



# BAJAJ STEEL INDUSTRIES LIMITED

C - 108, MIDC INDUSTRIAL AREA, HINGNA, NAGPUR-440028 (MS) INDIA Fax : +91-7104-237067  
Tel. : +91-7104 238101-20 , E-mail : bsi@bajajngp.com, Website : www.bajajngp.com

CIN No. L27100MH1961PLC011936



Ref: BSIL/AGM/2018/34

October 06, 2018

To,  
BSE Limited  
The Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building,  
P.J. Towers, Dalal Street,  
MUMBAI – 400 001

Scrip Code: 507944

Sub: Submission of Annual Report 2017-18 - Compliance under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam ,

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual report (2017-18) approved and adopted in the 57th Annual General Meeting of the company held on September 26th 2018.

Kindly take the aforesaid on your records and oblige.

Thanking you,

Yours Faithfully,  
For Bajaj Steel Industries Limited

Divyanshu Vyas  
Company Secretary



Cc : The Calcutta Stock Exchange Limited  
7, Lyons Rang, Kolkata- 700 001.

Encl: Annual Report 2017-18

Established 1961



**BAJAJ STEEL INDUSTRIES LIMITED**

AN ISO 9001 : 2015, 14001 : 2015 & OHSAS 18001 : 2007 CERTIFIED COMPANY



**A MULTI-PRODUCT ENGINEERING COMPANY**

Rotobar Gin for  
Long Staple Fiber

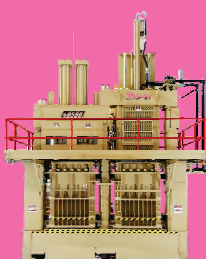


# 57<sup>th</sup> ANNUAL REPORT

## 2017-2018



BAJAJ DOUBLE ROLLER GIN



DOWN PACK BALE PRESS



SAW GIN WITH FEEDER

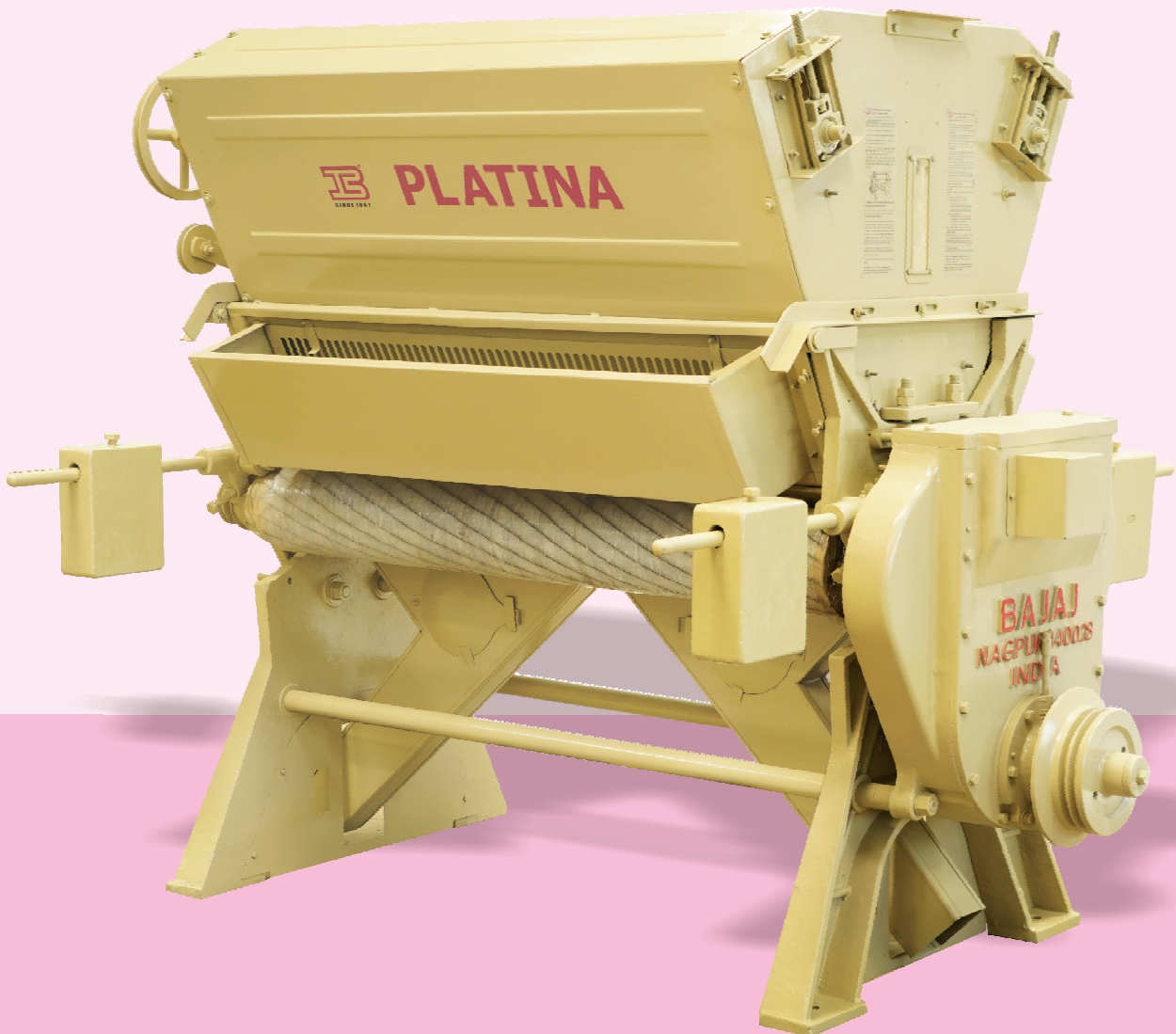


PRE ENGINEERING STEEL BUILDING



# BAJAJ PLATINA

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## BAJAJ STEEL INDUSTRIES LIMITED

### *BOARD OF DIRECTORS*

1. Shri Rohit Bajaj	-	Chairman & Managing Director
2. Shri Sunil Bajaj	-	Executive Director
3. Shri Vinod Kumar Bajaj	-	Non Executive Director
4. Dr. M. K. Sharma	-	Whole time Director & CEO
5. Shri Deepak Batra	-	Non-Executive Director
6. Shri Mohan Agrawal	-	Independent Director
7. Shri Alok Goenka	-	Independent Director
8. Shri Rajiv Ranka	-	Independent Director
9. Dr. Panna Akhani	-	Independent Director
10. Dr. Raja Iyer	-	Independent Director

#### **COMPANY SECRETARY**

Shri Divyanshu Vyas

#### **BOARD COMMITTEES**

##### **a) Audit Committee**

Shri Rajiv Ranka  
Shri Deepak Batra  
Shri Alok Goenka  
Shri Mohan Agrawal

##### **b) Nomination & Remuneration Committee**

Shri Rajiv Ranka  
Shri Deepak Batra  
Shri Alok Goenka

##### **c) Stakeholder Relationship Committee**

Shri Rajiv Ranka  
Shri Deepak Batra  
Shri Alok Goenka  
Shri Rohit Bajaj  
Shri Sunil Bajaj

##### **d) CSR Committee**

Shri Deepak Batra  
Shri Rajiv Ranka  
Shri Alok Goenka

#### **STATUTORY AUDITORS**

M/s VMSS & Associates, Chartered  
Accountants 56/1, Everest, 46/c Chowringhee  
Road, Kolkata-71

#### **SECRETARIAL AUDITOR**

M/s Siddharth Sipani & Associates,  
Company Secretary

#### **COST AUDITOR**

M/s Rakesh Mishra & Co,  
Cost Accountants

#### **CHIEF FINANCIAL OFFICER**

Shri Manish Sharma

#### **REGISTERED OFFICE**

C-108, MIDC Industrial Area, Hingna,  
Nagpur – 440 028 (Maharashtra)  
CIN :L27100MH1961PLC011936  
Website: www.bajajngp.com

#### **BANKERS & FINANCIAL INSTITUTIONS**

- Axis Bank Limited, Nagpur
- IDBI Limited, Nagpur
- SICOM Limited, Mumbai

#### **SHARE TRANSFER AGENT**

**M/s Adroit Corporate Services (P) Ltd**  
1st Floor, 19/20 Jaferbhoy Industrial Estate  
Makwana Road, Marol Naka,  
Mumbai – 400 059  
Tel : (022) 42270400  
Email- info@adroitcorporate.com

#### **MANUFACTURING FACILITIES**

- Plot No. C-108, MIDC Hingna ,  
Nagpur
- Plot No. D- 5/1 & 5/2 , MIDC  
Hingna, Nagpur
- Plot No. G-6 & G-7 MIDC Hingna,  
Nagpur
- Plot No. D-4 MIDC Hingna, Nagpur
- Plot No. G-108, Butibori, MIDC ,  
Nagpur



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## NOTICE TO MEMBERS

**NOTICE** is hereby given that the Fifty Seventh (57th) Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Wednesday, the 26th September, 2018 at 4.00 P.M at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur – 440 001 (Maharashtra) to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 01: Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2018 and Reports of the Directors & Auditors thereon;

#### Item No. 02: Declaration of Dividend

To declare a Final Dividend of Rs 3/- per Equity Share for the year ended on March 31, 2018.

#### Item No. 03: Appointment of Shri Vinod Kumar Bajaj as Director liable to retire by rotation

To appoint a Director in place of Shri Vinod Kumar Bajaj (DIN: 00519541), who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### Item No. 04: Ratification of Remuneration payable to Cost Auditors

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

**“RESOLVED THAT** pursuant to the provisions of Sec. 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration payable to M/s Rakesh Misra & Co., Cost Accountants, having Firm Reg. No. 000249 appointed by the Board of Directors of the Company as cost auditors to conduct the audit of the cost records of the Company for the Financial Year 2018-19, being Rs. 75,000/- (Rupees Seventy Five Thousand Only) plus goods and service tax as applicable and re-imbursement of out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary,



proper or expedient to give effect to this resolution.”

**Item No 05: Re-appointment of Shri Ashish Bajaj as Cheif Executive Officer (CEO) of Superpack Division of the Company for a further period of one year**  
To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 or any amendment or substitution thereof (including any statutory modification(s) or re-enactment for the time being in force) and the rules made thereunder and subject to the requisite approval of statutory authorities, if any, Shri Ashish Bajaj S/o Shri Vinod Kumar Bajaj, be and is hereby re- appointed as Chief Executive Officer (CEO) of Superpack Division, A Division of Bajaj Steel Industries Limited, for the further period of One year w.e.f. 20.03.2018 on Monthly Remuneration appended to the notice.

**RESOLVED FURTHER THAT** the Monthly Remuneration, at any time hereinafter, shall not exceed the limits as prescribed under the Companies (Meetings of the Board and its Powers) Rules 2014 which is Rs 2,50,000/- per month including any revision /alteration thereof as the case may be and at any time the monthly remuneration exceeds the limit the necessary compliance shall be done.

**RESOLVED FURTHER THAT** Shri Ashish Bajaj as a Chief Executive Officer of Superpack Division of the Company shall be solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliance including Statutory & Labour compliance applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed to the concerned authorities.

**RESOLVED FURTHER THAT** Shri Ashish Bajaj, Chief Executive Officer (CEO) of the Superpack Division shall have the general powers and authorities for operation of Superpack Division.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

**Item No. 06: Appointment of Shri Deepak Batra as an Independent Director of the Company**

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



**“RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Shri. Deepak Batra (DIN 02979363), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five (5) consecutive years with effect from September 26, 2018 up to September 25, 2023.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to file relevant forms with the Registrar of companies, Mumbai, and to do such other acts, deeds and things as may be considered necessary in connection to give effect to the aforesaid resolution”.

Date : 11.08.2018

Place: Nagpur

By order of the Board of Directors  
For Bajaj Steel Industries Limited

Registered Office  
C-108, MIDC Industrial Area,  
Nagpur - 440 028

Divyanshu Vyas  
Company Secretary  
ACS : 49516





## NOTES

- (a) The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 3 to 6 of the accompanying Notice are annexed hereto.
- (b) Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The proxy form duly completed and signed should be lodged with the Company, at its registered office at least 48 hours before the commencement of the AGM.
- (c) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company
- (d) Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment /re-appointment as Director is incorporated in the annexure to the notice.
- (e) Pursuant to the provisions of the Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2018 to 26th September, 2018 (both days are inclusive) for annual closing and determines the name of members eligible for Final dividend on Equity Shares for the FY 2017-18 if declared at 57th Annual General Meeting..
- (f) Members are requested to :
  - (i) Intimate to the R&T Agent about the changes, if any, in their registered addresses, Dividend mandates etc.
  - (ii) Quote their Folio Number in all their correspondence.
- (g) Members who have multiple folios with identical order of name are requested to intimate to the R & T Agent about their folios to enable the R & T Agent to consolidate all share holdings into one folio.
- (h) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants 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 Share Transfer Agents, M/s Adroit Corporate Services Private Limited, Mumbai for share transfer process.
- (i) Pursuant to the provisions of Section 124 & 125 of the Companies Act, 2013 the amount of dividend not en-cashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.



- (j) Accordingly, the unclaimed dividend in respect of financial year 2010-11 is due for transfer to IEPF on 28th October, 2018. The Shareholders whose amounts are transferred to IEPF as above, are entitled to get refund of the dividend from IEPF after complying with the provisions of Rule 7 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- (i) This is inform to all the Shareholders that in accordance with the provisions of Section 124(6) of the Companies Act, 2013, all the shares in respect of which ***[dividend has not been paid and claimed for seven consecutive years or more shall be]*** transferred by the Company in the name of Investor Education and Protection Fund alongwith a statement containing such details as may be prescribed. Therefore, the Company hereby requested to the Shareholders (who have not claimed their dividend as aforesaid) to claim their unpaid dividend on the shares.
- (k) Members who have neither received nor encashed their dividend warrant(s) for the financial year 2010- 11 to 2014-15, are requested to write to the Company, mentioning the relevant Folio No or DP ID and Client ID, for issuance of duplicate/ revalidated dividend warrant(s).
- (l) In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those shareholders who have registered their email ids with their respective Depository Participants or with the Registrar & Transfer Agent of the Company.
- (m) Pursuant to Section 72 of the Act, Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company, in the prescribed Form SH-13. The Nomination Form can be downloaded from the Company's Website. Members holding shares in physical form are advised to file their nomination with the Company's Registrar and Share Transfer Agent, whilst those members holding shares in dematerialised form should file their nomination with their DP.
- (n) **Dematerialisation of Shares**  
This is to inform that 75.05% of the total equity shares have already been dematerialized as of 31st March, 2018. Shareholders who have not dematerialized their shares are requested to get the same dematted.



(o) **Registrar and Share Transfer Agent :**

M/s Adroit Corporate Services Private Limited, 1st Floor, 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400 059 (Maharashtra) is Registrar and Share Transfer Agents. Therefore Shareholders of the Company are advised to send all future documents/correspondence such as request for Dematerialisation of Shares, Transfers of Shares, Change of Address, Change of Bank Mandate / ECS and other Share related matters to M/s Adroit Corporate Services Private Limited at above mentioned address only.

(p) **Change of Information/ Bank Mandate :**

The members/ shareholders holding shares in physical form are requested to notify/ update any change in their address, Bank Mandate e.g. Name of bank, account number, branch address and ECS number to Registrar and Share Transfer Agent and/ or the Company or to their respective Depository Participants (DP), if the shares are held in electronic form.

(q) **Members/ Proxies are requested to bring their copy of the Annual Report to the AGM.**

(r) **SEBI has vide its notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only from a cut-off date, i.e. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.**

(s) **Voting Through Electronic Means :**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 57th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **Sunday, the 23rd September, 2018 at 9.00 A.M. and ends on Tuesday, the 25th September, 2018 at 5.00 PM.** During this period shareholders' of the Company holding shares either in physical form or in de-materialized form, as on the cut-off date 18th September, 2018 may cast their vote electronically as well. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders/Members" tab.
- (iv) Now Enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.

