is also showing improvements after almost four years. The overall environment will help India gain momentum.

(%)

	2013-14	2014-15	2015-16	2016-17
India's GDP Growth	6.9	7.3	7.6	7.1

Factors driving growth

Uplifting infrastructure: The Indian government is endeavouring to create world-class infrastructure in the country. It is planning to invest Rs 25 trillion (US\$ 376.53 billion) in infrastructure over the next three years. Rs 8 trillion (US\$ 120.49 billion) will be used to develop 27 industrial clusters, while Rs 5 trillion (US\$ 75.30 billion) will be used for building roads, railways and port connectivity.

Changing rural demand: India's rural sector is slowly undergoing a transformation. Consumption patterns of people are slowly changing, facilitated by improved networking. People in villages are seeking information proactively from multiple sources, which also include social media.

A sum of Rs 3,960 billion has been allocated to rural India in 2017-18 by the Union Budget. The intention of the Government is to electrify every village in the country by 2018 and by 2019, every village should have road connectivity.

Higher agricultural credit, increased allocation for irrigation projects, a crop insurance scheme for farmers and enhanced allocations for MGNREGA in the Union Budget will also help boost rural income. The implementation of the Seventh pay Commission will also bolster the demand across semi-urban and rural India.

Policy reforms: 2016-17 remained significant for the country because of several policy reforms implemented by the Government of India. The reforms include the creation of Monetary Policy Committee (MPC), Insolvency and Bankruptcy Code (IBC), redesigning of the FRBM framework, the passage of the Goods and Services Tax (GST) Act, and finally, the demonetisation of high-denomination notes to move towards a less-cash formal economy.

The GST is being seen as a crucial reform, as it is anticipated to bring greater transparency in the country's indirect tax structure. On the other hand, despite causing some temporary hardship, demonetisation is expected to yield long-term benefits for the country. It would bring formalisation and digitalisation of the economy.

Outlook

India is expected to grow sustainably in days to come, owing to macro-economic stability, increase in domestic demand, a growing customer base comprising the youth and of course, government impetus towards reforms.

INDUCTO STEELS LTD.

Benefits of GST	Benefits of a cashless economy
<ul style="list-style-type: none">• Provides a uniform tax framework for indirect taxes	<ul style="list-style-type: none">• A thrust towards digitization
<ul style="list-style-type: none">• Unifies fragmented Indian market under uniform taxation	<ul style="list-style-type: none">• Recapitalisation of banks, with declining interest rates on loans
<ul style="list-style-type: none">• Enhances ease of doing business with transparent taxation	<ul style="list-style-type: none">• Greater transparency and disclosure
<ul style="list-style-type: none">• Removes cascading effects of taxes	<ul style="list-style-type: none">• Higher collections by tax and other local authorities
<ul style="list-style-type: none">• Saves Government's cost in tax collection	<ul style="list-style-type: none">• Enhanced in tax compliance
<ul style="list-style-type: none">• Diminishes raw material costs and thus, decreases prices of associated goods	<ul style="list-style-type: none">• Prominence in formalisation of the economy
<ul style="list-style-type: none">• Reduces corruption with unified taxation	

OVERVIEW:

The company is now a diversified company with ship breaking and trading activities iron and steel.

During the financial 2016-17, witnessed frequent fluctuation in the prices of old ship in the international market and also heavy dollar exchange rate fluctuations. This has adversely affected the sales turnover of the company. However, the prices in Iron and steel industry are gradually getting stabilized, but foreign currency and fluctuations in value of Indian Rupee vis-à-vis US Dollar remains a concerning area for the company even in the current year. The management is exercising caution in purchase of ships for breaking to optimize the profit margin and minimize the possibilities of losses, if so happens.

Whenever, there is no immediate payment liability against old ship purchased for breaking, the surplus funds available with the Company are given as loan on short term basis. The Company is hopeful that the Company can earn reasonable return on this loans/investments.

Surplus funds are also invested in new avenues of earnings in the form of partnership with other entities like in Real Estate and Redeveloping firms. At present the Company has partnership with M/s. Calvin Divine Enterprises with 20% share and M/s. Shree Balaji Associates with 5% share. The management is hopeful that the Company can earn reasonable return on these investments.

SEGMENTAL REVIEW:

During the financial year 2016-17, ship-breaking unit at Alang Ship Breaking Yard has not shown negative growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with fluctuations in value of Indian Rupee vis-à-vis US Dollar during the year, the net profit margins of this segment has been affected. The Trading Unit has performed well in terms of turnover during the year under consideration. However, the management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

Ship breaking:

As has been stated in the out-look, due to fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. During the year company has achieved sales turnover of Rs. 2,302.75 Lacs as against 2,740.92 Lacs last year. During the financial year 2016-17, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old ships, Iron and Steel products coupled with fluctuations in value of Indian Rupee vis-à-vis US Dollar during the year, the sales turnover of this segment has been affected. Though the year under review saw fluctuation in the international market of old ships coming for breaking, the management was very cautious and purchased ships at proper time and built a good level of inventories to earn better profits in coming years. Now the market has stabilized and taking into account the inventory level of the company as at the year end, it is hoped that the turnover and the profitability will show a an increase in the coming years.

Trading (HO-Mumbai):

During the financial year 2016-17, the company has not performed any trading activities due to fluctuating and volatile prices of old ships, Iron and Steel products. The management is of the view that, in the coming years the iron and steel industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

SEGMENT RESULTS

(in Lacs)

Particulars	Trading Unit	Ship-Breaking	Total Unit
a) External Revenue	0.00	2572.24	2572.24
Inter segment Revenue	19.55	(19.55)	-
Total Revenue	19.55	2552.69	2572.24
b) Segment Results Before Interest and Taxes	426.88	(200.60)	226.28
c) Segment results as a % of total	188.65%	-88.65%	100.00%
d) Segment Assets	4209.22	2373.18	6582.41
e) Segment Liabilities	479.56	2027.34	2506.90

Financial Review and Analysis

(in Lacs)

Performance	March 31, 2017	March 31, 2016
Revenue from Operations	2302.75	15648.80
Other income	436.38	824.98
Total Revenue	2739.13	16473.78
Operating Profit (PBIDT)	240.71	921.95
Interest	152.03	751.15
Gross Profit (PBDT)	88.68	170.81
Depreciation	14.42	14.38
Profit before tax	74.25	156.43
Provision for current Tax	23.58	52.60
Deferred tax	(1.11)	(0.59)
Net Profit after Tax	51.77	104.42

Cash Flow Analysis

(in Lacs)

Particulars	2016-17	2015-16
- Net Cash Flow from Operating Activities	(5221.11)	(1516.58)
- Cash Outflow from Investing Activities	5371.26	2255.63
- Cash Outflow from Financing Activities	(153.48)	(760.28)
- Net Cash Inflow/(Outflow)	(3.34)	(21.23)

Risk Management

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. The Company is adopting policy of full hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary.