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- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of BAJAJ STEEL INDUSTRIES LIMITED. This will take you to the voting page.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii). Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm





- your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively Please follow the instructions as prompted by the mobile app while voting through your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (r) In addition to the e-voting facility as described above, the Company shall make a voting facility available at the venue of the AGM, by way of ballot paper. Members may participate in the AGM even after exercising right to vote through e-voting as above but shall not be allowed to vote again at the AGM. Only such Members attending the AGM who have not already cast their votes by e-voting shall be able to exercise their right to vote at the AGM.



(s) **Voting Through Physical Ballot Form :**

In terms of Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the members who do not have access to e-voting are requested to fill in the Physical Ballot Form enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before 25th September, 2018 (5.00 PM) To the address 202, Shantiniketan, K-13/A, Laxminagar, Nagpur - 440022. The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored. M/s B.Chhawchharia & Co, Chartered Accountants, Nagpur, Firm Registration No. 305123E has appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding Three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least Two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, voting by show of hands will not be allowed in the meeting.

By Order of the Board of Directors  
For Bajaj Steel Industries Limited

Date: 11.08.2018

Place: Nagpur

Divyanshu Vyas  
Company Secretary  
ACS No.: 49516

Members are requested to support the "Green Initiative" by registering their email address with the Registrar & Share Transfer Agent (RTA)/Company, if not already done.

Those Members who have changed their email IDs are requested to register their new email IDs with the RTA/Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.

Pursuant to the Listing Regulations, the Company is required to maintain bank details of its Members for the purpose of payment of dividend, etc. Members are requested to register/update their bank details with the RTA/Company in case shares are held in physical form and with their Depository Participants as well as the Company where shares are held in dematerialised mode.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 04 :**

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors, at its meeting on 30th May 2018, on recommendation of the Audit Committee, approved the appointment and remuneration of M/s Rakesh Misra & Co., Cost Accountants (Firm Reg. No. 000249), to conduct the audit of cost records of the Company for FY 2018-19 at a remuneration of ₹ 75,000/- goods and service tax as applicable and reimbursement of out-of-pocket expenses incurred.

In terms of provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the Members are requested to pass an ordinary resolution as set out in Item No. 04 of the Notice for ratification of the payment of remuneration to the Cost Auditors for FY 2018-19.

The Board of Directors recommends the resolution for approval of the Members of the Company.

None of the Directors of Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

**Item No. 05 :**

Shri Ashish Bajaj was appointed as an Chief Executive Officer (CEO) of the Superpack Division of the Company for Two (2) years w.e.f. 20.03.2010 and was further re-appointed for a period of One(1) year each after the expiry of the Two years, which was duly approved by the shareholders/ members of the Company.

Looking at his background and valuable experience, the Board of Directors of the Company vide their meeting held on 7th February, 2018, further re-appointed Shri Ashish Bajaj for a period of One (1) year w.e.f. 20.03.2018, in compliance with Section 188 and other applicable provisions, if any of the Companies Act, 2013 or any amendment or substitution thereof (including any statutory modification(s) or re-enactment for the time being in force) and the rules made thereunder and subject to the approval of the Shareholders.

The details of the monthly remuneration are as under :

**Monthly Remuneration:**

Basic Salary	:	₹ 1,55,000 /-
Bonus	:	As per policy of Superpack Division.
-:: 12 ::-		



## BAJAJ STEEL INDUSTRIES LIMITED

Provident Fund	:	As per policy of Superpack Division.
Perquisites	:	
• House Accommodation	:	15% of Salary (including bonus). ₹ 15,000/- per month towards Furniture Hire Charges.
• Medical	:	Reimbursement of expenses incurred for self & family subject to ceiling of Two (2) months salary in a year.
• Leave Travel Concession	:	Leave Travel concession for self and family.
• Club Fees	:	Fees of club subject to maximum of two clubs
• Personal Insurance	:	Annual premium of Personal Accident insurance shall not exceed ₹ 20,000/- .

The total Remuneration including monetary benefits of all perquisites/facilities mentioned above shall not exceed the limits as prescribed under the Companies (Meeting of the Board and its Powers) Rules, 2014 which is ₹ 2,50,000/- per month including any revision / alteration thereof as the case may be and at any time, in case the monthly remuneration exceeds the limit during the tenure, the prior consent of the Shareholders through Special Resolution shall be required to be taken before making any payment.

Shri Ashish Bajaj as a Chief Executive Officer of Superpack Division of the Company shall be solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliances including Statutory & Labour compliances applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed to the concerned authorities.

Shri Ashish Bajaj, Chief Executive Officer (CEO) of the Superpack Division shall have the general powers and authorities for operation of Superpack Division.

The Directors recommend the resolution for approval of the members of the Company. Shri Vinod Kumar Bajaj being relatives of Shri Ashish Bajaj may therefore be deemed to be interested in passing of the resolution to that extent.

Save as aforesaid none of the other Directors of the Company are in any way concerned or interested in the aforesaid resolution. The Company commends the Special Resolution set out at Item No. 05 of the Notice for approval of the Members.

### Item No. 06:

The Company had pursuant to the provision of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Shri Deepak Batra (DIN : 02979363), as an Independent Director of the company since 01.09.2010 and who also holds 100 equity shares in the Company. Shri Deepak Batra (DIN : 02979363), Chartered Accountants is having more than 28 years of experience in the field of finance, accounts, commerce and industry.





## BAJAJ STEEL INDUSTRIES LIMITED

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Deepak Batra (DIN : 02979363) being eligible and offering himself for appointment and is proposed to be appointed as an Independent Director for Five (5) consecutive years for a term upto 25th September, 2023. A notice has been received from a member proposing Shri Deepak Batra (DIN : 02979363) as a candidate for the office of Directors of the Company. In the opinion of the Board, Shri Deepak Batra (DIN : 02979363) fulfills the condition specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit of the Company and it is desirable to continue to avail services of Shri Deepak Batra (DIN 02979363) as an Independent Director .

Accordingly, the Board recommends the resolution in relation to appointment of Shri Deepak Batra (DIN 02979363) as an Independent Director, for approval by the members / shareholders of the Company.

Except, Shri Deepak Batra (DIN 02979363) being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested , financial or otherwise in the resolution set out at Item No. 06.

### **Brief resume of Director seeking Appointment/re-appointment at the AGM in pursuance of Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

Name of Director	Shri Vinod Kumar Bajaj	Shri Deepak Batra
Directors Identification Number (DIN)	00519541	02979363
Date of Birth	25/01/1937	30/07/1957
Nationality	Indian	Indian
Date of Appointment on Board	01/07/1980	01/09/2010
Qualification, Functional Expertise & Experience	Shri Vinod Kumar Bajaj is having more than 30 years of industrial experience in Plastic Industry. He is member of Institute of Chartered Accountants of India.	Shri Deepak Batra is a qualified Chartered Accountant and has an experience of 28 years in the field of finance, accounts and commerce and Industries.
Appointment / Re-appointment	Re-appointment on retirement by rotation	Appointment as an Independent Director
No. (%) of shares held in the Company	13300 (0.56%) Equity Shares of Rs. 10/- each in the Company as on 31/03/2017	100 Equity Shares of Rs 10/-each
List of Directorship held in other Companies (excluding foreign, private and section 8 companies)	Associated Biscuit Company Limited Bajaj Superpack India Limited Bajaj Superpack Limited Auxinite Marketing Limited	NIL
Membership / Chairmanship of Audit and Stakeholders Relationship Committees across all Public Companies including the Company	NIL	Member of Audit Committee, Stakeholding Relationship Committee in Bajaj Steel Industries Limited
Disclosure of relationships between Directors inter-se	Shri Vinod Kumar Bajaj is the uncle of Shri Rohit Bajaj, Chairman & Managing Director and Shri Sunil Bajaj, Executive Director of the Company	NIL

By Order of the Board of Directors  
For Bajaj Steel Industries Limited

Date: 11.08.2018  
Place: Nagpur

Divyanshu Vyas  
Company Secretary  
ACS No.: 49516

**DIRECTORS' REPORT****Dear Members,**

Your Directors are pleased to present the Fifty Seven (57th) Annual Report of the Company, together with the Audited Financial Statements for the Financial Year ended 31st March, 2018. The report states the compliance as per the requirement of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other rules and regulations as applicable to the Company. The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS'). In accordance with the notification issued by Ministry Corporate Affairs, the Company has adopted Ind AS with effect from April 1, 2017 being first Ind AS financial statement with transition date of April 1, 2016. Accordingly, figures for the financial year 2016-17, has been restated in accordance with Ind AS.

**FINANCIAL RESULTS :**

The Highlights of the Financial Results are as under: (Amount in ₹Lac)

	<b>Standalone</b>		<b>Consolidated</b>	
Particulars	<b>2017-18</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2016-17</b>
Net Revenue from operations (Including Other Income)	23,789	21,483	25,118	24,054
Less Expenditure	21,492	21,188	22,579	23,646
Operating profit (PBIDT)	2297	(295)	2539	408
Less : Interest	903	904	904	908
Depreciation & Amortization Expenses	566	816	586	839
Profit/loss before Tax	827	(1424)	1049	(1339)
Provision for Taxation :				
Current Year :	93	-	89	56
Deferred Tax :	(182)	(391)	(186)	(391)
Net Profit/Loss for the year	916	(1,033)	1,146	(1,004)
Other Comprehensive Income	(16)	91	(16)	91
Total Comprehensive Income	900	(942)	1130	(913)

**DIVIDEND :**

Your Directors are pleased to recommend the Equity Dividend @ 30 % i.e. ₹ 3/- per share each subject to the approval of members at ensuing Annual General Meeting for the Financial year ended 31st March 2018 . The Dividend as recommended would involve an outflow of ₹ 70,50,000/- (Rupees Seventy Lakh Fifty Thousand ) towards Dividend excluding corporate dividend tax .The dividend will be distributed to the shareholders whose names appear on the register of members as on record date



**WORKING & FUTURE PROSPECTS :**

During the year under review, the gross turnover of the Company increased gradually from ₹ 21,220 lakhs in 2016-17 to ₹ 23,438 lakhs representing a growth of 10.45%. The increase in turnover is attributable to the new developed products as well as to the better exploremments to new markets. The profitabilities of the company has increased due to the increase in turnover including exports orders which has resulted in better allocation of fixed expenses.

**MACHINERY DIVISION :**

The Steel Division is concentrating in its core business of manufacturing Cotton Ginning and Pressing machineries. However, during the year under review, the demand of these products has fallen down due to continuous decrease in the cotton production. However the Company has received the export orders in the machinery division which affects and represent a growth in the form of profitabilities The continuous improvements in the product quality and enhanced sales efforts are likely to balance the performance.

**ELECTRICAL DIVISION :**

The Company has in place Electrical Panel Business Unit, to fulfill existing demands of Electrical Panels from Cotton Ginning Customers and to expand its horizons and to cater the open market. The Company is offering extensive range of Industrial Electrical Panels, Electrical Control Panels, ACCL Panels and Power Distribution Board and all of them with advanced technology. Further, the Company has obtained UL Certification and Authorization to apply the UL mark in its electrical panels.

**INFRASTRUCTURE DIVISION :**

The Company is also successfully involved in the business of Pre-Fabricated Buildings (PEB) and executed more than 250 Steel Building projects (Domestic and Export). The Company has in-house Design & Engineering Capabilities to reach new frontiers of technical excellence. It has established dedicated Engineering center & also Design & Development centers for the entire range of products and their manufacturing technologies. The Company is providing different solutions for different purposes such as Pre-Engineered Buildings, Pre-fabricated Buildings, PEB Industrial Shed, Pre-fabricated School Buildings, Prefabricated Warehouse, Structures, Agricultural Buildings, etc.

**SUPERPACK DIVISION :**

Shri Vinod Kumar Bajaj and Shri Ashish Bajaj are looking after the Superpack Division of the Company. Looking at the valuable experience and background of Shri Ashish Bajaj, the Board of Directors has re-appointed Shri Ashish Bajaj as CEO of Superpack Division for further period of One (1) year w.e.f. 20.03.2018, in compliance with provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or substitution thereof (including any statutory modification(s) or re-enactment for the time being in force) and the



rules made thereunder, subject to approval of the shareholders at the ensuing Annual General Meeting. Further, Shri Ashish Bajaj, Chief Executive Officer of Superpack Division of the Company is solely responsible & liable for all the operations (including Day to Day operations), activities and all the compliances including Statutory & Labour compliances applicable to the Superpack Division of the Company from time to time and necessary forms / papers in relation thereof shall be filed with the concerned authorities.

**FOREIGN SUBSIDIARY:**

The Company has two Wholly Owned Foreign Subsidiary companies as under:

- 1) Bajaj Coneagle LLC, Alabama, USA;
- 2) Bajaj Steel Industries (U) Ltd., Uganda

**M/s Bajaj Coneagle LLC**, A Limited Liability Company having its office at Prattville, Alabama, USA with the physical presence at USA, the Company is able to tap the US & International Market of Continental Products.

**M/s Bajaj Steel Industries (U) Ltd.**, with the help of its foreign subsidiary, the Company has successfully completed one turnkey project awarded by Cotton Development Organization for construction of cotton seed processing plant at Pader (Uganda) and further, the Company is also looking for some other profitable projects as well in Uganda.

In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and its subsidiary companies, which forms part of the Annual Report. Pursuant to provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statement of the Company's subsidiaries in Form No. AOC-1 is annexed to the financial statement of the Company. The statement also provides the details of performance and financial position of the subsidiaries of the Company

**CREDIT RATING:**

Your Directors are glad to inform that CRISIL has further reviewed and rated in respect of Bank facilities of the Company. The ratings are as under :

<b>Total Bank Loan Facilities Rated</b>	<b>₹63.58 Crores</b>
Long - Term Rating	CRISIL BBB-/ Stable (Outlook Revised from 'Negative' and Rating Reaffirmed)
Short- Term Rating	CRISIL A3(Reaffirmed)



**EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return, in format MGT -9, for the Financial Year 2017- 18 has been enclosed with this report

**AUDITORS AND AUDITORS' REPORT :**

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made there under, the auditors of the Company M/s VMSS & Associates, Chartered Accountants, Kolkata (Firm Reg. No. 328952E), were appointed in the previous Annual general Meeting of the Company by the shareholders for five years terms at the 56th Annual General meeting to hold office until the conclusion of the 61st Annual General Meeting.

As per Companies (Audit and Auditors) Amendment Rules, 2014 dated 07/05/2018, the provision regarding ratification of auditors at every Annual general Meeting is omitted. Further, the appointment of statutory auditor is not being ratified at the Annual general meeting of the Company, as it is no longer required. Accordingly, M/S VMSS Associates, Chartered Accountants, Kolkata Auditor of the Company will hold office till the conclusion of the 61st Annual General meeting of the Company.

The observations made by the auditors read together with the relevant notes thereon, are self explanatory and do not call any comments.

**COST AUDITORS AND COST AUDIT REPORT :**

Pursuant to Section 148 of the Act read with rules made thereunder, the cost audit records maintained by the Company in respect of its manufacturing activities are required to be audited. The Board of Directors has, on recommendation of the Audit Committee, appointed M/s Rakesh Misra & Co., Cost Accountants (Firm Reg. No. 000249) to audit cost accounts of the Company for the FY 2018-19. As required under the Act, remuneration payable to the Cost Auditors is required to be placed before the Members in the general meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to M/s Rakesh Misra & Co., Cost Accountants, is included at item no. 4 of the Notice convening the AGM. Further, the Company has received the Cost Audit Report from the Cost Auditors for the Financial Year 2018-19 and the same is being filed with the Ministry of Corporate Affairs.

**SECRETARIAL AUDITOR :**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. Siddharth Sipani & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the



Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed herewith to this Report. The observations made by the Secretarial Auditors are self explanatory and do not call any comments.

**INTERNAL FINANCIAL CONTROLS :**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loan, guarantee and investments covered Under Section 186 of the Companies Act, 2013 forms part of the Financial Statements provided in this Annual Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There were no materially significant Related Party Transactions ie. transaction of material nature, that may have potential conflict with the interest of Company at large. Transactions entered with the related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the Financial Year 2017-18 all transactions were in the ordinary course of business and on an arm's length basis.

Prior approval of the Audit Committee is obtained by the Company before entering into the related party transaction as per the applicable provisions of the Companies Act, 2013 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Further, the Audit Committee had also reviewed the transactions at arm's length basis and also in the the ordinary course of business.

During the year, the Company had not entered into any contract /arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of Related Party Transactions and dealing with the related party transactions as approved by the Board may be accessed on the Company's website [www.bajajngp.com](http://www.bajajngp.com).

Particulars of contracts or arrangements with Related Parties referred in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended to the Board Report.

**INDUSTRIAL RELATIONS :**

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of employees.





**DIRECTORS :**

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Vinod Kumar Bajaj retires by rotation and being eligible offers his candidature for re-appointment as a Director.

Dr. Panna Akhani ( 07081637) Woman Independent Director of the Company has resigned from the office of the directorship of the company w.e.f 16.07.2018, due to personal reasons. The Directors wish to record their gratitude and appreciation for the wise counseling and contributions by Dr Panna Akhani during his tenure as the Director of the Company.

Apart from the above, there is no change with regards to the Directorship of the Company.

**DECLARATION BY INDEPENDENT DIRECTORS :**

The Company has received necessary declarations from all the Independent Directors of the Company Under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR), Regulations, 2015.

**ANNUAL PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, its committees and all directors of the Company as per the guidance notes dated January 5, 2017 issued by the SEBI in this regard. The Nomination and Remuneration Committee has also reviewed the performance of Board, Committee and all directors of the Company as required under the Companies Act, 2013 and the Listing Regulations.

**i. Criteria for evaluation of Board**

Criteria for evaluation of Board broadly covers the competency, experience, qualification of the Director, diversity of the Board, meeting procedures, strategy, management relations, succession planning, functions, duties, conflict of interest, grievance redressal, corporate culture and values, governance and compliance, evaluation of risks etc.

**ii. Criteria for evaluation of Committee**

Criteria for evaluation of Committee cover mandate and composition, effectiveness, structure and meetings, independence of the committee from Board and contribution to decisions of the Board.

**iii. Criteria for evaluation of Directors**

These broadly cover qualification, experience, knowledge and competency, ability to function as a team, initiative, attendance, commitment, contribution, integrity, independence, leadership participation at meetings, knowledge & skill, personal attributes, leadership, impartiality etc.

The Board of Directors expressed their satisfaction with the evaluation process.

**CORPORATE GOVERNANCE :**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by SEBI.



The Company has also implemented several best Corporate Governance Practices. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As required under Section 135 of the Companies Act and the rules made thereunder, the annual report on Corporate Social Responsibility containing details about composition of the Committee, CSR activities, amount spent / unspent during the year, reasons and other details is enclosed. The provisions for corporate social responsibility ("CSR") under the Companies Act, 2013 are not applicable to the company for the current financial year.

#### **AUDIT COMMITTEE:**

In terms of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit committee of the Board consist of Shri Deepak Batra, Chartered Accountant, Shri Rajiv Ranka, Shri Alok Goenka & Shri Mohan Agrawal as a practice of good Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

#### **NOMINATION & REMUNERATION COMMITTEE :**

In terms of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Nomination & Remuneration Committee of the Board consist of Shri Deepak Batra, Chartered Accountant, Shri Rajiv Ranka and Shri Alok Goenka as a practice of good Corporate Governance.

#### **VIGIL MECHANISM**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics comprising Senior Executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or letter. The Policy on vigil mechanism may be accessed on the Company's website at [www.bajajngp.com](http://www.bajajngp.com).

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT 2013: PROHIBITION & REDRESSAL), ACT 2013 :**

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention of Sexual Harassment of Women at workplace. An internal complaints



committee has been set up to receive complaints, investigate the matter and report to the management for redressal of complaints of Sexual Harassment.

During the year, no complaints were received by the committee.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

A Management & Discussion Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

**GOODS AND SERVICE TAX**

The Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide stimulus to the business and contribute to the Hon'ble Prime Minister's mission of 'Make in India'. Your Company has successfully implemented and migrated to GST with effect from July 01, 2017 and changes across IT systems and operations have been made keeping in mind the sweeping changes that GST has brought in.

**MEETINGS OF THE BOARD :**

The Board of Directors met Five (5) times during the Financial Year 2017-18, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS / SHARES TO INVESTOR EDUCATION & PROTECTION FUND:**

Pursuant to the provisions of Section 124 of the Act, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF). The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th September, 2017 (date of the last Annual General Meeting) on the website of the Company [www.bajajngp.com](http://www.bajajngp.com).

Further, Section 124(6) of the Act requires that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall also be transferred to IEPF Authority. The Company is accordingly taking appropriate steps with regard to transfer of such shares in accordance with the Rules and in line with the necessary guidelines being issued by MCA in this regard.

**CONSERVATION OF ENERGY :**

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy as far as possible.

**TECHNOLOGY ABSORPTION :**

The technological developments on Ginning & Pressing Machinery has acted as an



driving force in structural shift from old outdated to more productive advance machinery. The technology used by the Company is updated as a continuous exercise. The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products. At present, the Company is working on various products under the able leadership of Dr. M.K. Sharma, Whole Time Director. The Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products to trap the market throughout the year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Traveling and other matters etc. are shown in the Notes No.37 to the Financial Statement. respectively of Notes on Accounts. To avoid repetition, the members are requested to refer to these Notes.

**LISTING OF SHARES :**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd and the Calcutta Stock Exchange Limited. The Company has paid annual listing fees of the Stock Exchanges for the financial year 2017- 2018. There are no trading of Company's shares at Calcutta Stock Exchange.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 of the Act, your Directors hereby state and confirm that:

- In the preparation of Annual Accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures and in compliance with the laws.
- They 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.
- They have taken proper and sufficient care toward 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.
- They have been prepared on a going concern basis.
- They have laid down internal financial controls, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE  
REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, there was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**GENERAL :**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review :

- Details relating to Deposits covered Under Clause V of the Act;
- Issue of Equity Shares with differential rights as to Dividend, Voting or otherwise
- Issue of Shares (including Sweat Equity Shares) to Employees of the Company receive any scheme save and except ESOS referred to in this Report ;

**CAUTIONARY STATEMENT:**

Certain Statements in the "Directors' Report" and in the "Management Discussion & Analysis" describing the Company's objectives, estimates and expectations may be 'forward - looking statements' within the meaning of applicable Securities Laws and Regulations. Actual results could differ substantially from those expressed or implied.

**ACKNOWLEDGEMENT:**

Your Directors wish to express their appreciation for the efficient and loyal services rendered by each and every workers, staff and officers without whose whole-hearted efforts, the overall satisfactory performance would not have been possible.

Your Directors also wish to place on record their deep sense of appreciation for the valued support & cooperation by dealers, suppliers, bankers, financial institutions and all other stakeholders of the Company and look forward to their continued association with the Company. The Company will make every effort to meet the aspirations of its Shareholders.

**PLACE : NAGPUR  
DATED : 11.08.2018**

**FOR AND ON BEHALF OF THE BOARD  
FOR BAJAJ STEEL INDUSTRIES LIMITED**

**ROHIT BAJAJ  
CHAIRMAN & MANAGING DIRECTOR**

**DIN NO.: 00511745**



**ANNEXURE TO THE DIRECTOR'S REPORT**

**PARTICULARS OF CONTRACTS /ARRANGEMENTS MADE WITH RELATED PARTIES :**  
(Pursuant to Clause(h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014- AOC- 2 )

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis :**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis :**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as under :

**1. SALE / PURCHASE /SUPPLY OF GOODS :**

Name of the Related Party	Nature of Relationship	Nature of Contract	Duration	Particulars of Contract	Advance
Bajaj Reinforcements LLP	Director is a Designated Partner	Sale	Yearly	Sale of Materials	NIL
Rohit Machines & Fabricators Ltd	A person is a Director & holds more than 2% shares with his relative	Sale	Yearly	Sale of Materials	NIL
Luk Technical Services Pvt Ltd	Director is a Member in the Co.	Sale	Yearly	Sale of Materials	NIL
Bajaj Coneagle LLC	Director is a Director in the Co.	Sale / Purchase	Yearly	Sale/ Purchase of Materials	NIL
Bajaj Polymin Limited	Director is a Director in the Co.	Sale	Yearly	Sale of Materials	NIL

**2. AVAILMENT OF THE SERVICES :**

Name of the Related Party	Nature of Relationship	Nature of Contract	Duration	Particulars of Contract	Advance
Luk Infrastructure Pvt. Ltd.	Director is a Member	Manpower Supply	Renewable on yearly basis	Availment of Manpower Services	NIL
		Rent	Renewal after 10 yrs Execution Date : 01.09.2013	Lease of Flat No. 701, Sai Ankur, 122, Ramdaspeth, Nagpur	NIL
Bajaj Exports Private Ltd	Director is a Member	Manpower Supply	Renewable on yearly basis	Availment of Manpower Services	NIL
		Rent	Renewable after 2 years Execution Date : 01.04.2018	Lease of Plot D-5/2 MIDC Hingna, Nagpur	NIL
Rohit Polytex Limited	Director is a Director & holds more than 2% shares with his relative	Manpower Supply	Renewable on yearly basis	Availment of Manpower Services	NIL
		Rent	Renewable after 2 years Execution Date : 24.04.2018	Lease of Plot D-5/1 MIDC Hingna, Nagpur	NIL
Nagpur Infotech Pvt Limited	Director is a Member or Director	Rent	Renewable after 2 years Execution Date : 01.04.2018	Lease of Plot no. G6/G7, MIDC Hingna, Nagpur	
Bajaj Trade Development Ltd	Director is a Director & holds more than 2% shares with his relative	Rent	Renewal after 3 yrs Execution Date : 01.10.2017	Lease of Godown at Plot No. D-4 MIDC Hingna, Nagpur	NIL
Luk Bedrocks Pvt. Ltd.	Director is a Member	Manpower Supply	Renewable on yearly basis	Availment of Manpower Services	NIL
Plast Master Batches Ltd	Director as a Director & holds more than 2% shares with his relative	Manpower Supply	Renewable on yearly basis	Availment of Manpower Services	NIL



**BAJAJ STEEL INDUSTRIES LIMITED****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN (As on 31.03.2018)**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

**REGISTRATION & OTHER DETAILS :**

1.	Corporate Identification Number (CIN)	L27100MH1961PLC011936
2.	Registration Date	14 <sup>th</sup> February, 1961
3.	Name of the Company	BAJAJ STEEL INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Company / Limited by Shares
5.	Address of the Registered office & contact details	C-108, MIDC Industrial Area, Hingna, Nagpur – 440028 (MAHARASHTRA)
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	ADROIT CORPORATE SERVICES PRIVATE LIMITED 1 <sup>st</sup> Floor, 19/20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai – 440059

**II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing & Selling of Cotton Ginning & Pressing Machineries & other allied machineries	29261	69.93
2	Manufacturing , Processing & Selling of Master Batches	24113	30.07

**III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Bajaj Coneagle LLC 105, Tallapoosa Street Suite 200 Montgomery, Alabama - 36104 (USA)	-	Foreign Subsidiary	100	Section 2(87)
2.	Bajaj Steel Industries (U) Ltd Flat No. B-101, Universal House, Plot no. 6, Luwum Street, Kampala, Uganda	-	Foreign Subsidiary	100	Section 2(87)



## BAJAJ STEEL INDUSTRIES LIMITED

(Equity Share Capital Breakup as Percentage of Total Equity)  
BAJAJ STEEL IND LTD - Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	650850	800	651650	27.73	649068	800	649868	27.65	-0.08
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	209000	0	209000	8.89	209000	0	209000	8.89	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : A(1)</b>	<b>859850</b>	<b>800</b>	<b>860650</b>	<b>36.62</b>	<b>858068</b>	<b>800</b>	<b>858868</b>	<b>36.55</b>	<b>-0.08</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A(1) + A(2))</b>	<b>859850</b>	<b>800</b>	<b>860650</b>	<b>36.62</b>	<b>858068</b>	<b>800</b>	<b>858868</b>	<b>36.55</b>	<b>-0.08</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	400	400	0.02	0	400	400	0.02	0.00
b) Banks/FI	0	100	100	0.00	0	100	100	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
<b>Sub Total : B(1)</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0.02</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0.02</b>	<b>0.00</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corporates									
ai) Indian	148814	339600	488414	20.78	145750	339600	485350	20.65	-0.13
aii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
bi) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	484763	202307	687070	29.24	474314	182607	656921	27.95	-1.28
bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	235247	0	235247	10.01	264874	12300	277174	11.79	1.78
c) Any Other (Specify)									
c-1) Non Resident Indians (Individuals)	23746	51700	75446	3.21	18640	50500	69140	2.94	-0.27
c-2) Directors	500	0	500	0.02	500	0	500	0.02	0.00
c-3) Trusts	100	0	100	0.00	100	0	100	0.00	0.00
c-4) Clearing Member	2073	0	2073	0.09	735	0	735	0.03	-0.06
c-5) Investor Education And Protection Fund	0	0	0	0.00	712	0	712	0.03	0.03
<b>Sub Total : B(2)</b>	<b>895243</b>	<b>593607</b>	<b>1488850</b>	<b>63.36</b>	<b>905625</b>	<b>585007</b>	<b>1490632</b>	<b>63.43</b>	<b>0.08</b>
<b>Total Public Shareholding (B)=(B(1) + B(2))</b>	<b>895243</b>	<b>594107</b>	<b>1489350</b>	<b>63.38</b>	<b>905625</b>	<b>585507</b>	<b>1491132</b>	<b>63.45</b>	<b>0.08</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Shares held by Custodian for GDRs &amp; ADRs (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>1755093</b>	<b>594907</b>	<b>2350000</b>	<b>100.00</b>	<b>1763693</b>	<b>586307</b>	<b>2350000</b>	<b>100.00</b>	<b>0.00</b>



Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the	% of Shares Pledged /	No. of Shares	% of total Shares of the	% of Shares Pledged /	
RUIA AKSHAT	100	0.00	0.00	100	0.00	0.00	0.00
SUNDEEP GOYAL	2800	0.12	0.00	2800	0.12	0.00	0.00
HARGOVIND GANGABISAN BAJAJ	17400	0.74	0.00	17400	0.74	0.00	0.00
KUSH BAJAJ	29464	1.25	0.00	29464	1.25	0.00	0.00
LAV BAJAJ	29464	1.25	0.00	29464	1.25	0.00	0.00
KUMKUM BAJAJ	44600	1.90	0.00	44600	1.90	0.00	0.00
VIDARBHA TRADELINKS PVT. LTD.	209000	8.89	0.00	209000	8.89	0.00	0.00
VINODKUMAR GANGABISAN BAJAJ	100	0.00	0.00	100	0.00	0.00	0.00
VARUN BAJAJ	24900	1.06	0.00	24900	1.06	0.00	0.00
BINA BAJAJ	44600	1.90	0.00	44600	1.90	0.00	0.00
SUNIL BAJAJ	86697	3.69	0.00	86697	3.69	0.00	0.00
SANGEETA GOYAL	21800	0.93	0.00	21800	0.93	0.00	0.00
ROHIT BAJAJ	55325	2.35	0.00	55325	2.35	0.00	0.00
ASHISH BAJAJ	89950	3.83	0.00	89950	3.83	0.00	0.00
RUIA PAWAN	3550	0.15	0.00	1768	0.08	0.00	-0.08
SUNIL BAJAJ	5000	0.21	0.00	5000	0.21	0.00	0.00
KANIKA BAJAJ	1000	0.04	0.00	1000	0.04	0.00	0.00
MUTHA RAMDAS CHANDANMAL	500	0.02	0.00	500	0.02	0.00	0.00
VINODKUMAR BAJAJ	13200	0.56	0.00	13200	0.56	0.00	0.00
SHAKUNTALADEVI BAJAJ	29800	1.27	0.00	29800	1.27	0.00	0.00
GAYATRIDEVI BAJAJ	151400	6.44	0.00	151400	6.44	0.00	0.00
<b>TOTAL</b>	<b>860650</b>	<b>36.62</b>	<b>0.00</b>	<b>858868</b>	<b>36.55</b>	<b>0.00</b>	<b>-0.08</b>