Though the Company is employing such measures, the Company is still exposed to the risk of any heavy foreign exchange fluctuation.

Likewise the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any up and down in the price of the iron and steel will affect the profitability of the Company. However taking into account, the price fluctuations already affected during the year 2016-17.

INDEPENDENT AUDITOR'S REPORT

To,

**The Members of
INDUCTO STEEL LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **INDUCTO STEEL LIMITED**, ('the Company'), which comprise the balance sheet as at 31stMarch, 2017, the statement of profit and loss and the cash flow statement and a summary of significant accounting policies and other explanatory information for the year then ended, [in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at MumbaiHO].

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of

the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date, **except for non provision for gratuity and long term employee benefits as per AS – 15, the amount of which could not be ascertained in the absence of actuarial valuation.**

Other Matter

We have not audited the financial statements of Mumbai Division (HO), whose financial statements reflect total assets of Rs. 4555.06 Lacs as at March 31, 2017, total revenue of Rs. 455.93 Lacs. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The reports on the accounts of the branch offices of the company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, and except for the effects of our qualified opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer

to our separate report in 'Annexure – B'; and

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed impact of pending litigation on its financial position in its financial statements - *Refer Note 2.31 of the financial statements.*
 - ii. the Company did not any long term contracts including derivative contracts for which there were any material foreseeable losses. and
 - iii. There has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements as to dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. - *Refer Note 2.26 to the financial statements.*

For P. D. Goplani & Associates
Chartered Accountants
FRN: 118023W

Sd/-

CA. Sonam Langalia
Partner
M. No. 154014

Bhavnagar
May 30, 2017

Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

- i)
 - a) The Company has maintained proper records showing the full particulars, including the quantitative details and situation of its fixed assets.
 - b) All the assets have not been physically verified by the management during the year, but as per the information and explanations provided to us, there is a regular programme of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to information and explanations given by the management, the title deeds of immovable properties, included under tangible fixed assets, are held in the name of the Company, **except as detailed in Annexure – 1**, the properties which are not in the name of the company. We were given to understand that the said immovable properties were owned and acquired by the company in the scheme of merger, however, the title deeds of the same are still in the name of erstwhile merging companies.
- ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the company has not invited any deposits as per the provisions of section 73 to 76 or any other relevant provisions of companies act and the rules framed there under.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii)
 - a) In our opinion and according to the information and explanations given to us , the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it and no such undisputed amounts were in arrears for a period of more than six months from the date they became payable.

- b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the authority (where the dispute is pending)	Related period	Nature	Amount Rs.
Hon. ITAT, Mumbai	AY: 2006-07	Income Tax	9,62,810
Hon. CIT (A) - 41, Mumbai	AY: 2009-10	Income Tax	3,97,808
Hon. CIT 3(2)(1), Mumbai	AY: 2010-11	Income Tax	30,89,730
Hon. CIT (A) - 8, Mumbai	AY: 2011-12	Income Tax	14,51,040
Hon. CIT (A) - 8, Mumbai	AY: 2012-13	Income Tax	12,56,760
Hon. CIT (A) - 8, Mumbai	AY: 2013-14	Income Tax	3,27,660
Hon. CIT (A) - 8, Ahmedabad	AY 2010-11	Guj. VAT	24,74,284
Hon. CIT (A) - 8, Ahmedabad	AY 2010-11	CST	52,676

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institution. The Company has not taken any loan from government.
- ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loan during the year under report.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations given by the management and based on the examinations of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

INDUCTO STEELS LTD.

- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For P. D. Goplani & Associates
Chartered Accountants
FRN: 118023W

Sd/-
CA. Sonam Langalia
Partner
M. No. 154014

Bhavnagar
May 30, 2017

Annexure 1 to Companies Auditors Report (CARO 2016)
Details of Para 3(i) (c) : Immovable Properties

Particulars	Gross Block as at 31.03.2017 (Rs.)	Net Block as at 31.03.2017 (Rs.)	Remarks
Land	1,66,257.00	1,66,257.00	Held in the name of Erstwhile Merging companies M/s. Hariyana Industrial Gases Pvt Ltd and Inducto Techno Castings Pvt Ltd since 31.03.2006.
Shed & Building	27,94,148.00	8,26,722.00	Held in the name of Erstwhile Merging companies M/s. Hariyana Industrial Gases Pvt Ltd and Inducto Techno Castings Pvt Ltd since 31.03.2006.

Annexure B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited, the internal financial controls over financial reporting of **Inducto Steel Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the company and its branches for the year ended on that date [in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Mumbai HO].

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the best of information and explanations provided to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Mumbai Branch, is based on the corresponding reports of the auditors of such branch.

For P. D. Goplani & Associates
Chartered Accountants
FRN: 118023W

Sd/-
CA. Sonam Langalia
Partner
M. No. 154014

Bhavnagar
May 30, 2017

INDUCTO STEELS LTD.

BALANCE SHEET AS ON 31ST MARCH, 2017

PARTICULARS	Note no.	CURRENT YEAR 31/03/2017	PREVIOUS YEAR 31/03/2016
I. EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share Capital	2.1	47,584,540	47,584,540
(b) Reserves & Surplus	2.2	359,966,184	354,788,718
2 NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	2.3	-	-
(b) Deferred Tax Liabilities (Net)	2.4	1,314,978	1,425,828
3 CURRENT LIABILITIES			
(a) Short Term Borrowings	2.5	-	145,282
(b) Trade Payables	2.6		
<i>(i) total outstanding dues of micro enterprise and small enterprise</i>		-	-
<i>(ii) total outstanding dues of creditors other than micro enterprise and small enterprise</i>		212,926,051	1,321,376,369
(c) Other Current Liabilities	2.7	35,491,350	391,171,958
(d) Short-Term Provisions	2.8	957,583	10,286
		658,240,686	2,116,502,981
II. ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	2.9	10,847,589	11,810,979
(ii) Capital work-in-progress			
(b) Non-Current Investments	2.10	27,348,631	524,765,780
(c) Long-Term Loans & Advances	2.11	9,203,082	8,848,740
2 CURRENT ASSETS			
(a) Inventories	2.12	204,784,160	-
(b) Trade Receivables	2.13	9,760,940	1,175,864,234
(c) Cash & Cash Equivalents	2.14	4,902,396	5,235,952
(d) Short-Term Loan & Advances	2.15	391,371,097	389,972,021
(e) Other Current Assets	2.16	22,791	5,276
		658,240,686	2,116,502,981