## BAJAJ STEEL INDUSTRIES LIMITED

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

Sl No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	VIDARBHA TRADELINKS PVT. LTD.	4/1/2017	209000	8.89	209000	8.89
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	209000	8.89
2	At the beginning of the year	SUNIL BAJAJ	4/1/2017	5000	0.21	5000	0.21
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	5000	0.21
3	At the beginning of the year	VINODKUMAR BAJAJ	4/1/2017	13200	0.56	13200	0.56
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	13200	0.56
4	At the beginning of the year	ROHIT BAJAJ	4/1/2017	55325	2.35	55325	2.35
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	55325	2.35
5	At the beginning of the year	GAYATRIDEVI HARGOVIND BAJAJ	4/1/2017	151400	6.44	151400	6.44
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	155227	6.61
6	At the beginning of the year	RUJA PAWAN	4/1/2017	3450	0.15	3450	0.15
	Date wise Increase / Decrease in Promoters Share holding during the year		29/12/2017	-50	0.00	3400	0.14
			12/01/2018	-32	0.00	3368	0.14
			09/02/2018	-500	0.02	2868	0.12
			16/02/2018	-1200	0.05	1668	0.07
	At the End of the year		31/03/2018	0	0.00	1668	0.07
7	At the beginning of the year	KANIKA BAJAJ	4/1/2017	1000	0.04	1000	0.04
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	1000	0.04
8	At the beginning of the year	KUMKUM BAJAJ	4/1/2017	44600	1.90	44600	1.90
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	44600	1.90
9	At the beginning of the year	HARGOVIND GANGABISAN BAJAJ	4/1/2017	17400	0.74	17400	0.74
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	17400	0.74
10	At the beginning of the year	ASHISH BAJAJ	4/1/2017	89950	3.83	89950	3.83
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	89950	3.83
11	At the beginning of the year	BINA BAJAJ	4/1/2017	44600	1.90	44600	1.90
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	44600	1.90
12	At the beginning of the year	VINODKUMAR GANGABISAN BAJAJ	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
13	At the beginning of the year	SHAKUNTALADEVI BAJAJ	4/1/2017	29800	1.27	29800	1.27
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	29800	1.27
14	At the beginning of the year	SUNIL BAJAJ	4/1/2017	86697	3.69	86697	3.69
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	86697	3.69
15	At the beginning of the year	SANGEETA GOYAL	4/1/2017	21800	0.93	21800	0.93
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	21800	0.93
16	At the beginning of the year	SUNDEEP GOYAL	4/1/2017	2800	0.12	2800	0.12
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	2800	0.12
17	At the beginning of the year	RUJA AKSHAT	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
18	At the beginning of the year	MUTHA RAMDAS CHANDANMAL	4/1/2017	500	0.02	500	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	500	0.02
19	At the beginning of the year	LAV BAJAJ	4/1/2017	29464	1.25	29464	1.25
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	29464	1.25
20	At the beginning of the year	KUSH BAJAJ	4/1/2017	29464	1.25	29464	1.25
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	29464	1.25
21	At the beginning of the year	VARUN BAJAJ	4/1/2017	24900	1.06	24900	1.06
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	24900	1.06



## BAJAJ STEEL INDUSTRIES LIMITED

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

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	BAJAJ EXPORTS PVT LTD	4/1/2017	213800	9.10	213800	9.10
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	213800	9.10
2	At the beginning of the year	SATISH LALCHAND MUTHA	4/1/2017	128800	5.48	128800	5.48
	Date wise Increase / Decrease in Share holding during the year		16/06/2017	-100	0.00	128700	5.48
			23/06/2017	-250	0.01	128450	5.47
			28/07/2017	-700	0.03	127750	5.44
			04/08/2017	-360	0.02	127390	5.42
			15/09/2017	-2500	0.11	124890	5.31
			15/12/2017	-500	0.02	124390	5.29
	At the End of the year		31/03/2018	0	0.00	124390	5.29
3	At the beginning of the year	GLYCOSIC MERCHANTS PRIVATE LIMITED	4/1/2017	78900	3.36	78900	3.36
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	78900	3.36
4	At the beginning of the year	BAJAJ GLOBAL LIMITED	4/1/2017	67500	2.87	67500	2.87
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	67500	2.87
5	At the beginning of the year	NISSAN MERCHANDISE PVT. LTD.	4/1/2017	50000	2.13	50000	2.13
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	50000	2.13
6	At the beginning of the year	RAJASTHAN GLOBAL SECURITIES PRIVATE LIM	4/1/2017	44398	1.89	44398	1.89
	Date wise Increase / Decrease in Share holding during the year		25/08/2017	500	0.02	44898	1.91
			13/10/2017	-500	0.02	44398	1.89
			29/12/2017	-7289	0.31	37109	1.58
			05/01/2018	-80	0.00	37029	1.58
			12/01/2018	-1150	0.05	35879	1.53
			19/01/2018	-3087	0.13	32792	1.40
			25/01/2018	-2016	0.09	30776	1.31
			02/02/2018	-680	0.03	30096	1.28
	At the End of the year		31/03/2018	0	0.00	30096	1.28
7	At the beginning of the year	DHEERAJ KUMAR LOHIA	4/1/2017	35898	1.53	35898	1.53
	Date wise Increase / Decrease in Share holding during the year		14/07/2017	8	0.00	35906	1.53
			15/09/2017	768	0.03	36674	1.56
			22/09/2017	100	0.00	36774	1.56
			15/12/2017	-3310	0.14	33464	1.42
			22/12/2017	-9736	0.41	23728	1.01
			29/12/2017	-917	0.04	22811	0.97
			05/01/2018	-500	0.02	22311	0.95
			12/01/2018	-1000	0.04	21311	0.91
			19/01/2018	-1120	0.05	20191	0.86
			16/02/2018	-5155	0.22	15036	0.64
	At the End of the year		31/03/2018	0	0.00	15036	0.64
8	At the beginning of the year	DNVANESH LAD	4/1/2017	31450	1.34	31450	1.34
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	31450	1.34
9	At the beginning of the year	RAJ KUMAR LOHIA	4/1/2017	13127	0.56	13127	0.56
	Date wise Increase / Decrease in Share holding during the year		07/07/2017	625	0.03	13752	0.59
			14/07/2017	1923	0.08	15675	0.67
			28/07/2017	2029	0.09	17704	0.75
			25/08/2017	4016	0.17	21720	0.92
			15/09/2017	8970	0.38	30690	1.31
	At the End of the year		31/03/2018	0	0.00	30690	1.31
10	At the beginning of the year	RAJU BHANDARI	4/1/2017	11	0.00	11	0.00
	Date wise Increase / Decrease in Share holding during the year		01/12/2017	5737	0.24	5748	0.24
			08/12/2017	1296	0.06	7044	0.30
			15/12/2017	6701	0.29	13745	0.58
			22/12/2017	1222	0.05	14967	0.64
			29/12/2017	487	0.02	15454	0.66
			30/12/2017	63	0.00	15517	0.66
			05/01/2018	210	0.01	15727	0.67
			12/01/2018	424	0.02	16151	0.69
			19/01/2018	1777	0.08	17928	0.76
			25/01/2018	4470	0.19	22398	0.95
			02/02/2018	1369	0.06	23767	1.01
			09/02/2018	2185	0.09	25952	1.10
			16/02/2018	-1079	0.05	24873	1.06
			02/03/2018	-70	0.00	24803	1.06
			23/03/2018	-50	0.00	24753	1.05
	At the End of the year		31/03/2018	0	0.00	24753	1.05
11	At the beginning of the year	REKHA GIRISH LAD	4/1/2017	20950	0.89	20950	0.89
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	20950	0.89
12	At the beginning of the year	DHEERAJ KUMAR LOHIA HUF .	4/1/2017	13189	0.56	13189	0.56
	Date wise Increase / Decrease in Share holding during the year		05/05/2017	-265	0.01	12924	0.55
			24/11/2017	-2046	0.09	10878	0.46
			01/12/2017	-878	0.04	10000	0.43
	At the End of the year		31/03/2018	0	0.00	10000	0.43

Shareholding of Directors and Key Managerial Personal

Sl No.		Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	MOHAN BINDRABAN AGRAWAL	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
2	At the beginning of the year	ALOK RATANLAL GOENKA	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
3	At the beginning of the year	DEEPAK BATRA	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
4	At the beginning of the year	RAJIV RANKA	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
5	At the beginning of the year	ROHIT BAJAJ	4/1/2017	55325	2.35	55325	2.35
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
6	At the beginning of the year	SUNIL BAJAJ	4/1/2017	91697	3.90	91697	3.90
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
7	At the beginning of the year	VINOD KUMAR BAJAJ	4/1/2017	13300	0.56	13300	0.56
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00
8	At the beginning of the year	DR. MAHENDRA KUMAR SHARMA	4/1/2017	100	0.00	100	0.00
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL		
	At the End of the year		31/03/2018	0	0.00	100	0.00

--: 31 :--



BAJAJ STEEL INDUSTRIES LIMITED





**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4738	3366	-	<b>8104</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4	-	-	4
<b>Total (i+ii+iii)</b>	<b>4742</b>	<b>3366</b>	<b>-</b>	<b>8108</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	352	-	352
* Reduction	354	-		354
<b>Net Change</b>	<b>354</b>	<b>352</b>	<b>-</b>	<b>706</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4384	3718	-	8102
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4	-	-	4
<b>Total (i+ii+iii)</b>	<b>4388</b>	<b>3718</b>	<b>-</b>	<b>8106</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. No.	Particulars of Remuneration	Name of MD/WTM/ Manager			Total Amount
		Rohit Bajaj	Sunil Bajaj	Dr.M.K.Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,69,623	33,69,623	47,19,060	1,14,58,306
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,53,700	15,77,844	6,15,685	25,47,229
	(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	-	-	-	-
	<b>Total (A)</b>	<b>37,23,323</b>	<b>49,47,467</b>	<b>53,34,745</b>	<b>1,40,05,535</b>



**B. REMUNERATION TO OTHER DIRECTORS:**

S.N		Name of the Directors					Total Amount in
		Dr. Raja Iyer	Mohan Agrawal	Rajiv Ranka	Alok Goenka	Dr. Panna Akhani	
1	<b>Independent Directors</b>						
	Fee for attending Board/ committee meetings	20,000	21,000	30,000	24,000	15,000	1,10,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>20,000</b>	<b>21,000</b>	<b>30,000</b>	<b>24,000</b>	<b>15,000</b>	<b>1,10,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Vinodkumar Bajaj</b>	<b>Deepak Batra</b>				
	Fee for attending Board/ committee meetings	15,000	46,000				61,000
	Commission	-	-	-	-		-
	Others, please specify	-	-	-	-		-
	<b>Total (2)</b>	<b>15,000</b>	<b>46,000</b>	<b>-</b>	<b>-</b>		<b>61,000</b>
	<b>Total (B)=(1+2)</b>						<b>1,71,000</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>1,41,76,535</b>



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLETIME DIRECTOR**

Sr.No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Manish Sharma, CFO	Mr. Rahul Patwi, CS*	Mr. Divyanshu Vyas, CS#	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of	14,56,888	2,17,084	2,48,996	19,22,968
	(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	-	-		-
5	Others, please specify	-	-		-
	<b>Total</b>	<b>14,56,888</b>	<b>2,17,084</b>	<b>2,48,996</b>	<b>19,22,968</b>

\*Ceased to be a Company Secretary w.e.f 18th August 2017

# Appointed as a Company Secretary w.e.f 19th August 2017

**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]	Appeal made, if any (give Details)					
A. COMPANY										
Penalty	-----NIL-----									
Punishment										
Compounding										
B. DIRECTORS										
Penalty										
Punishment										
Compounding										
C. OTHER OFFICERS										
IN DEFAULT										
Penalty										
Punishment										
Compounding										



## ANNUAL REPORT ON CSR ACTIVITIES

A brief outline of the Company's CSR Policy, including overview of the projects or programmes proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programmes:

As per Section 135 of the Companies Act, 2013, Every Company having a net worth of Rupees Five Hundred Crores or more, or turnover of Rupees One Thousand Crores or more or net profit of Rupees Five Crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors and out of which at least one director shall be independent Director.

The Company therefore determined to bring together the Company's existing operating principles into one framework policy under the heading of Corporate Social Responsibility (CSR). The principles encompassed in this policy cover the major areas of the social responsibility and have been developed and continue to be reviewed against and updated by reference to relevant codes of corporate governance.

The policy objectives of the Company as per Schedule VII of The Companies Act, 2013 are as follows:

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- d) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- e) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

The Board of Directors of the Company supports the principles set out in those codes and standards and the aim of this policy is to translate that support into a set of guidelines and standards that set a common approach for the Company and provide practical guidance for our managers and employees on the ground.

### CSR COMMITTEE :

The Company has already constituted CSR committee comprising of Shri Deepak Batra (Chairman), Shri Alok Goenka & Shri Rajiv Ranka, as the members of the Committee. The committee is responsible for formulating and monitoring the CSR Policy of the Company.

**FINANCIAL DETAILS :**

PARTICULARS	Amount (In Rs)
Average Net Profit of the Company for Last Three Financial year	(1,40,60,866)
Prescribed CSR Expenditure to be done in the F.Y. 2017- 18 (2% of the average net profit as computed above)	NIL
Details of CSR expenditure during the Financial Year	
Total Amount spent in CSR in FY 2017-18	NA
Amount unspent	NA

The Manner of the amount spent during the financial year is detailed below :

Sr.No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (a) local area or other (b) Specify the state and district where projects or program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the project or programs subheads : 1. Direct expenditure on project programs 2. Overhead	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
-----NIL-----							

**REASON FOR NOT SPENDING THE AMOUNT PRESCRIBED IN CSR ACTIVITIES :**

The Company fall under the criteria of Net Profit i.e Rs Five Crore or more during the year 2014-15 however, no amount required to be spend on CSR activities in the ongoing Financial Year ending as on 31st March 2018 due to the average net profit of the company calculated in accordance with the provisions of section 198 of the Companies Act, 2013 made during the three immediately preceding financial years i.e FY 2014-15, FY 2015-16 and FY 2016-17 comes to ₹. (1,40,60,866).

**CSR RESPONSIBILITIES :**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Deepak Batra  
Chairman  
DIN: 02979363

Alok Goenka  
Member  
DIN: 00789716

Rajiv Ranka  
Member  
DIN: 00392438





Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*(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,

BAJAJ STEEL INDUSTRIES LIMITED

CIN- L27100MH1961PLC011936

C-108, MIDC INDUSTRIAL AREA HINGNA, NAGPUR-440028

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BAJAJ STEEL INDUSTRIES LIMITED**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **BAJAJ STEEL INDUSTRIES LIMITED'S** 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BAJAJ STEEL INDUSTRIES LIMITED**. ("the Company") for the financial year ended on 31st March, 2018, 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;
- (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, 2015;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
- (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; and (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
- (vi) Other laws applicable to the Company, we have relied on the compliance system prevailing in the Company and on the basis of representation received from its concerned department :
  - i) Factories Act, 1948
  - ii) Applicable Labour laws and rules issued thereunder
  - iii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - iv) Prevention and Control of Pollution) Act, 1981.

We 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 Bombay Stock Exchange(s),
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. The Company is not disclosing the information required under micro, small and medium Enterprises Development Act, 2006.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.