See accompanying Notes to Financial Statements
As per our Audit Report of even date

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(0.00)

For P. D. Goplani & Associates

Chartered Accountants
(Firm Reg. No. 118023W)

Sd/-

CA Sonam Langalia

Partner

M. No. 154014

Sd/-

Rajeev Reniwal

Chairman & MD

(DIN 00034264)

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Arpita Doshi

Company Secretary

Place : Bhavnagar

Date : May 30, 2017

Place : Mumbai

Date : May 30, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017

PARTICULARS	NOTE NO.	CURRENT YEAR 31/03/2017	PREVIOUS YEAR 31/03/2016
INCOME			
a) Revenue From Operations	2.17	257,223,910	1,587,359,219
<i>Less: Excise Duty</i>		<i>(26,948,970)</i>	<i>(22,479,526)</i>
		230,274,940	1,564,879,693
b) Other Income	2.18	43,637,862	82,497,565
Total Revenue		273,912,802	1,647,377,258
EXPENSES:			
a) Cost of Consumption of Raw Materials	2.19	232,852,824	215,745,180
b) Purchase of Stock-in-Trade	2.20	-	1,265,120,373
c) Change in Inventories	2.21	-	41,163,393
d) Employee Benefits Expenses & Finance Costs	2.22 & 2.23	20,765,482	79,449,628
e) Depreciation & Amortization Expenses	2.9	1,442,427	1,438,139
f) Other Expenses	2.24	11,426,963	28,818,045
Total Expenses		266,487,696	1,631,734,758
PROFIT/(LOSS) BEFORE TAXES		7,425,106	15,642,500
TAX EXPENSES :			
(1) Current tax	2.25	2,358,490	5,260,180
(2) Deferred tax		(110,850)	(59,521)
(3) Taxes of earlier years		-	-
PROFIT/(LOSS) FOR THE YEAR		5,177,466	10,441,841
EARNINGS PER EQUITY SHARES:			
[Nominal value per share Rs.10 : previous year Rs.10]	2.27		
(1) Basic		1.29	2.60
(2) Diluted		1.29	2.60
Weighted average number of shares outstanding		4,017,254	4,017,254

See accompanying Notes to Financial Statements

As per our Audit Report of even date

For P. D. Goplani & AssociatesChartered Accountants
(Firm Reg. No. 118023W)

Sd/-

CA Sonam Langalia

Partner

M. No. 154014

Place : Bhavnagar

Date : May 30, 2017

For and on behalf of the Board

INDUCTO STEELS LIMITED

Sd/-

Rajeev Reniwal

Chairman & MD

(DIN 00034264)

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Arpita Doshi

Company Secretary

Place : Mumbai

Date : May 30, 2017

INDUCTO STEELS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	CURRENT YEAR 31/03/2017	PREVIOUS YEAR 31/03/2016
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	7,425,106	15,642,500
- Adjustments for :		
Interest & Other Non-Operating Income	(41,941,552)	(74,274,629)
Interest & Finance Costs	15,203,061	75,115,078
Depreciation	1,442,427	1,438,139
Operating Profit before Working Capital Changes	(17,870,958)	17,921,088
- Adjustments for :		
Trade Receivables	1,166,103,294	(47,141,325)
Other Receivables	(17,515)	(5,276)
Inventories	(204,784,160)	152,692,443
Trade Payable & Other current Liabilities	(1,463,183,629)	(269,864,266)
Cash Flow from operation	(519,752,968)	(146,397,336)
Income Tax Paid	2,358,490	5,260,180
Net Cash Inflow/(Outflow) from Operating Activities	(522,111,458)	(151,657,516)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:		
- Purchase of Fixed Assets	(479,037)	(230,000)
- Sale of Investments	497,417,149	149,323,371
- Proceeds from Long Term Advances	(354,342)	(5,468,717)
- Proceeds from Short Term Advances	(1,399,076)	7,663,569
- Interest & Other Non-Operating Income	41,941,552	74,274,629
Net Cash Inflow / (Outflow) in the course of Investing Activities	537,126,246	225,562,852
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:		
- Proceeds from Long Tem Borrowings	-	(192,465)
- Proceeds from Short Term Borrowings	(145,282)	(720,092)
- Interest & Finance Costs	(15,203,061)	(75,115,078)
Net Cash (Outflow) in the course of Financing Activities	(15,348,343)	(76,027,635)
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	(333,561)	(2,122,299)
Add: Balance at the beginning of the year	5,235,957	7,358,256
Cash and Cash Equivalents at the close of the year (Refer Note 2.14)	4,902,396	5,235,957

Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard - 3 'Cash Flow Statement' as notified under the Companies (Accounting standard) Rules, 2006.

As per our Audited Report of even date.

For P. D. Goplani & Associates

Chartered Accountants

(Firm Reg. No. 118023W)

Sd/-

CA Sonam Langalia

Partner

M. No. 154014

For and on behalf of the Board

INDUCTO STEELS LIMITED

Sd/-

Rajeev Reniwal

Chairman & MD

(DIN 00034264)

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Arpita Doshi

Company Secretary

Place: Bhavnagar

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**1. CORPORATE INFORMATION:**

Inducto Steel Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listing on BSE Limited.

During the year, the Company was engaged in the ship breaking business and trading activities in metal scrap, coals, aluminum foil & other inouts. However, as and when any surplus fund are available, the same is given on interest to other parties and also invested in the shares and securities to earn short term and long term capital gains.

2. SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS:**2.1. Basis of preparation of financial Statements:**

- a. The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization of incomes. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year
- b. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. USE OF ESTIMATES:

- a. Preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
- b. All material expenditure and income to the extent considered payable and receivable are accounted for on accrual basis, except for insurance claim and refunds/subsidy from statutory authorities, which are accounted on cash basis, keeping in view the concept of materiality.
- c. Accounting estimates could change from period to period. Accrual results could differ from these estimates. Appropriate changes in estimate are made as the Management becomes aware of changes in circumstances surrounding the estimate. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3. REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Further, sales are exclusive of all duties and taxes and net of returns, claims, rebates, discounts, etc.