## BAJAJ STEEL INDUSTRIES LIMITED

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As per the minutes of the meeting duly recorded and signed by the Chairman, The Decisions of the board were unanimous and no dissenting views have been recorded,

We 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.

We further report that during the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc, having major bearing on the companies affairs.

**Date : 11th August, 2018**

Place: Nagpur

**For Siddharth Sipani & Associates  
Company Secretaries**

**Siddharth Sipani**

**(Proprietor)**

**Memb. No. 28650, CP. No. 11193**



## BAJAJ STEEL INDUSTRIES LIMITED

### ANNEXURE A

To,  
THE MEMBERS,  
BAJAJ STEEL INDUSTRIES LIMITED  
CIN- L27100MH1961PLC011936  
C-108, MIDC INDUSTRIAL AREA HINGNA, NAGPUR-440028

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

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 records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, 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 have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures 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 Siddharth Sipani & Associates  
Company Secretaries

Date : 11th August, 2018  
Place: Nagpur

Siddharth Sipani  
(Proprietor)  
Memb. No. 28650, CP. No. 11193



MANAGEMENT DISCUSSION AND ANALYSIS

**FORWARD LOOKING STATEMENTS:**

**1.Disclaimer:**

These financial statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013. Our compliance with the requirements of the Companies Act, 2013, IndAS and Generally Accepted Accounting Principles (GAAP) in India. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward – looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**2.Future Trend & Opportunities:**

The Company has expanded new divisions of Electrical Panels and have started higher end panels manufacturing. Further, the pre-engineered steel buildings division has also been expanded and getting good response within and outside India. The growth potentials of both these divisions are very high. The Company is also in the process of expanding its activities in the field of fire-fighting system, transmission equipment such as pulleys and sprockets etc. The Continental Cotton Ginning & Pressing Machinery Division of the Company has well been adopted and various equipments are being supplied to advance countries, such as Australia, Greece, USA etc. apart from substantial supplies to Africa, this is likely to increase further.

**INDUSTRY STRUCTURE & DEVELOPMENT:**

The Company has following divisions:

1. Bajaj Machinery Division
2. Bajaj Continental Machinery Division
3. Infrastructure Division
4. Electrical Division
5. Superpack Division

**Foreign Subsidiary:**

1. Bajaj Coneagle LLC, Alabama USA
2. Bajaj Steel Industries (U) Limited, Uganda



The strong vision and dedication of the management and employees has put the Company as one of the biggest manufacturers of Cotton Ginning and Pressing Machineries with distinction of having only company in the world with capabilities for manufacturing Cotton Ginning Machines for all the four major cotton ginning technologies being used in the world and enjoying more than two – thirds of the market share in India while rapidly expanding in the other cotton growing countries of the world. The company also undertakes turnkey projects including civil in its area of operation. One of such project has been completed in Uganda & other has been completed in Benin.

**RATING AGAINST BANK FACILITIES:**

The CRISIL Ltd has further reviewed and rated in respect of Bank facilities of the Company. The ratings are as under:

<b>Total Bank Loan Facilities Rated</b>	<b>Rs 63.58 Crores</b>
Long - Term Rating	CRISIL BBB-/ Stable (Outlook Revised from 'Negative' and Rating Reaffirmed)
Short- Term Rating	CRISIL A3(Reaffirmed)

**EXPORT POTENTIAL OF COMPANY'S PRODUCTS:**

The Company is rapidly increasing its exports to United States of America, Australia, Eastern and Western African Countries, and exploring the markets in South American & CIS countries. The equipments made on the basis of drawings received from M/s. Continental Eagle Corporation USA, have been well received by the American and other markets and quality of the same has been appreciated all around. Further, Company has obtained an order for 3 new cotton ginning factories based on Rotobar ginning technology with Egyptian "Cotton, Spinning, Weaving and Garments Holding Company. This project is very prestigious project for your company.

**THREATS, RISK AND CONCERNS:**

The cotton scenario in the world is in depression mode and the recovery is likely to take some time, therefore the core business of the company in respect of Cotton Ginning & Pressing Machinery is likely to be affected adversely. The Company is trying to compensate this by increase in revenue from other segments such as PEB, Electrical Panels etc. The continuous improvements in the product quality and enhanced sales efforts are likely to balance the performance.

In the current global uncertain economic environment certain risks may gain more prominence either on a standalone basis or when taken together. Your Company has already initiated various actions in this direction by resorting to man power review, cutting unnecessary costs, etc.

The challenges ahead are to find out ways and means to bring down the processing costs and to further increase the productivity and efficiency of machines used for each level of operation in the Ginning & Pressing Factories, Delinting, Decorticating and other items supplied by the Company.





**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure:

1. That all assets and resources are used efficiently and are adequately protected.
2. That all the internal policies and statutory guidelines are complied with; &
3. The accuracy and timing of financial reports and management information is maintained.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES:**

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs.

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**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE****Introduction:**

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the shareholders and others. Corporate Governance ensures fairness, transparency and integrity of the management.

The Company's philosophy on Corporate Governance aims at ethical corporate behaviour and always strives to achieve optimum performance at all levels by adhering to good Corporate Governance practices. The Company's beliefs on Corporate Governance are intended at supporting the management of the Company for competent conduct of its business and ensuring long term value for shareholders employees, customers and statutory authorities.

The Company has put in place the systems to comply with all the rules, regulations and requirements mentioned in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**2. BOARD OF DIRECTORS :****Composition :**

The Board has an optimum combination of Executive and Non-Executive Directors. The Composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

**The Composition of the Board as on March 31, 2018 are as under :**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Shri Rohit Bajaj	Chairman & Managing Director	Promoter (Executive)
Shri Sunil Bajaj	Executive Director	Promoter (Executive)
Dr. Mahendra Kumar Sharma	Wholetime Director & CEO	Executive Director
Shri Vinod Kumar Bajaj	Director	Promoter (Non- Executive)
Shri Alok Goenka	Director	Independent (Non-Executive)
Shri Rajiv Ranka	Director	Independent (Non-Executive)
Shri Mohan Agrawal	Director	Independent (Non-Executive)
Shri Deepak Batra	Director	Non-Independent (Non-Executive)
Dr. Panna Himmatlal Akhani	Director	Independent (Non-Executive)
Dr. Raja Iyer	Director	Independent (Non-Executive)



## BAJAJ STEEL INDUSTRIES LIMITED

Category of Directors	Number of Directors	Percentage to the Board
Executive Director (including Managing Director)	3	30%
Non-Independent (Non-Executive)	2	20%
Independent (Non-Executive)	5	50%

Attendance of each Director at the Board Meeting, Last Annual General Meeting and Number of other Directorship/ Chairmanship of Committee of each Director's of various Companies.

Name of Director	Attendance Particular		No. of other Directorships and Committee Membership/Chairmanship		
	Board Meeting	Last AGM	Other Directorship (including Pvt Ltd Company)	Other Committee Membership	Other Committee Chairmanship
Shri Rohit Bajaj	5	Yes	9	1	None
Shri Sunil Bajaj	4	Yes	7	1	None
Shri Vinod Kumar Bajaj	4	Yes	6	None	None
Shri Alok Goenka	3	No	3	4	4
Shri Rajiv Ranka	3	No	1	4	2
Shri Mohan Agrawal	3	No	3	None	None
Dr. Raja Iyer	4	No	None	None	None
Shri Deepak Batra	5	No	2	4	2
Dr. Mahendra Kumar Sharma		Yes	4	1	None
Dr. Panna Himmatlal Akhani	3	No	None	None	None

None of the Directors on the Board hold Directorships in more than Ten (10) Public Companies. Further none of them is a member of more than Ten (10) Committees or Chairman of more than Five (5) Committees across all the Public Companies in which he is a Director. Necessary disclosures regarding as on March 31, 2018 have been made by the Directors.

### Meetings Held:

The Board met 5 (**Five times**) on the following dates during the financial year 2017 - 18 :

**Separate Meeting of the Independent Directors**

During the year under review, a separate meeting of Independent Directors, without the attendance of Non-Independent Directors and Members of the Management, was held on 07th February, 2018, as required Under Schedule IV of the Companies Act, 2013 (Code for Independent Directors) read with Regulation 25(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

The Independent Directors inter-alia reviewed the performance of the Non- Independent Directors, Chairman of the Company and the Board as a whole.

**Applicable Laws**

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

**Familiarization Program of Independent Directors :**

The details of the familiarization program of the Independent Directors are available in the website of the Company ie. [www.bajajngp.com](http://www.bajajngp.com).

**3. AUDIT COMMITTEE :****Composition**

The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013 and comprises of :

Sr. No.	Name	Composition
1.	Shri Rajiv Ranka	Chairman
2.	Shri Deepak Batra	Member
3.	Shri Alok Goenka	Member
4.	Shri Mohan Agrawal	Member

\*Shri Rajiv Ranka has been appointed as a Chairman of the Audit Committee w.e.f September 11, 2017. Mr. Mohan Agrawal has been appointed as a member of Audit Committee w.e.f September 11, 2017

The Company Secretary, Mr. Divyanshu Vyas acts as the Secretary to the Audit Committee.

**Terms of Reference :**

The terms of reference of the Audit Committee, broadly as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the Annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:



- Matters required to be including in the Director's Responsibility Statement in Board 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 judgement by 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.
- (e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- (f) Review and monitor the Auditor's independence and performance and effectiveness of Audit Process
- (g) Approval or any subsequent modification of transactions of the Company with Related Parties.
- Scrutiny of Inter-Corporate Loans and investment.
- (h) Evaluation of Internal Financial controls and risk management systems.
- (i) Establish vigil mechanism for Directors to report genuine concerns in such manner as may be prescribed.
- (j) 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 issue with the Internal and Statutory Auditors and the Management of the Company.
- (k) The Audit Committee shall review the information required as per SEBI Listing Regulations.

**Meetings Held :**

The Audit Committee met Five (5) Times on the following dates during the financial year 2017 - 18 :

May 27, 2017	August 09, 2017
September 11, 2017	December 08, 2017
February 07, 2018	

Attendance of each Director at the Audit Committee Meeting are as under :

Sr. No.	Name of the Director	Meeting Attended
1.	Shri Rajiv Ranka	3
2.	Shri Deepak Batra	5
3.	Shri Alok Goenka	3
4.	Shri Mohan Agrawal	2

**4. NOMINATION & REMUNERATION COMMITTEE :**

The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013.

**Composition :**

Sr. No.	Name	Composition
1.	Shri Rajiv Ranka	Chairman
2.	Shri Deepak Batra	Member
3.	Shri Alok Goenka	Member

There has been no change in the composition of the Committee during the year. The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

**Terms of Reference :**

- Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a Director.”
- Recommend to the Board the appointment or re-appointment of Directors.
- Recommend to the Board appointment of Key Managerial Personnel (KMP).
- Carry out evaluation of every Director’s Performance and Independent Directors in evaluation of the performance of the Board, its committees.
- Recommend to the Board the Remuneration Policy for Directors.
- On an annual basis, recommend to the Board the remuneration payable to the Directors.
- Oversee familiarization programs for Director.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

**Remuneration Policy:**

The Company's pays remuneration to its Managing Director and Executive Director by way of salary, perquisites, allowances and commission. Salary is paid within the overall limits approved by the members of the Company subject to the overall ceiling limits as stipulated in Sections 197 and 198 of the Companies Act, 2013. During the year 2017 - 18, the Company paid sitting fees of ₹ 5000/- per meeting to its Non- Executive Directors for attending the Board Meeting & ₹ 3000/- for Committee Meetings. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meeting.

**Meetings Held:**

The Remuneration Committee met Two times on the following date during the Financial year 2017-18 i.e on May 27, 2017 & February 07, 2018.

**BAJAJ STEEL INDUSTRIES LIMITED**

Attendance of each Director at the Remuneration committee Meeting are as under :

Sr. No	Name of the Director	Meeting Attended
1	Shri Rajiv Ranka	2
2	Shri Alok Goenka	0
3	Shri Deepak Batra	2

Details of payment made to Directors other than Whole-time Directors during the financial year 2017-18 :

Sr. No.	Name of the Director	Sitting Fee		Total
		Board Meeting	Committee Meeting	
1.	Shri Vinod Kumar Bajaj	15000	-	15000
2.	Dr. Raja Iyer	20000	-	20000
3.	Shri Mohan Agrawal	15000	6000	21000
4.	Shri Rajiv Ranka	15000	15000	30000
5.	Shri Deepak Batra	25000	21000	46000
6.	Shri Alok Goenka	15000	9000	24000
7.	Dr. Panna Himmatlal Akhani	15000	-	15000

**6. STAKEHOLDER'S RELATIONSHIP/ GRIEVANCE COMMITTEE:**

The Stakeholders' relationship/grievance committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with Section 178 of the Act.

**Composition:**

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman (Non-Executive Director)
2.	Shri Alok Goenka	Member (Independent / Non-Executive Director)
3.	Shri Rajiv Ranka	Member (Independent / Non-Executive Director)
4.	Shri Rohit Bajaj	Member (Executive Director)
5.	Shri Sunil Bajaj	Member (Executive Director)





The Company Secretary acts as the Secretary to the Committee

**Terms of Reference :**

- To consider and resolve the grievances of shareholders of the Company including redressal of investor complaints such as non-receipt of dividend / annual reports etc.
- To consider and approve the issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of shares etc.

**Meetings Held :**

The Share Transfer Committee met Thirteen (13) times on the following dates during the financial year 2017-18:

28 April 2017	26 May, 2017
09 June 2017	16 June, 2017
07 July 2017	13 August, 2017
20 August 2017	08 December, 2017
12 January 2018	25 January 2018
23 February 2018	09 March 2018
23 March 2018	

Attendance of each Director at the Stakeholder Relationship Committee Meeting are as under :

Sr.No	Name of the Director	Meeting Attended
1	Shri Deepak Batra	13
2	Shri Alok Goenka	-
3	Shri Rajiv Ranka	-
4	Shri Rohit Bajaj	13
5	Shri Sunil Bajaj	13

***Name, Designation and Address of Compliance Officer :***

**Shri Divyanshu Vyas, Company Secretary**

**Bajaj Steel Industries Limited**

Plot no C-108, MIDC Industrial Area, Hingna

Nagpur- 440028

Tel : 07104- 238101- 20 Fax : 07104- 237067

E. mail : cs@bajajngp.com

**Details of Investor Complaints Received and Redressed :**

The Company did not received any Investor Complaints during the year 2017- 18.

**7. OTHER COMMITTEE :****CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR )**

The CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013.

**Composition :**

<b>Sr. No.</b>	<b>Name</b>	<b>Composition</b>
1.	Shri Deepak Batra	Chairman
2.	Shri Alok Goenka	Member
3.	Shri Rajiv Ranka	Member

**Terms of Reference :**

- Formulate and recommend to the Board, CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the CSR activities as specified in the Schedule VII of the Act.
- Monitor the CSR policy of the Company from time to time.

**Meetings Held :**

The Corporate Social Responsibility Committee met One (1) times on the following dates during the Financial year 2017-18 on 27th May 2017

Attendance of each Directors at the CSR Committee Meeting are as under :

<b>Sr.No</b>	<b>Name of the Director</b>	<b>Meeting Attended</b>
1	Shri Deepak Batra	1
2	Shri Alok Goenka	1
3	Shri Rajiv Ranka	0

**8. CODE OF CONDUCT :**

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. All Directors and Senior Management Personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors of the Company.

**9. DETAILS ON GENERAL BODY MEETINGS :**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Day</b>	<b>Time</b>
2014 -15	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	23.09.2015	Wednesday	4.00 P.M
2015 - 16	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	28.09.2016	Wednesday	4.00 P.M.
2016-17	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	27.09.2017	Wednesday	4.00 P.M.

**Special Resolution passed at the last three Annual General Meetings (AGM) :****(A) At the AGM held on September 23, 2015 :**

- Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company for the further Period of One (1) year w.e.f. 20.03.2014.
- Appointment of Shri Vedant Sunil Bajaj as a Technical Executive of the Company
- Appointment of DR. Panna Himmatlal Akhani (DIN 07081637) as an Independent Woman Director of the Company for the term of Five (5) years.
- Revision in remuneration of Shri Rohit Bajaj (DIN 00511745) Managing Director by way of increase in salary
- Revision in remuneration of Shri Sunil Bajaj (DIN 00509786) Executive Director by way of increase in salary
- Revision in remuneration of Dr. Mahendra Kumar Sharma (DIN :00519575) Whole Time Director & Chief Executive Officer (CEO) of the Company by way of increase in salary.

**(B) At the AGM held on September 28, 2016 :**

- Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company for the period of one (1) year.

**(C) At the AGM held on September 27, 2017 :**

- Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company for the period of one (1) year

During the year under review ie. 2016 -17, the Company has passed a resolution for alteration of the object clause by way of inserting new objects in the Memorandum of Association (MOA) of the Company through Postal Ballot and the result of the postal ballot was declared on 12.06.2016 and the same has been taken on record in



**10. OTHER DISCLOSURES:**

- (i) Related Party Transactions: All material transactions entered into which related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations during the financial year were in ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website ie. [www.bajajngp.com](http://www.bajajngp.com)
- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock exchanges or the SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years 2015-16, 2016-17 and 2017-18 respectively : NIL
- (iii) The Company has adopted Whistle Blower Policy and has established the necessary vigil mechanism as defined Under Regulation 22 of SEBI Listing Regulations for Directors and Employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also uploaded on the Company's website ie. [www.bajajngp.com](http://www.bajajngp.com)
- (iv) The Company has also adopted Policy on Determination of Materiality for Disclosures and the same has been uploaded on the Company's website ie, [www.bajajngp.com](http://www.bajajngp.com).
- (v) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations :
- The Auditors' Report on Statutory Financial Statements of the Company are un-qualified.
  - Mr. Rohit Bajaj is the Chairman & Managing Director of the Company and Dr. Mahendra Kumar Sharma is the Chief Executive Officer (CEO) of the Company.
  - M/s V.R. Inamdar & Co, Chartered Accountants, the internal auditors of the Company, make presentations to the Audit Committee on their Reports.
- (vi) Reconciliation of Share Capital Audit :
- M/s B.Chhawchharia & Co, Chartered Accountants, Nagpur carried out Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed Equity Share Capital. The Audit Report confirms that the total issued/ paid-up capital is in agreement with the Total Number of Shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- (vii) Unclaimed Dividend :
- As per the applicable provisions of the Companies Act, the Company is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all



dividends remaining unclaimed for a period of Seven (7) years from the date of transfer to the Unpaid Dividend Account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Company or the IEPF.

Dividend for and up to the financial year ended March 31, 2010 have already been transferred to 'IEPF'. Details of unclaimed dividends for the financial year 2010-11 onwards, and the last date of claiming the Dividend for the respective years, are given in the Company's website [www.bajajngp.com](http://www.bajajngp.com). Members are requested to take note of such due dates and claim the Unpaid Dividend well in advance of the due date (ie. before the expiry of the seven year period).

(viii) Code of Prevention of Insider Trading

The Company had in place a 'Code of Conduct for Prevention of Insider Trading', in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The said Code is posted on Company's website [www.bajajngp.com](http://www.bajajngp.com).

**11. SUBSIDIARY COMPANIES:**

The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board Meetings are periodically placed before the Board of Directors of the Company.

**12. MEANS OF COMMUNICATION :**

**Website :** The Company's website [www.bajajngp.com](http://www.bajajngp.com) contains a separate dedicated section "Investor Relations" where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form.

**Financial Results :** The Annual , Half Yearly and quarterly results are regularly posted by the Company on its website [www.bajajngp.com](http://www.bajajngp.com). These are also submitted to the Stock Exchanges in accordance with the Listing Regulation and published in Indian Express(English), Loksatta (Marathi Edition)

**Annual Report :** Annual Report containing inter- alia Audited Annual Accounts, Directors' Report, Management Discussion and Analysis Report, Auditors' Report, Secretarial Audit Report, Cost Audit Report and other important information is circulated to Members and other entitled thereto.

**BSE Listing Centre**

BSE has developed a web-based application namely BSE Listing Centre for corporates to file all periodical compliance namely quarterly corporate governance report, shareholding pattern, board meeting intimation, announcement media releases, reconciliation of share capital audit report and many others in electronic mode.

**SEBI Complaints Redress System (SCORES)**

Investor complaints are processed on the centralized web based complaints redress system. The salient features of the systems are: Centralised Database of all Complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by Investors of action taken on the complaints and its current status.

**13. GENERAL SHAREHOLDER INFORMATION :****Annual General Meeting :**

Date and Time : 26th Day of September, 2018 at 4.00 P.M  
Venue : VIA Hall, Udyog Bhawan, Civil Lines, Nagpur - 440001  
Financial Year : April to March  
Book Closure Date : 15.09.2018 to 26.09.2018 (both days are inclusive)  
Listing on Stock : The Company's shares are listed on the Bombay Stock Exchange Ltd & Calcutta Stock Exchange Ltd.  
Dividend payment Date of : Within 30 day of AGM  
final Dividend 2017-18  
recommended by board of  
Directors at its meeeting  
held on 30 May 2018  
(Subject to approval of Member)

The Company has paid the Annual Listing fees for the Financial Year 2018 -19

**Scrip Code :**

The Bombay Stock Exchange Limited : 507944

**14. STOCK MARKET DATA :**

The Equity Shares of the Company have been listed during the year on The Bombay Stock Exchange Limited (BSE) and the Calcutta Stock Exchange Limited. Equity Shares of ₹10/- each.

<b>Month</b>	<b>The Bombay Stock Exchange Limited (BSE)</b>	
	<b>Monthly High Price (in ₹)</b>	<b>Monthly Low Price (in ₹)</b>
Apr 2017	172	139
May 2017	166	132
Jun 2017	150	133
Jul 2017	155	135
Aug 2017	148	117
Sep 2017	176	126
Oct 2017	164.9	132
Nov 2017	187	140
Dec 2017	257	167
Jan 2018	236	195
Feb 2018	250	182
Mar 2018	218.4	172



ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS/ INVESTOR	
<b>For all matters relating to shares and Dematerialisation of shares, Change of address etc be sent to :</b>	<b>For all matters relating to Annual Reports / Dividend:</b>
<b>M/s Adroit Corporate Services (P) Ltd</b> 1st Floor, 19/20 Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai – 400 059 Tel : (022) 42270400 Email- info@adroitcorporate.com	<b>The Company Secretary</b> C-108, MIDC Industrial Area, Hingna, Nagpur – 440 028 (Maharashtra) CIN :L27100MH1961PLC011936 Website: www.bajajngp.com

**Share Transfer Process :**

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agent and the share certificates are returned within a period of 15 -20 days from the date of receipt, subject to the documents being valid and complete in all respects and confirmation in respect of the request for Dematerialization of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) expeditiously.

**Distribution of Shareholding as on 31st March, 2018 :**

Category	No. of shareholders	Percentage (%)	No. of shares	Percentage (%)
Up to - 500	3690	94.2	458224	19.5
501 – 1000	108	2.76	84251	3.59
1001 - 2000	52	1.33	74137	3.15
2001 – 3000	13	0.33	32695	1.39
3001- 4000	5	0.13	17216	0.73
4001 - 5000	8	0.20	37703	1.60
5001 – 10000	13	0.33	98004	4.17
10001 & Above	28	0.71	1547770	65.86
<b>TOTAL</b>	<b>3917</b>	<b>100</b>	<b>2350000</b>	<b>100</b>



**Shareholding Pattern as on 31st March, 2018**

Sr. No	Category	No. of Holders	No. of Shares	Percentage (%)
1.	Promoters	21	858868	36.55
2.	Non Resident Individuals/ FIIs	347	69140	2.94
3.	Corporate Bodies	81	485199	20.65
4.	Indian Public	3413	934546	39.77
5.	Banks /Mutual Funds	2	500	0.02
6.	Clearing Members/ Trust etc	9	835	0.04
7.	IEPF	1	712	0.03
8	Directors	2	200	0.01
	<b>TOTAL</b>	<b>3,876</b>	<b>23,50,000</b>	<b>100</b>

**Dematerialize of Shares (as on 31st March, 2018) :**

Percentage of Share held in :

Physical form : 24.95%  
Electronic Form with NSDL : 55.49%  
Electronic Form with CDSL : 19.56%

Shares of the Company were actively traded on the Bombay Stock Exchange Limited and hence have good liquidity.



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

We, Dr. Mahendra Kumar Sharma, Whole-time Director & Chief Executive Officer (CEO) & Shri Manish Sharma, Chief Financial Officer of M/s Bajaj Steel Industries Limited, to the best of our knowledge and belief hereby certify that

1. We have reviewed the Audited Financial Statements and the cash flow statements for the **Year ended as on 31<sup>st</sup> March, 2018** and that to the best of our knowledge and belief that :

(a) these statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(b) 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. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there are no deficiencies in the design or operation of internal control.

4. We have indicated to the Auditors and the Audit Committee that there are no :

(a) significant changes in internal control during the year ended as on 31.03.2018;

(b) significant changes in accounting policies during the year ended as on 31.03.2018 if any that the same have been disclosed in the notes of the statements;

(c) instances of significant frauds of which we are aware, that involves management or other who have a significant role in the Company's internal control system.

**Date: 30.05.2018**

**Place : Nagpur**

**DR. M.K.SHARMA**

**MANISH SHARMA**

**WHOLE TIME DIRECTOR & CEO**

**CHIEF FINANCIAL OFFICER (CFO)**

**DIN No.: 00519575**



## BAJAJ STEEL INDUSTRIES LIMITED

### INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

#### TO THE MEMBERS OF BAJAJ STEEL INDUSTRIES LIMITED

We have examined the compliance of Corporate Governance by BAJAJ STEEL INDUSTRIES LIMITED ("the Company") for the year ended on March 31, 2018, as stipulated in Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended March 31, 2018.

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

Place : Nagpur

For M/s VMSS & ASSOCIATES  
CHARTERED ACCOUNTANTS

Date : 11.08.2018

ADITYA SETHIA  
PARTNER  
Firm Registration No. 328952E

#### **DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its Senior Management Employees and the Board of Directors including the Managing Director, Executive Directors, Non-Executive and Independent Directors.

I further confirm that the Company has obtained from all the Members of the Board and the Senior Management Personnel, affirmation that they have complied with the code of conduct of the Company.

Place : Nagpur

ROHIT BAJAJ  
CHAIRMAN & MANAGING DIRECTOR

Date : 11.08.2018

DIN No. :00511745

--: 60 :-

# STANDALONE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 2018



## AUDITOR'S REPORT (STANDALONE)

To the Members of M/s Bajaj Steel Industries Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s BAJAJ STEEL INDUSTRIES LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 standalone 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 standalone 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. 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 standalone financial statements.

#### **Basis of Qualified Opinion**

*The company is not disclosing the information required under micro, small and medium Enterprises Development Act, 2006 [Note 36]*

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us *except for the effects of matter described in the Basis of Qualified Opinion paragraph*, the aforesaid standalone 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 31, March 2018 and its profit and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

In view of the management's opinion, no provisioning for impairment of assets is required to be done in respect of the company's investment in its wholly owned subsidiary M/s Bajaj Coneagle LLC, USA amounting to USD 1668000 (equivalent to Rs.10.26 crs). [Refer Note 26(b)]. Further with effect from 1st January, 2018 the Steel Division of the Company has changed its method of accounting from Written Down Value Method (WDV) to Straight Line Method (SLM) [Refer Note 34]

Our opinion is not modified in respect of the said 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, a statement on the matters specified



in the paragraph 3 and 4 of the order.

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 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;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) 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
  - (g) 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 financial statements has, to the extent ascertainable, disclosed the impact of pending litigations on the consolidated financial position of the Company – Refer Note 25 to the financial statements; ;
    - ii. the Company does not have any material foreseeable losses on long term contracts including derivative contracts which would impact its financial position;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Nagpur (Camp)

Date: 30th May, 2018.

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E

Aditya Sethia  
Partner  
Membership NO.311293





**BAJAJ STEEL INDUSTRIES LIMITED**

**ANNEXURE - A TO THE AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- (i) (a) According to the information and explanations given to us proper records showing full Particulars including quantitative details and situation of fixed assets is being maintained by the company.
- b) According to the information and explanation given to us, all the fixed assets including capital work in progress have not been physically verified by the management during the year nor there is a regular program of verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year which, in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or parties covered in the register maintained u/s 189 of the Companies Act, 2013.
- (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 in respect of loans, investments, guarantees and securities made by the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
- (vi) As certified by a Cost Accountant, the Company has maintained Cost records for the year under review, as prescribed under sub section (1) of section 148 of the Companies Act, 2013 to the extent applicable to the Company. We have however, not made a detailed examination of such records.
- (vii) (a) According to the records of the company, the company is generally regular



in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, and no such statutory dues were outstanding as at the last day of the financial year under review for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess, as applicable, which have not been deposited on account of any dispute except as detailed in Annexure-I.

- (viii) In our opinion and according to the information and explanations given to us, the Term loans have been applied for the purpose for which they were obtained.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination 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.
- (xv) According to the information and explanations given to us and based on our



## BAJAJ STEEL INDUSTRIES LIMITED

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examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Nagpur

Date: 30th May, 2018.

For VMSS & Associates

Chartered Accountants

Firm Registration No. 328952E

Aditya Sethia

Partner

Membership NO.311293



**BAJAJ STEEL INDUSTRIES LIMITED**

**ANNEXURE - B TO THE AUDITORS' 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 M/s Bajaj Steel Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**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 ('ICAI'). 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 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.

**Auditors' 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, issued by ICAI and deemed to be prescribed 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 is sufficient and appropriate to



provide a basis for our audit opinion on the Company's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 31 March 2018, 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.

**Place: Nagpur**

**Date: 30th May, 2018.**

**For VMSS & Associates**

**Chartered Accountants**

**Firm Registration No. 328952E**

**Aditya Sethia**

**Partner**

**Membership NO.311293**

**BAJAJ STEEL INDUSTRIES LIMITED**

Annexure I as referred in clause [vii (b)] of the Annexure to our Report of even date for the year ended 31st March, 2018

Name of the Statute	Nature of the Dues	Amount (Lacs)	Relating to the year	Forum where dispute Pending
Central Sales Tax Act, 1956	Non submission of Forms	2.16	2001 - 2002	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	1.83	2002-2003	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	7.09	2003-2004	Deputy Commissioner, Sales Tax, Nagpur
Bombay Sales Tax Act, 1956	Non submission of Forms	2.75	2003-2004	Deputy Commissioner, Sales Tax, Nagpur
Central Excise Act, 1944	Duty on material cleared after Job Work	0.43	Oct-03 to Apr - 2004	Assistant Commissioner Chindwara
The Customs Act, 1962	Duty and Penalty on import of material	136.60	2002-2003 & 2003-2004	High court, Mumbai
Madhya Pradesh Commercial Tax Act, 1994	Demand on regular assessment	0.27	2002 - 2003	Assistant Commissioner, Commercial Tax
Madhya Pradesh Entry Tax Act, 1976.	Entry Tax on Stock transferd goods.	0.38	2010-2011	Deputy Commissioner, Commercial Tax (Appeal) Chindwara
Central Excise Act, 1944	Non payment of Excise duty on Hydrolic Oil.	89.36	May, 2009 to Oct, 2014	The Additional Commissioner of Central Excise Custom & Service Tax, Ngp-1
Central Sales Tax Act, 1956	Non submission of Forms	0.54	2006-2007	Deputy Commissioner, Commercial Tax (Appeal) Chindwara

Place: Nagpur

Date: 30th May, 2018.