Income from Rent-Services

Income from Rent-Services is recognized on performance of the contract and acceptance of the services by the parties.

Interest Income

Revenues of interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Insurance, duty drawback and other claims are accounted for on receipt basis or as acknowledged by the appropriate authorities.

2.4. TANGIBLE FIXED ASSETS:

- I. Capitalized at cost of acquisition.
- II. Fixed Assets are stated at cost, less accumulated depreciation (other than 'Freehold Land'). Cost comprises the purchase price, including duties and other non-refundable taxes or levies any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from discard/sale of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded/sold.

- III. In the event of the same having been revalued, they are stated at the revalued figures. Expenditure relating to Tangible fixed assets is added to costs only when the same involved modification work whereby it increases the life of the assets.

2.5. DEPRECIATION ON TANGIBLE ASSETS:

- I. Depreciation on tangible assets is provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased during a period is proportionately charged.

Useful lives and residual values of assets are reviewed periodically.

- II. No depreciation is provided for assets sold during the year whereas pro-rata depreciation is provided on assets acquired during the year.

2.6. VALUATION OF INVENTORIES:

Inventories of Raw Materials - Ships are stated at Cost values. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost formulas used are First -in -First -out.

Consumable stores and spares are written off at the time of purchase itself.

In ship recycling units, the weight of the ship purchased is accounted in terms of LDT/MT of the ship at the time of its construction. Ascertaining of weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight on account of corrosion and other factors during the usage of the ship and its voyage for long period of the years. Inventory at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

2.7. INVESTMENTS:

Investments are classified into current and Long-term investment based on the Managements' intention. Current Investments are stated at lower of cost and fair market value. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of investments.

2.8. RETIREMENT BENEFITS:**i) Gratuity**

The management is of the opinion that since none of the employees of the company were in continuous service of more than five years and accordingly making provision of the gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted as and when incurred.

ii) Pension

The management is also of the opinion that the payment under Pension Act is not applicable to the Company.

iii) Contribution to Provident Funds

The company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the Profit & Loss Account. The company has no obligation, other than the contribution payable to the provident fund.

iv) Other short term benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.9. TAXES ON INCOME :**Current Tax**

Provision for current Tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations and the provisions of Income Tax Act, 1961.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and TDS/TCS receivables.

Deferred Tax

Deferred tax liability resulting from timing differences between taxable Income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized.

2.10. FOREIGN CURRENCY TRANSACTIONS:

The company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the original rates of exchange in force/notional determined exchange rates at the time transactions are affected. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the Statement of profit and loss of the year.

In the case of forward contract, if any, difference between the forward rates and the exchange rates on the transaction dates is recognized as income or expenses over the lives of the related contracts. The Profit/Loss arising out of the cancellation or renewal of forward exchange contract is recorded as Income/ Expense for the period.

Monetary assets/ liabilities relating to foreign currency transaction are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to statement of Profit & Loss.

2.11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for:

- i) Possible obligations which will be confirmed only by future events not within the control of the Company or,
- ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.12. CASH & CASH EQUIVALENTS:

Cash and cash equivalents comprise cash and cash on deposit with banks. The company considers all highly liquid investment with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.13. CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transaction of a non-cash nature, any deferral or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.14. IMPAIRMENT OF ASSETS:

The company assesses at each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

2.15. SEGMENT INFORMATION :

The company has recognized its segments according to business activities carried on by it, to enhance executive-customer relationships, improve focus on each business activities and increase management oversight. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are set out in the significant accounting policies.

Business segments of the company are primarily categorized as:

- Trading & Investment
- Ship Breaking

Revenue and identifiable operating expenses as well as Assets and Liabilities in relation to segments are categorized based on the items that are individually identifiable to that segment.

2.16. EARNINGS PER SHARE :

Basic and Diluted Earnings per shares are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The Company reports basic and diluted earnings per share in accordance with Accounting Standard issued by the Institute of Chartered Accountant of India. Basic earnings per share are computed by dividing the net profit for the year by the Weighted Average Number of equity shares outstanding during the year.

INDUCTO STEELS LTD.

Diluted earnings per share is computed by dividing the net profit for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where results are anti-dilutive. Statement showing the computation of EPS is as below :

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Net profit after tax	51,77,466	1,04,41,841
Weighted Average Number of Equity Shares Outstanding during the year	40,17,254	40,17,254
Basic Earnings Per Share	1.29	2.60
Diluted Earnings Per Share	1.29	2.60

As per our Report of even date

For P. D. Goplani & Associates

Chartered Accountants

(Firm Reg. No. 118023W)

Sd/-

CA Sonam Langalia

Partner

M. No. 154014

Sd/-

Rajeev Reniwal

Chairman & MD

(DIN 00034264)

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Arpita Doshi

Company Secretary

Place : Bhavnagar

Date : May 30, 2017

For and on behalf of the Board

INDUCTO STEELS LIMITED

Place : Mumbai

Date : May 30, 2017

2. NOTES ON ACCOUNTS FOR YEAR ENDED MARCH 31, 2017**2.1 SHARE CAPITAL****A SHARE CAPITAL**

PARTICULAR	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs. 10/- each	5,500,000	55,000,000	5,500,000	55,000,000
	5,500,000	55,000,000	5,500,000	55,000,000
ISSUED, SUBSCRIBED & FULLY PAID UP				
Equity Shares of Rs. 10/- each fully paid	4,017,254	40,172,540	4,017,254	40,172,540
Amount received on forfeited shares	741,200	7,412,000	741,200	7,412,000
Total	4,758,454	47,584,540	4,758,454	47,584,540

Note: The issued and paid-up capital includes :

- 2417856 equity shares allotted as fully paid up bonus shares in the year 1994-95 by capitalisation of revaluation reserve of Rs.1,38,65,529, capital subsidy of Rs.21,01,687 and surplus in profit and loss accounts of Rs.82,11,344.
- 499078 equity shares allotted to the shareholders of Inducto Technocastings Private Limited and Hariyana Industrial Gases Private Limited, which were merged with the company w.e.f. 01.04.2005.

B. The reconciliation of the number of outstanding shares as at 31st March 2017 and 31st March, 2016 is set out below :

EQUITY SHARES	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
At the beginning of the year	4,017,254	40,172,540	4,017,254	40,172,540
Forfeited shares	741,200	7,412,000	741,200	7,412,000
Add: Issue of Bonus Shares during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,758,454	47,584,540	4,758,454	47,584,540

C. Terms/rights attached to equity shares

- The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2017, the amount of per share dividend recognized as distributions to equity share holders was Rs. Nil
- In the event of liquidation of the company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

INDUCTO STEELS LTD.