For VMSS &amp; Associates

Chartered Accountants

Firm Registration No. 328952E

Aditya Sethia

Partner

Membership NO.311293



# BAJAJ STEEL INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2018 (STANDALONE) (₹ in Lacs)

Particulars	Note No.	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	4,958	4,318	4,904
Capital work-in-progress	5	231	1,279	1,165
Intangible assets	6	11	16	21
Financial assets				
- Investments in subsidiaries	7.1	1,028	1,028	1,028
- Investment in Shares & Securities	7.2	-	14	68
- Deposit with Banks	7.3	0.08	2	3
- Other non-current financial assets	7.4	56	53	56
Deferred tax Assets (Net)	8	991	801	455
Other non-current assets	9	30	-	76
		<u>7,305</u>	<u>7,511</u>	<u>7,776</u>
<b>Current assets</b>				
Inventories	10	4,567	5,007	6,743
Financial assets				
- Investment in Shares & Securities	11.1	68	224	340
- Trade receivables	11.2	5,094	4,107	4,757
- Cash and cash equivalents	11.3	330	152	210
- Bank balance other than cash & cash equivalents	11.4	1,710	1,493	1,646
- Other Current Financial Assets	11.5	26	274	71
Current Tax Assets (Net)	12	18	142	120
Other current assets	13	2,114	1,572	1,930
		<u>13,926</u>	<u>12,970</u>	<u>15,817</u>
<b>Total Assets</b>		<u><u>21,232</u></u>	<u><u>20,481</u></u>	<u><u>23,594</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	14	235	235	235
Other Equity	15	6,871	5,970	6,912
		<u>7,106</u>	<u>6,205</u>	<u>7,147</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	16.1	3,721	3,542	3,817
- Other financial liabilities	16.2	110	114	127
Non - Current Provisions	17	470	417	463
		<u>4,301</u>	<u>4,073</u>	<u>4,407</u>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	18.1	4,207	4,347	3,977
- Trade payables	18.2	2,807	3,037	4,976
- Other financial liabilities	18.3	1,543	1,468	1,248
Other current liabilities	19	1,176	1,289	1,755
Current Provisions	20	92	62	84
		<u>9,825</u>	<u>10,203</u>	<u>12,040</u>
<b>Total Equity and Liabilities</b>		<u><u>21,232</u></u>	<u><u>20,481</u></u>	<u><u>23,594</u></u>
Corporate Information & Significant Accounting Policies	1 & 2			
First Time adoption of Ind AS	3			
Accompanying notes to the financial statements	4 to 38			

In terms of our report of even date attached herewith

**For VMSS & Associates**

Chartered Accountants

Firm Registration No. 328952E

**Aditya Sethia**

Partner

Membership NO.311293

Date : 30th May, 2018

Place: Nagpur (Camp)

**Rohit Bajaj**  
(Chairman & Managing Director)

**Mahendra K Sharma**  
(Director)

**Divyanshu Vyas**  
( Company Secretary)

**Sunil Bajaj**  
(Executive Director)

**Deepak Batra**  
(Director)

**Manish Sharma**  
( Chief Financial Officer)

**Vinod Kr Bajaj**  
(Director)

**Alok Goenka**  
(Director)

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## BAJAJ STEEL INDUSTRIES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018 (STANDALONE) (₹ in Lakhs)

Particulars	Note No.	STANDALONE 2017-2018	STANDALONE 2016-2017
		₹	₹
<b>Income</b>			
Revenue from Operations	21.1	23,438	21,220
Other Income	21.2	351	263
<b>Total Revenue</b>		<u>23,789</u>	<u>21,483</u>
<b>Expenses</b>			
Cost of materials consumed	22.1	12,612	12,313
Purchases	22.2	7	3
Manufacturing & Processing Charges	22.3	2,265	2,568
Changes in Inventories	22.4	899	630
Employee Benefits Expense	22.5	2,632	2,824
Selling & Distribution Expenses	22.6	1,414	952
Finance Costs	22.7	903	904
Depreciation & Amortization Expenses	22.8	566	816
Other Expenses	22.9	1,663	1,898
<b>Total Expenses</b>		<u>22,961</u>	<u>22,907</u>
<b>Profit/(Loss) before tax</b>		<u>827</u>	<u>(1,424)</u>
<b>Tax Expense:</b>	23		
Current Tax		93	-
Deferred Tax		(182)	(391)
		<u>(89)</u>	<u>(391)</u>
<b>Profit/(Loss) for the year</b>		<u>916</u>	<u>(1,033)</u>
<b>Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss			
- Changes in fair value of Equity Instruments		12	37
- Remeasurement of net defined benefit liabilities		(36)	99
- Tax Expense relating to above items		8	(45)
Other comprehensive income/(Loss) for the year		<u>(16)</u>	<u>91</u>
<b>Total comprehensive income/(Loss) for the year</b>		<u>900</u>	<u>(942)</u>
<i>(Profit/ loss + other comprehensive income)</i>			
<b>Earnings per equity share</b>	24	38.31	(40.11)
Basic & Diluted			
Corporate Information & Significant Accounting Policies 1 & 2			
First Time adoption of Ind AS	3		
Accompanying notes to the financial statements	4 to 38		

In terms of our report of even date attached herewith

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E  
Aditya Sethia  
Partner  
Membership NO.311293  
Date : 30th May, 2018  
Place: Nagpur (Camp)

Rohit Bajaj (Chairman & Managing Director)	Sunil Bajaj (Executive Director)	Vinod Kr Bajaj (Director)
Mahendra K Sharma (Director)	Deepak Batra (Director)	Alok Goenka (Director)
Divyanshu Vyas ( Company Secretary)	Manish Sharma ( Chief Financial Officer)	

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## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

### Equity share capital

Particulars	Notes	As at 1st April 2016	Changes during 2016-2017	As at 31st March 2017	Changes during 2017-2018	As at 31st March, 2018
Authorized 15000000 Equity shares of '10/- each		1,500	-	1,500	-	1,500
Issued, subscribed and paid up 2350000 Equity shares of '10/- each fully paid up	14	235	-	235	-	235
		235	-	235	-	235

### Other Equity

Particulars	Notes	Reserves and Surplus				Equity Investment Reserve (upon fair value through other comprehensive income)	Total
	15	Securities Premium Reserve	Capital Reserve	Retained Earnings			
				General Reserve	Surplus in the statement of Profit and Loss		
Balance as at 01.04.2016		381	152	6,200	123	57	6,912
Profit for the year		-	-	-	(1,033)	-	(1,033)
Other comprehensive income for the year		-	-	-	66	25	91
Total comprehensive income for the year		-	-	-	(967)	25	(942)
Transfer from General Reserve		-	-	(900)	900	-	-
Realised gains transferred to Retained Earnings		-	-	-	74	(74)	-
Balance as at 31.03.2017		381	152	5,300	129	8	5,970
Balance as at 01.04.2017		381	152	5,300	129	8	5,970
Profit for the year		-	-	-	917	-	917
Other comprehensive income for the year		-	-	-	(25)	8	(16)
Total comprehensive income for the year		-	-	-	892	8	901
Transfer to General Reserve		-	-	500	(500)	-	-
Realised gains transferred to Retained Earnings		-	-	-	15	(15)	-
Balance as at 31.03.2018		381	152	5,800	537	1	6,871

Signed for identification :

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E  
Aditya Sethia  
Partner  
Membership NO.311293  
Date : 30th May, 2018  
Place: Nagpur (Camp)

Rohit Bajaj  
(Chairman & Managing Director)  
Mahendra K Sharma  
(Director)

Divyanshu Vyas  
( Company Secretary)

Sunil Bajaj  
(Executive Director)  
Deepak Batra  
(Director)

Manish Sharma  
( Chief Financial Officer)

Vinod Kr Bajaj  
(Director)  
Alok Goenka  
(Director)



BAJAJ STEEL INDUSTRIES LIMITED

**BAJAJ STEEL INDUSTRIES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 (STANDALONE)**

	2017-2018	2016-2017
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and extraordinary items	827	(1,424)
Add: Adjusted for : Depreciation	566	816
Fixed Assets adjusted	-	-
Provision for employee benefits	(25)	99
Provision for Doubtfull Debtors	(2)	(49)
Loss/(Income) on sale/fair value of Investments	50	73
Deferred Tax on fair value	37	-
Interest Expenses	903	904
	2,357	419
Less: adjustments for (Profit) / Loss on sale of Fixed Assets	(0)	-
Interest & Dividend Received	(167)	(130)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,189</b>	<b>290</b>
Adjusted for :		
Trade Payables and advances from customers	(273)	(2,265)
Trade and other receivables	(1,313)	911
Inventories	440	1,737
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,042</b>	<b>673</b>
Less: Interest Paid	(903)	(904)
Direct Taxes paid / adjusted	30	-
Cash flow before extra ordinary items	169	(231)
Extra Ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>169</b>	<b>(231)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(157)	(345)
Sale of Fixed Assets	4	7
Net Changes in fixed assets	-	-
Sale of Investments (Incl. W/off)	171	133
Interest & Dividend received	167	130
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>185</b>	<b>(74)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Proceeds from borrowings	39	95
Dividend paid	-	-
<b>Net Cash from Financing activities (C)</b>	<b>39</b>	<b>95</b>
<b>NET CHANGES IN CASH AND BANK BALANCES (A+B+C)</b>	<b>394</b>	<b>(212)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,647	1,858
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,040	1,647

NOTES: 01. Proceeds from long term and other borrowings are shown net of repayment.

02. Cash and cash equivalents represent cash and bank balances only

In terms of our report of even date attached herewith

Signature to notes 1 to 28

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E  
Aditya Sethia  
Partner  
Membership NO.311293  
Date : 30th May, 2018  
Place: Nagpur

Rohit Bajaj  
(Chairman & Managing Director)

Mahendra K Sharma  
(Director)

Divyanshu Vyas  
( Company Secretary)

Sunil Bajaj  
(Executive Director)

Deepak Batra  
(Director)

Manish Sharma  
( Chief Financial Officer)

Vinod Kr Bajaj  
(Director)

Alok Goenka  
(Director)



NOTES TO THE FINANCIAL STATEMENTSEPORT

**1. CORPORATE INFORMATION**

Bajaj Steel Industries Limited (“the Company”) is a public limited company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (“BSE”) and Calcutta Stock Exchange (“CSE”). The registered office of the company is situated at C-108, MIDC Industrial Area, Nagpur – 440 028.

The principal business activities of the company is manufacturing of Cotton ginning and Pressing Machineries, Pre fabricated building structure, components and allied products, which it handles it from its “Steel division” and manufacturing of Master Batches which it handles from its “Plastic division”. Presently, all the manufacturing facilities of the company are in the state of Maharashtra.

The company has wholly owned subsidiaries in the state of Alabama, USA and Uganda.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements (Separate financial statements) have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 3 for an explanation of how the transition from previous GAAP to Ind AS has effected presentation of company’s financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (“INR” or “₹”) and all amounts are rounded to the nearest lacs, except as stated otherwise.

**2.2 Estimates and Judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of



revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 2.22. Accounting estimates could change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. 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 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- o Expected to be realised or intended to be sold or consumed in normal operating cycle
- o Held primarily for the purpose of trading
- o Expected to be realised within twelve months after the reporting period, or
- o Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### **A liability is current when:**

- o It is expected to be settled in normal operating cycle
- o It is held primarily for the purpose of trading
- o It is due to be settled within twelve months after the reporting period, or
- o There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **2.4 Property, Plant and Equipment**

Freehold/Leasehold land and capital work-in-progress is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition, borrowing costs (wherever applicable). Subsequent costs are included in the asset's carrying amount or



recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expenditure including Pre-operative expenditure, incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment is calculated using the written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives. However, with effect from 1st January 2018, the Steel Division of the company has changed the method of providing depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM) The useful lives estimated for the major classes of property, plant and equipment are as follows:

<b>Class of property, plant and equipment</b>	<b>Useful life (in years)</b>
Buildings	30-60
Plant & Machinery	8-15
Furniture & Fixtures	10
Vehicles	8-10
Electrical Installations	10
Computer Hardware (Including Software)	3-6
Other Equipments and facilities	5

The useful lives have been determined based on technical evaluation done by the management's experts, which is same as the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost/deemed cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit and loss when the asset is derecognised.

**2.5 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on a Written Down Value Method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The depreciation on all the intangible assets i.e. Technical Knowhow and Patents are charged on the basis of useful life as decided by the management.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually.

**2.6 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet. Non-current assets are not depreciated or amortised while they are classified as held for sale.

**2.7 Inventories**

Raw Materials, Stores, Spares and Fuel are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods are valued at lower of cost and net realizable value except non prime/off grade Master batches which is valued at Net Realisable value. Cost includes direct materials and a proportion of labour and manufacturing overheads based on operation of the relevant financial year. Scrap is valued at estimated realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



## **2.8 Cash and Cash Equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits maturing within twelve months from the date of balance Sheet, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under borrowings in the balance sheet.

## **2.9 Financial Instruments**

### *A. Financial Instruments - Initial recognition and measurement*

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### *B.1. Financial assets –Subsequent measurement*

The Subsequent measurement of financial assets depends on their classification which is as follows:

#### **a. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

#### **b. Financial assets measured at amortised cost**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables generally do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

#### **c. Financial assets at fair value through OCI**

All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to designate an equity instrument at fair value through





OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

#### B.2. Financial assets –Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

#### C. *Investment in subsidiaries, joint ventures and associates*

Investments made by the company in subsidiaries, joint ventures and associates are measured at cost in the separate financial statements of the company.

#### D.1. *Financial liabilities –Subsequent measurement*

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

##### a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any.

##### b. Financial liabilities measured at amortised cost

Interest bearing loans and borrowings taken by the company are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the statement of profit and loss.

#### D.2. *Financial liabilities –Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or expires.

#### E. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### F. Fair value measurement

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the



measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## 2.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the company's activities are described below:

### *Sale of Goods*

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and the amount of revenue can be measured reliably.

### *Sale of Services*

Revenue from sale of services is recognised as per the terms of the contract with buyer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

### *Other Operating Income*

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit & loss on receipt of such incentives.

### *Interest income*

Interest income from debt instruments (including Fixed Deposits) is recognised using the effective interest rate method. The effective interest rate is that rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash



flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### *Other Income*

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

### **2.11 Foreign currency transactions**

Foreign currency transactions are translated into Indian rupee using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

### **2.12 Employee benefits**

#### *Short Term employee benefits*

Liabilities for wages, salaries and other employee benefits that are expected to be settled within twelve months of rendering the service by the employees are classified as short term employee benefits. Such short term employee benefits are measured at the amounts expected to be paid when the liabilities are settled.

#### *Post employment benefits*

##### **(a) Defined contribution plans**

The company pays provident fund contribution to publicly administered provident funds as per the local regulations. The contributions are accounted for as defined contribution plans and are recognised as employee benefit expense when they are due.

##### **(b) Defined benefit plans**

The liabilities recognised in the balance sheet in respect of defined benefit plan, namely gratuity and leave pay, are the present value of the defined benefit obligation at the end of the year less the fair value of plan assets, if any. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.



### 2.13 Finance Costs

Borrowing costs that are attributable to ongoing capital expenditure of the company are charged to property, plant and equipment as a part of the cost of such capitalisation.

Other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 2.14 Leases

A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation.

### 2.15 Taxes

#### *Current Tax*

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

#### *Deferred Tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax



assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

#### **2.16 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the company has present determined obligations as a result of past events and an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is not recognised but disclosed in the notes to the accounts, unless the probability of an outflow of resources is remote.

A contingent asset is generally neither recognised nor disclosed.

#### **2.17 Earnings per share**

The Basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **2.18 Customs**

Liability on account of Customs Duty on Imported materials is accounted in the year in which the goods are cleared from customs.

#### **2.19 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**2.20 Exceptional items**

Exceptional items refer to items of income or expense within statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.