D. The details of shareholder holding more than 5% shares as at 31st March 2017 and 31st March, 2016 is set out below :

NAME OF SHAREHOLDER	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Rakesh S Reniwal	1,483,388	36.93%	1,483,388	36.93%
2 Babita S Agarwal	203,100	5.06%	203,100	5.06%
3 Rajeev S Reniwal	337,526	8.40%	337,526	8.40%
4 Sweety R Reniwal	407,745	10.15%	407,745	10.15%

- As per records of the company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.2 RESERVES & SURPLUS

Particulars	As at	
	31st March 2017	31st March 2016
A CAPITAL RESERVES		
Balance as per the last Financial Statements	96,509,895	96,509,895
Capital Subsidy From State Government	-	-
Closing Balance (A)	96,509,895	96,509,895
B GENERAL RESERVES		
Balance as per the last Financial Statements	12,740,877	12,740,877
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance (B)	12,740,877	12,740,877
C SURPLUS IN THE STATEMENT OF PROFIT & LOSS		
Balance as per the last Financial Statements	245,537,946	235,096,105
Net Profit/(Net Loss) For the current year	5,177,466	10,441,841
Less: Appropriations		
- Proposed final equity dividend	-	-
- Tax on proposed equity dividend	-	-
- Transfer to General reserve	-	-
Net Surplus in the Statement of Profit & Loss (C)	250,715,412	245,537,946
Total Reserve & Surplus (A+B+C)	359,966,184	354,788,718

2.3 LONG TERM BORROWINGS

Particulars	As at	
	31st March 2017	31st March 2016
SECURED		
A LOANS		
I. ICICI Bank - Car Loan (Secured by way of Hypothecation charge on Car. Car Loan of Rs. 32,50,000 is repayable in 36 equal monthly installment of Rs. 1,03,386, inclusive of interest.)	-	192,465
<i>Less: Current Maturities of Loan term i.e. amount repayable within 12 Months</i>	-	192,465
Total	-	-

2.4 DEFERRED TAX LIABILITIES

Particulars	As at	
	31st March 2017	31st March 2016
Deferred Tax Liabilities		
- On account of Depreciation	1,314,978	1,425,828
Total	1,314,978	1,425,828

Deferred tax has been accounted in accordance with the requirement of accounting standard on "Taxes on Income" (AS-22) taking into account the present earning of the Company, the anticipated earning etc. and are subject to adjustment on year to year.

2.5 SHORT TERM BORROWINGS

Particulars	As at	
	31st March 2017	31st March 2016
SECURED		
(a) LOANS REPAYABLE ON DEMAND		
Overdraft from Bank	-	145,282
Total	-	145,282
Notes:		
Details of the secured Short-term borrowings: From Banks		
Punjab National Bank OD-8742	-	145,282
Total	-	145,282

Clean Overdraft from Indian Overseas Bank is collaterally secured by Land Plots and Residential Properties of Director's relatives. The same is also secured by personal guarantee of two directors and their two relatives. The overdraft is repayable on demand and carries interest @ 14.25% p.a.

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2.6 TRADE PAYABLES

Particulars	As at	
	31st March 2017	31st March 2016
Trade Payables		
- total outstanding dues of creditors other than micro enterprise and small enterprise	212,926,051	1,321,376,369
Total	212,926,051	1,321,376,369

Note: 1. Trade payables are recognized at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

2. In the absence of information with the company as to whether any of its suppliers constitute micro, small and medium enterprises as per Micro, Small and Medium Enterprises Development Act, 2006, the amount due to such suppliers have been classified as "Creditor - outstanding dues other than micro enterprise and small enterprise".

2.7 OTHER CURRENT LIABILITIES

Particulars	As at	
	31st March 2017	31st March 2016
Shree Balaji Associates (Investment in Partnership - 5%)	31,892,769	-
Statutory Dues	3,389,604	6,433,738
Other Payables	208,977	4,245,755
Margin Money from customers	-	380,300,000
Current Maturities of Term Loans	-	192,465
Total	35,491,350	391,171,958

2.8 SHORT- TERM PROVISIONS

Particulars	As at	
	31st March 2017	31st March 2016
Provision for Employee Benefits		
Salary & Incentives	498,858	-
Contribution to Provident Funds	104,035	8,074
ESIC Payable	35,275	2,212
Bonus Payable	319,415	-
Total	957,583	10,286

2.9 - TANGIBLE ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.16	ADDITION DURING THE PERIOD	DEDUCTIONS	TOTAL 31.03.2017	AS ON 01.04.16	DEP FOR THE PERIOD	DEDUCTION/ ADJUSTMENT/ WRITE BACK	TOTAL AS ON 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016
Land	166,257	-	-	166,257	-	-	-	-	166,257	166,257
Factory Shed & Building	3,272,838	-	-	3,272,838	1,993,056	96,876	-	2,089,932	1,182,906	1,279,782
Bore-well	82,026	-	-	82,026	77,925	-	-	77,925	4,101	4,101
Plant & Machinery	1,029,232	-	-	1,029,232	524,412	88,168	-	612,580	416,652	504,820
Weigh Bridge	974,776	-	-	974,776	257,414	73,308	-	330,722	644,054	717,362
Winch	1,502,580	-	-	1,502,580	636,919	136,541	-	773,460	729,120	865,661
Wire Rope	2,038,010	-	-	2,038,010	326,705	131,527	-	458,232	1,579,778	1,711,305
Crane	5,746,391	479,037	-	6,225,428	1,962,586	403,513	-	2,366,099	3,859,329	3,783,805
Office Equipments	277,857	-	-	277,857	263,964	-	-	263,964	13,893	13,893
Furniture & Fixtures	22,045	-	-	22,045	20,942	-	-	20,942	1,103	1,103
Car	4,100,039	-	-	4,100,039	1,445,858	490,365	-	1,936,223	2,163,816	2,654,181
Vehicle	192,262	-	-	192,262	110,905	18,265	-	129,170	63,092	81,357
Metal Detector	51,111	-	-	51,111	26,346	3,864	-	30,210	20,901	24,765
Computer	51,750	-	-	51,750	49,163	-	-	49,163	2,587	2,587
TOTAL	19,507,174	479,037	-	19,986,211	7,696,195	1,442,427	-	9,138,622	10,847,589	11,810,979
PREVIOUS YEAR	19,277,174	230,000	-	19,507,174	6,258,056	1,438,139	-	7,696,195	11,810,979	13,019,118

INDUCTO STEELS LTD.

2. 10 NON CURRENT INVESTMENTS

Particulars	As at	
	31st March 2017	31st March 2016
Long Term Investments (At Cost)		
Mutual Funds-Quoted		
PNB Principal Regular Growth Plan 41.511 (PY 41.511) Units fully paid up	60,493	60,493
Investment in Shares (Quoted)	711	711
Hariyana Ship Breakers Ltd 10 (PY 10) shares of Rs.10/- each fully paid up		
In Partnership Firms		
Fixed Capital		
Calvin Divine Enterprise LLP	10,000	10,000
Shree Balaji Associates	25,000	25,000
Current A/c		
Calvin Divine Enterprise LLP	27,252,427	24,332,524
Shree Balaji Associates	-	500,337,052
Total	27,348,631	524,765,780

Note:

(a) Book value of unquoted investment	-	-
(b) Book value of quoted investment	61,203.69	61,204.00
(c) Market value of quoted investment	66,233.77	60,955.00
(d) Details of investments in partnership firm is as under:		

Particulars	Share in Profit/ Loss	31st March 2017	31st March 2016
(a) Calvin Divine Enterprises LLP (Fixed Capital)			
Name of the partner			
Inducto Steels Ltd	20.00%	10,000	10,000
Others (4 Partners)	80.00%	40,000	40,000
(b) Shree Balaji Associates (Fixed Capitals)			
Name of the partner			
Inducto Steels Ltd	5.00%	25,000	25,000
Others (17 Partners)	95.00%	475,000	475,000
Total		550,000	550,000

2.11 LONG TERM LOANS & ADVANCES

Particulars	As at	
	31st March 2017	31st March 2016
Security Deposits (Secured, Considered Good)		
- Security Deposits	651,205	151,455
Sub Total	651,205	151,455
Loans & Advances (Unsecured, Considered Good)		
- Balance with Revenue Authorities	8,551,877	8,697,285
Sub Total	8,551,877	8,697,285
Total	9,203,082	8,848,740

2.12 INVENTORIES

Particulars	As at	
	31st March 2017	31st March 2016
Uncut Ship Stock	204,784,160	-
Total	204,784,160	-

2.13 TRADE RECEIVABLES

Particulars	As at	
	31st March 2017	31st March 2016
Trade receivables outstanding <i>For a period less than six months from the date they are due for payment</i> Considered good	4,325,794	1,170,429,088
(A)	4,325,794	1,170,429,088
Trade receivables outstanding <i>For a period exceeding six months from the date they are due for payment</i> Considered good	5,435,146	5,435,146
(B)	5,435,146	5,435,146
Total (A+B)	9,760,940	1,175,864,234

The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

2.14 CASH & BANK BALANCES

Particulars	As at	
	31st March 2017	31st March 2016
Cash & cash Equivalents		
Cash on hand (as certified by management)	3,180,817	3,969,153
Balances With Banks		
- On current accounts	1,721,580	1,266,798
Total	4,902,397	5,235,951

INDUCTO STEELS LTD.

The details of balances as on Balance Sheet dates with banks are as follows:

Particulars	As at	
	31st March 2017	31st March 2016
- State Bank Of India	20,000	117,660
- Indian Overseas Bank -CC 8742	667	-
- Indian Overseas Bank - CC 7983	79,024	16,626
- Punjab National Bank - 38888	11,421	(96)
- Punjab National Bank (Bhavnagar - 4540)	1,585,468	70,671
- Indian Overseas Bank - CC 2567	25,000	1,061,937
Total	1,721,580	1,266,798

2.15 SHORT TERM LOANS & ADVANCES

Particulars	As at	
	31st March 2017	31st March 2016
<i>(Unsecured, considered good)</i>		
Security Deposit- MVAT	25,000	25,000
Staff Advances	80,643	-
Balance with Revenue Authorities	661,167	663,032
Advance given for Proposed Joint Venture	384,612,475	384,612,474
Loans & Advances To		
- Others	5,991,812	4,671,515
Total	391,371,097	389,972,021

2.16 OTHER CURRENT ASSETS

Particulars	As at	
	31st March 2017	31st March 2016
Deposits	-	-
Prepaid Expenses	22,791	5,276
Total	22,791	5,276

2.17 REVENUE FROM OPERATIONS

Particulars	For the year ended	
	31st March 2017	31st March 2016
Sale of Material Derived From Ship Breaking (Gross)	257,223,910	296,571,999
Traded Goods	-	-
- High Seas Sales	-	1,189,353,617
- Local Sales	-	101,433,603
Gross Sales	257,223,910	1,587,359,219
Less: Excise Duty paid	(26,948,970)	(22,479,526)
Total	230,274,940	1,564,879,693

2. 18 OTHER INCOME

Particulars	For the year ended	
	31st March 2017	31st March 2016
Income On :		
Loans Granted	17,146,141	19,517,541
Late payment from customers	24,795,411	54,757,088
Other Income :		
Share of Profit/ (Loss) from Partnership Firm	149,584	857,399
Short Term Capital Gain on Mutual Fund (STT not paid)	-	7,100,493
Reversal of Bank Charges	1,546,726	-
Rebate and Discount	-	265,044
Total	43,637,862	82,497,565

2. 19 COST OF CONSUMPTION OF RAW MATERIALS

Particulars	For the year ended	
	31st March 2017	31st March 2016
Inventory at the Beginning of the Year 111,529,050		-
Less: Excise Duty included in Opening Inventories	-	(10,770,647)
Add: Ship Purchase for Recycling	437,636,984	114,986,777
	437,636,984	215,745,180
Less: Inventory at the end of the Year	204,784,160	-
Cost of Consumption of Raw Materials	232,852,824	215,745,180

2.20 PURCHASE OF STOCK - IN - TRADE

Particulars	For the year ended	
	31st March 2017	31st March 2016
Local Purchases	-	98,969,815
Highseas Purchases	-	1,166,150,558
Total	-	1,265,120,373

2.21 CHANGE IN INVENTORIES

Particulars	For the year ended	
	31st March 2017	31st March 2016
Inventory at the Beginning of the Year	-	41,163,393
Less : Inventory at the End of the Year	-	-
Total	-	41,163,393

2.22 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended	
	31st March 2017	31st March 2016
Salaries & Wages	4,491,969	3,007,389
Bonus Expenses	541,749	377,843
Contribution to Provident Funds	279,321	255,069
Contribution to ESIC	152,927	121,356
Staff Welfare Expenses	96,455	572,893
Total	5,562,421	4,334,550

INDUCTO STEELS LTD.

2. 23 FINANCE COSTS

PARTICULARS	for the year ended on	
	31st March, 2017	31st March, 2016
FINANCE CHARGES		
Bank Commission & Charges	18,135	4,141,209
LC Charges	37,020	6,139,582
INTEREST PAID TO :		
Other Parties	-	64,188,746
Borrowing from Bank	463,797	566,018
Car Loan	2,257	79,470
Late payment of Statutory Dues	4,293	53
Late payment to Suppliers	14,677,559	-
Total	15,203,061	75,115,078

2. 24 OTHER EXPENSES

PARTICULARS	for the year ended on	
	31st March, 2017	31st March, 2016
MANUFACTURING EXPENSES		
Gases & Carbide	4,777,874	2,859,160
Excise/ Custom Duty	-	5,830
Consumable Expenses	219,958	281,751
Plot Rent & Development Charges	1,484,688	741,924
Repair & Maintenance	101,331	46,534
Power & Fuel Expenses	122,398	141,977
Pollution Control Expenses	51,939	22,588
Other Manufacturing Expenses	133,514	143,829
Sub Total	6,891,702	4,243,593
ADMINISTRATIVE EXPENSES		
Accounting Charges	117,000	115,500
Advertisements	29,962	95,803
Electricity Charges	16,270	69,250
Computer Charges	5,905	10,954
Donation	20,046	5,025
Discount and Rebate	491	830
Excise Duty on Closing Inventories	-	2,269,600
Filing Fees	5,400	43,200
Fees & Subscription	13,384	-
Legal & Professional Expenses	748,711	424,319
Net Loss on Foreign Currency Transaction	-	19,023,424
Other Expenses	162,762	325,241
Payment to Auditors *	103,500	101,905
Printing & Stationery	88,865	71,713
Professional Tax	2,000	2,000
Postage & Courier	18,593	41,489

Particulars	for the year ended	
	31st March, 2017	31st March, 2016
Rent, Rates & Taxes	97,067	143,161
Security Charges	-	61,847
Service Tax Expenses	678,124	-
Share Demat Charges	1,150	1,210
Telephone Expenses	111,753	117,147
Travelling Expenses	597,759	860,549
Vehicle Running & Maintenance	363,969	232,925
Sub Total	3,182,711	24,017,092
Particulars	for the year ended	
	31st March, 2017	31st March, 2016
SELLING EXPENSES		
Business Promotion	516,668	66,986
Brokerage & Commission Expenses	816,785	424,799
Sales Tax Expense	19,097	65,575
Sub Total	1,352,550	557,360
Total	11,426,963	28,818,045
Particulars	for the year ended	
	31st March, 2017	31st March, 2016
* PAYMENT TO AUDITOR		
AS AUDITOR:		
- Audit Fees	74,750	75,570
- Tax Audit Fees	11,500	12,595
- Others	17,250	13,740
Total	103,500	101,905

2. 25 TAX EXPENSES

Particulars	for the year ended	
	31st March, 2017	31st March, 2016
Current tax:		
- Income taxes	2,358,490	5,260,180
Deferred taxes	(110,850)	(59,521)
Taxes of earlier years	-	-
Total	2,247,640	5,200,659

2. 26 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs) :

During the year, the Company had specified bank notes and other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

INDUCTO STEELS LTD.

PARTICULARS	SBNs *	Other Denomination	Total
Closing Balance as at November 8, 2016	3,713,500	593,623	4,307,123
Add: Permitted receipts	-	366,450	366,450
Add: Withdrawals from Bank	-	1,060,000	1,060,000
Less: Paid for permitted transactions	-	332,123	332,123
Less: Deposited in Banks	3,713,500	-	3,713,500
Closing Balance as at December 30, 2016	-	1,687,950	1,687,950

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

2.27 EARNING PER SHARES

The annualised earning per equity shares has been calculated as under.

Particulars	for the year ended	
	31st March 2017	31st March 2016
Profit after tax as per profit & Loss accounts	5,177,466	10,441,841
Add: Prior Period Adjustments	-	-
Less :Dividend on Preference Shares including dividend Tax	-	-
Net profit for calculation of Earning per shares	5,177,466	10,441,841
Weighted average No. of shares outstanding during the year	4,017,254	4,017,254
Weighted average No. of shares including to be issued	4,017,254	4,017,254
Basic Earning per shares	1.29	2.60
Diluted earnings per share	1.29	2.60

2.28 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

The Company has constituted a CSR committee as required under Section 135 of the Act, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). On the basis of these rules the amount was to be spent for CSR activities was Rs. 12.85 lakhs for FY: 2015-16 and Rs. 8.32 lakhs for FY: 2016-17, whereas the Company has spend an amount of Rs. Nil till date towards Corporate Social Responsibility. Management and CSR Committee are in the process of finding better avenues of CSR Expenditure to be incurred in near future.

Particulars	for the year ended	
	31st March 2017	31st March 2016
(i) Gross Amount Required to be spent	832,464.20	1,284,626
(ii) Amount Spent	-	-
(iii) Not Utilized amount	832,464.20	1,284,626
Corporate Social Responsibility Expense during the year	-	-

2. 29 INFORMATION ABOUT QUANTITY & VALUES

(InLacs)

	Quantity MT		Value Rs.	
	March 31 2017	March 31 2016	March 31 2017	March 31 2016
1 Particulars of Finished Goods				
a) Ship Breaking Division				
Opening Stock	-	-	-	-
Sales	7,381.773	9,616.420	2,572.24	2,965.72
Closing Stock	-	-	-	-
b) High Seas Sales				
Opening Stock	-	-	-	-
Trading Sales	-	72,334.86	-	12907.87
Closing Stock	-	-	-	-
2 Value of Imported and indigenous Raw Materials consumed				
Imported - Old Ships	10,666.000	8,857.850	2,328.53	2,157.45
3 CIF Value of Imports				
Raw Material Ship Purchases	20,046.000	5,025.900	4,237.31	1,106.91

2. 30 SEGMENT INFORMATION

The business of the Company is divided into two segments: Trading and Ship Recycling activities and separate set of books of accounts are maintained. The principal activities of these segments are as under.

Segment	Main Activities
Trading Unit (HO-Mumbai)	Trading in Metal Scrap, Coals, Aluminum Foil & Other Industrial Inouts
Ship Breaking (Bhanvagar)	Dismantling / breaking of old and used ships

Segment Revenue, Segment Expenses and Segment Result include inter segment revenues / expenses between business segments. Those transfer are eliminated in total revenue/expense/results.

BUSINESS SEGMENTS

(in Lacs)

Particulars	Trading	Ship-Breaking	Total
a) External Sales/Revenue	-	2,572.24	2,572.24
Inter segment Sales/Revenue	19.55	(19.55)	-
Total Revenue	19.55	2,552.69	2,572.24
b) Segment Results Before Interest & Taxes	426.88	(200.60)	226.28
c) Segment results as % of total	188.65%	-88.65%	100.00%
d) Segment Assets	4,209.22	2,373.18	6,582.41
e) Segment Liabilities	479.56	2,027.34	2,506.90

2.31 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES & COMMITMENTS (TO EXTENT NOT PROVIDED FOR)

CONTINGENT LIABILITIES

(A) Particulars	Nature	As at	
		31/03/17	31/03/16
Contingent liabilities in respect of pending appeal for:			
- AY 2006-07 before Hon. ITAT, Mumbai	Income Tax	962,810	962,810
- AY 2009-10 before Hon. CIT (A) 41, Mumbai	Income Tax	379,808	379,808
- AY 2010-11 before Hon. CIT- 3(2) (1), Mumbai	Income Tax	3,089,730	3,089,730
- AY 2011-12 before Hon. CIT Appeal -8, Mumbai	Income Tax	1,451,040	1,451,040
- AY 2012-13 before Hon. CIT Appeal -8, Mumbai	Income Tax	1,256,760	1,256,760
- AY 2013-14 before Hon. CIT Appeal -8, Mumbai	Income Tax	327,660	-
- AY 2010-11 before Hon. CIT Appeal , Ahmedabad	VAT	2,474,284	2,474,284
- AY 2010-11 before Hon. CIT Appeal , Ahmedabad	CST	52,676	52,676

Notes:

- The company do not anticipate any liability on account of counter guarantees given to bank for various loan facility availed by associated concerns.
- The company does not anticipate any liability except above on account of pending income tax and sales tax assessments.

2.32 RELATED PARTY TRANSACTIONS

a) Key Management personnel

- | | |
|-----------------------|------------------------|
| i) Rajeev S Reniwal | Managing Director |
| ii) Rakesh S Reniwal | CFO |
| iii) Sweety R Reniwal | Non-Executive Director |
| iv) Radha Sharma | Company Secretary |

b) Other related parties where there have been transactions:

Enterprises commonly controlled or influenced by major shareholder/directors/ relative of directors of the Company:

- Hariyana Ship Breakers Limited
- Hariyana Ship Demolition Private Limited
- Hariyana Air Product
- Hariyana International Pvt Ltd
- Unnati Reniwal
- Shree Balaji Associates

The details of transaction with related parties

Nature of transactions	Key Management Personnel		Other related parties	
	31/03/17	31/03/16	31/03/17	31/03/16
INCOME				
SHARE OF PROFIT/(LOSS) FORM FIRM				
Shree Balaji Associates	-	-	149,584	831,335
Jai Maa Durge Associates	-	-	-	6,064
	-	-	149,584	837,399
INTEREST INCOME				
Shree Balaji Associates	-	-	14,215,595	14,630,665
Calvin Divine Enterprise	-	-	2,919,903	4,833,992
	-	-	17,135,498	19,464,657
PURCHASES				
Hariyana Ship Demolition Private Limited	-	-	-	-
Hariyana International Private Limited	-	-	423,731,250	1,166,150,558
	-	-	423,731,250	1,166,150,558
OXYGEN GAS PURCHASES				
Hariyana Air Product	-	-	2,923,070	-
	-	-	2,923,070	-
REMUNERATION PAID				
Radha Sharma	385,000	70,000		-
Unnati Reniwal	420,000	-		-
	805,000	70,000		-
INVESTMENT IN PARTNERSHIP				
CAPITAL INTRODUCED				
Shree Balaji Associates - Current	-	-	77,000,000	1,071,950,000
	-	-	77,000,000	1,071,950,000
CAPITAL WITHDRAWN				
Shree Balaji Associates - Current	-	-	623,595,000	1,241,655,920
	-	-	623,595,000	1,241,655,920
INTEREST PAID				
Hariyana International Private Limited	-	-	14,677,559	43,028,143
	-	-	14,677,559	43,028,143
LOAN GIVEN				
Hariyana Ship Demolition Private Limited	-	-	1,665,450,000	-
	-	-	1,665,450,000	-
LOAN TAKEN				
Hariyana Ship Demolition Private			1,209,884,384	
	-	-	1,209,884,384	-

INDUCTO STEELS LTD.

OUTSTANDING BALANCES AS ON MARCH 31, 2017

The details of transaction with related parties

Nature of transactions	Key Management Personnel		Other related parties	
	31/03/17	31/03/16	31/03/17	31/03/16
SUNDRY CREDITORS				
Hariyana International Private Limited	-	-	212,926,051	1,204,875,887
	-	-	212,926,051	1,204,875,887
INVESTMENT IN PARTNERSHIP FIRMS				
Shree Balaji Associates - Fixed	-	-	25,000	25,000
Shree Balaji Associates - Current	-	-	(31,892,769)	500,337,052
Calvin Divine Enterprise - Fixed	-	-	10,000	10,000
Calvin Divine Enterprise - Current	-	-	27,252,427	24,332,524
	-	-	(4,605,342)	524,704,576

2.33 The previous year figures have been reclassified/ regrouped wherever considered necessary.

See accompanying notes to Financial Statements

As per our report of even date

For P. D. Goplani & Associates

Chartered Accountants

(Firm Reg. No. 118023W)

Sd/-

CA Sonam Langalia

Partner

M. No. 154014

Place : Bhavnagar

Date : May 30, 2017

For and on behalf of the Board

INDUCTO STEELS LIMITED

Sd/-

Rajeev Reniwal

Chairman & MD

(DIN 00034264)

Sd/-

Sweety Reniwal

Director

(DIN 00041853)

Sd/-

Rakesh Reniwal

CFO

Sd/-

Arpita Doshi

Company Secretary

Place : Mumbai

Date : May 30, 2017