**2.21 Impairment of assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

**2.22 Critical accounting estimates***Property, plant and equipment*

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

*Intangible assets*

The company tests whether intangible assets have suffered any impairment on an annual basis. The recoverable amount of a cash generating unit is determined based on value in use calculations which require the use of assumptions.

*Recoverability of Trade Receivable and provision for the same*

Judgements are required in assessing the recoverability of overdue trade receivables



and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. The provision for debtors is done for those debtors which are outstanding for more than three years.

### **3 First time adoption of Ind AS**

These separate financial statements of Bajaj Steel Industries Limited for the year ended March, 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with 1st April, 2016 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the separate financial statements for the year ended 31st March, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has effected the Company's Balance Sheet, Statement of Profit and Loss is explained in note 3.2 . Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 3.1.

#### **3.1 Exemptions availed on first time adoption**

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

##### **(a) Estimates**

Ind AS 101 provides that an entity's estimates as per Ind AS 8 " Accounting Policies, Changes in Accounting Estimates and Errors" at the date of transition shall be consistent with the estimates made for same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Accordingly, the company has made Ind AS estimates as at the transition date i.e. 1st April 2016 which are consistent with estimates made by it under the previous GAAP for the same date. The company made estimates for following items in accordance with Ind AS at the date of transition since these were not required under previous GAAP :

- i) Investment in equity instruments designated at Fair Value through OCI
- ii) Impairment of financial assets based on expected credit loss model

##### **(b) Deemed Cost**

Ind AS 101 provides an option under Ind AS 16 " Property, Plant and Equipment", to continue with the carrying value of all its property, plant and equipment as recognised in financial statements as on transition date, measured as per the



previous GAAP and use that as its deemed cost after making necessary adjustments for de-commissioning liabilities instead of measuring at fair value on the transition date. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets.

The company has elected to measure all of its property, plant and equipment and intangible assets as on the transition date at their previous GAAP carrying value.

(c) Investment in subsidiaries

Ind AS 101 provides an option under Ind AS 27 "Separate Financial Statements", to continue with the previous GAAP carrying amount in respect of an entity's investment in subsidiaries in the entity's separate financial statements.

The company has accordingly elected to measure such investments in subsidiaries as on the transition date at their previous GAAP carrying value.

### 3.2 Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101

a) Equity as at 1st April, 2016 and as at 31st March, 2017

b) Net Profit for the year ended 31st March, 2017.

a) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017.

	Notes to first time adoption	AS AT 31.03.2017	AS AT 31.03.2017
		₹	₹
Equity under previous GAAP		6,144	7,076
<b>Adjustments:-</b>			
Change in Fair valuation of Financial Instruments	1	20	57
Provision for doubtful debts	2	(2)	(50)
Deferred tax adjustments	3	43	65
Others	-	-	-
Equity under Ind AS		6,205	7,147

b) Reconciliation of total comprehensive income for the year ended 31 March, 2017

	Notes to first time adoption	2016-2017 ₹
Profit/(loss) after tax as per previous GAAP		(932)
<b>Adjustments</b>		
Change in Fair valuation of Financial Instruments	1	(36)
Provision for doubtful debts	2	49
Deferred Tax adjustments	3	(22)
Others	-	-
Total comprehensive income as per Ind AS		(942)





- c) There are no material adjustments to the statements of cash flows as reported under the previous GAAP.

**d) Notes to first time adoption**

**Note 1 : Change in Fair valuation of Financial Instruments**

Under the previous GAAP, investments in equity instruments and mutual fund were classified as long term investments or current investments based on the intended holding period and realisation. Long -term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value at each reporting period. The resulting fair value changes of these investments (other than equity instruments designated at fair value through OCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017.

Fair value changes with respect to investments in equity instrument designated fair value through OCI have been recognised in Equity Investment Reserve as at the date of transition and subsequently in other comprehensive income for the year ended 31st March 2017. This increased other reserve by ₹ 20.44 Lacs as at 31st March, 2017 (1 April, 2016 ₹ 56.52 Lacs)

Consequent to the above, the total equity as at 31st March, 2017 increased by ₹ 20.44 Lacs (1 April, 2016 ₹ 56.52 Lacs) and total comprehensive income for the year ended 31st March 2017 increased by ₹ 37.48 Lacs.

**Note 2 : Provision for doubtful debts**

Under the previous GAAP, the management had provided for doubtful debts based on its assessment of recoverability from the debtors. Ind AS requires the company to make provision for doubtful debts based on the expected credit loss model. Upon transition to Ind AS, the company has applied the expected credit loss model and has reworked the quantum of provision for doubtful debts. The differential figures as on 1st April, 2016 amounting to Rs.50.47 Lacs has been adjusted in retained earnings and the differential amount for the year ended 31st March, 2017 amounting to Rs.48.86 Lacs has been charged to the statement of profit and loss for the said year.

**Note 3 : Deferred Tax Adjustments**

Tax adjustments relating to above adjustments are recognised and adjusted in retained earnings on the date of transition. Deferred tax adjustments relating to the year ended 31st March, 2017 have been adjusted in the statement of profit and loss for the said year.



## BAJAJ STEEL INDUSTRIES LIMITED

### FINANCIAL ASSETS - NON CURRENT

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
<b>7.1 INVESTMENT IN SUBSIDIARIES</b>			
In Capital of wholly Owned Foreign Subsidiaries (Unquoted)			
Bajaj Coneagle LLC [Paid up Value USD-1668000]	1,027	1,027	1,027
Bajaj Steel Industries (U) Limited [Paid up value ( UGX)-2018 & 2017: 5000000, 2016:4950000]	<u>1</u> <u>1,028</u>	<u>1</u> <u>1,028</u>	<u>1</u> <u>1,028</u>
<b>7.2 INVESTMENT IN SHARES &amp; SECURITIES</b>			
Investment in Equity Instruments (fully paid-up):			
<b>i. Quoted</b>			
85850 equity shares of Wopolin Plastics Limited. (F.V. ₹ 10)	-	0	0
90000 equity shares of Ushita Trading & Agencies Ltd.. (F.V. ₹ 10)	-	14	14
<b>ii. Unquoted</b>			
Nil (2016: 3800) equity shares of Associated Biscuits Co.Ltd.. (F.V. ₹ 100)	-	-	27
<b>In fully paid up Preference Shares of a company</b>			
"Nil (2016:3800) Associated Biscuits Co.Ltd. - 11% Non Cumulative Convertible Preference Shares (FV ₹ 10)"	-	-	27
	<u>-</u>	<u>14</u>	<u>68</u>
Aggregate amount of quoted investments and market value thereof	<u>-</u>	<u>14</u>	<u>14</u>
Aggregate amount of unquoted investments	<u>-</u>	<u>-</u>	<u>54</u>
<b>.3 DEPOSIT WITH BANKS</b>			
In Fixed Deposit Account	<u>0</u>	<u>2</u>	<u>3</u>
	<u>0</u>	<u>2</u>	<u>3</u>
<b>7.4 OTHER NON-CURRENT FINANCIAL ASSETS</b>			
Security Deposits	<u>56</u>	<u>53</u>	<u>56</u>
	<u>56</u>	<u>53</u>	<u>56</u>
<b>8 DEFERRED TAX ASSETS (NET)</b>			
Deferred Tax Assets relating to			
- Fixed Assets	598	206	156
- Employee Benefits	186	167	181
- Provision for doubtful debts	166	184	75
- Fiscal allowance of unabsorbed losses	-	213	-
- Others	41	31	43
	<u>991</u>	<u>801</u>	<u>455</u>
<b>9 OTHER NON-CURRENT ASSETS</b>			
(Unsecured, considered good)			
Capital Advances	<u>30</u>	<u>-</u>	<u>76</u>
	<u>30</u>	<u>-</u>	<u>76</u>



## BAJAJ STEEL INDUSTRIES LIMITED

### NOTES TO THE ACCOUNTS.....

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
<b>10 INVENTORIES</b>			
(As certified by the management)			
Stores, spares and fuel	198	165	264
Raw Materials (In transit ₹ 41.57 Lacs ; P.Y ₹ Nil)	2,391	1,966	2,973
Semi-finished Goods	1,315	2,352	2,889
Finished Goods	657	524	617
Traded Goods	5	-	-
	<u>4,567</u>	<u>5,007</u>	<u>6,743</u>
<b>11.1 INVESTMENTS IN SHARES &amp; SECURITIES</b>			
In units of mutual funds (unquoted)			
ICICI Prudential Value Fund Series (FV ₹ 10,)	-	122	95
Kotak FMP Series-131 (FV ₹ 10,)	-	-	127
IIFL-Income Opportunities Fund (FV ₹ 10,)	68	102	118
	<u>68</u>	<u>224</u>	<u>340</u>
Repurchase value of units of mutual funds	68	224	340
<b>11.2 TRADE RECEIVABLES</b>			
(Unsecured, Considered Good unless otherwise stated)			
Due for more than six months	1,447	2,222	2,124
Others	4,265	2,480	2,860
	<u>5,712</u>	<u>4,702</u>	<u>4,984</u>
Less: Provision for doubtful debts	619	595	226
	<u>5,094</u>	<u>4,107</u>	<u>4,757</u>
Includes Due from foreign Subsidiaries	485	565	644
Secured	646	70	199
<b>11.3 CASH AND CASH EQUIVALENTS</b>			
Balances with Banks :			
In Current Account	61	136	69
In Fixed Deposit Account	248	-	101
Cheques in hand	8	10	19
Cash-in-hand	13	6	21
	<u>330</u>	<u>152</u>	<u>210</u>
<b>11.4 BANK BALANCE OTHER THAN CASH &amp; CASH EQUIVALENTS</b>			
Unclaimed Dividend Account	17	20	23
Fixed Deposit Account (Pledged)	1,693	1,473	1,623
	<u>1,710</u>	<u>1,493</u>	<u>1,646</u>
<b>11.5 OTHER CURRENT FINANCIAL ASSETS</b>			
(Unsecured, Considered Good)			
Deposits	13	1	27



## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS.....	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
Advances Recoverable in cash	13	273	44
Includes due from foreign subsidiary	26	274	71
<b>12 CURRENT TAX ASSETS (NET)</b>			
Taxation advance and refundable (Net of provisions)	18	142	120
<b>13 OTHER CURRENT ASSETS</b>			
(Unsecured, considered good)			
Balances with Government Authorities	1,506	1,053	1,316
Advances recoverable in kind or for value to be received	608	518	614
	2,114	1,572	1,930
<b>14 EQUITY SHARE CAPITAL</b>			
Authorised :			
15000000 Equity shares of ₹10/- each	15,000	15,000	15,000
Issued, Subscribed and Paid up :			
2350000 Equity shares of ₹10/- each fully paid up	235	235	235
	235	235	235

### Details of shareholders holding more than 5% of the

Equity Shares in the company:	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
Name of Shareholder	Number	% holding	Number	% holding	Number	% holding
Bajaj Exports Pvt. Ltd.	2,13,800	9.10	2,13,800	9.10	2,13,800	9.10
Vidarbha Tradelinks Pvt. Ltd.	2,09,000	8.89	2,09,000	8.89	2,09,000	8.89
Smt Gayatri Devi Bajaj	1,51,400	6.44	151,400	6.44	1,51,400	6.44
Satish Lalchand Mutha	124,390	5.29	128,800	5.48	128,800	5.48

### b) Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Board of Directors, in its meeting on 30th May, 2018, have proposed a final dividend of ₹ 3/- per equity share for the financial year ended 31st March 2018. The proposal is subject to the approval of the shareholders at the Annual General Meeting to be held and if approved, would result in a cash outflow of approximately ₹ 84.21 lacs including corporate dividend tax.

**15.OTHER EQUITY**

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹
<b>Capital Reserve</b>		
As per last account	152	152
	<u>152</u>	<u>152</u>
<b>Securities Premium Reserve</b>	<u>381</u>	<u>381</u>
Retained Earnings		
General Reserve		
As per last Account	5,300	6,200
Less: Amount transferred from/to surplus in Profit & Loss Account	500	(900)
	<u>5,800</u>	<u>5,300</u>
<b>Surplus in the statement of Profit and Loss</b>		
Balance as per last Account	129	123
Profit for the year	916	(1,033)
Less: Appropriations		
Transfer to/from General Reserve	(500)	900
Remeasurement of net defined benefit liabilities	(25)	66
Transfer from FVTOCI Reserve	15	74
	<u>536</u>	<u>129</u>
Total Retained Earnings	<u>6,336</u>	<u>5,429</u>
<b>Equity Investment Reserve</b>		
As per last Account	8	57
Changes in fair value of equity instruments	8	25
Less: Transfer to Retained Earnings upon realisation	(15)	(74)
	<u>1</u>	<u>8</u>
<b>TOTAL</b>	<u>6,870</u>	<u>5,970</u>

**Nature of Reserves****Securities Premium**

Security Premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**General Reserve**

The General reserve is used from time to time for transfer of profits from surplus in statement of Profit and Loss for appropriation purposes.

**Capital Reserve**

This reserve represents the subsidy from Government and amount received upon reissue of forfeited shares and upon forfeiture of share warrants.

**Equity Investment Reserve**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net off amounts reclassified to retained earnings when those assets have been disposed off.



## NOTES TO THE ACCOUNTS

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
<b>16.1 BORROWINGS:</b>			
<b>SECURED LOANS</b>			
<b>A) Term Loans:</b>			
<b>(i) From Banks:</b>			
<b>AXIS Bank Limited -Term Loan-2</b>	125	250	375
<p>Secured by way of first charge on the fixed assets acquired from this loan, extention of exclusive charge on entire moveable and immovable fixed assets of the Company's unit situated at Plot No. G-108, Butibori, MIDC, Nagpur and fixed assets acquired out of term loan-1 installed at C-108 and G-6 &amp; G-7 unit of the Company and collaterally secured by way of extention of exclusive charge on entire current assets of Steel division of the Company, present and future, and personal guarantee of the Managing and Executive Director of the Company.</p> <p>Terms of Repayment :Quarterly Installments of ₹ 31.25 Lacs each to be paid after a moratorium period of 1 year from the date of first disbursement i.e 02.05.2014.</p>			
<b>(ii)From Others:</b>			
<b>SICOM Limited</b>	51	117	183
<p>Secured by way of first charge by way of mortgage of the entire present and future fixed asset of the company at plot No. C-108 Nagpur industrial area and also first charge on the entire movable assets including plant and machinery except C.N.C Horizontal Machine which is hypothecated to the Axis Bank Ltd., machinery spares, tools</p>			



and accessories, electrical installation, furniture fixtures etc. both present and future at plot No-C-108 in the Nagpur Industrial Area, Hingna. Floating charge present and future at plot No-C-108 in the Nagpur Industrial Area, Hingna, floating charge on all the other assets of the company except C.N.C., Horizontal machine hypothecated to Axis Bank Ltd and personal guarantees of Managing and Executive Director of the company.

Terms of Repayment : 11 Quarterly Installments of ₹ 16.60 Lacs each and Last installment of ₹ 17.40 Lacs.

#### B) Vehicle Loans

##### From Banks :

a) AXIS Bank Limited	1	21	50
b) ICCI Bank Ltd.	4	3	8

-Secured by hypothecation of vehicles financed by them

##### Terms of Repayment :

₹ 433775/-under 36 EMI Scheme

#### UNSECURED LOANS

From Related Parties	3,718	3,366	3426
	3898	3757	4042
Less : Current Maturity (Refer Note No. 18.3)	178	215	225
	<u>3,721</u>	<u>3,542</u>	<u>3817</u>

#### 16.2 OTHER FINANCIAL LIABILITIES

Trade Deposits	103	106	106
Retention Money	7	8	20
	110	114	127

#### 17 NON CURRENT PROVISIONS

Provision for Employees Benefits:

- Gratuity	355	334	372
- Leave Pay	115	83	91
	470	417	463

**BAJAJ STEEL INDUSTRIES LIMITED**

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
<b>18 BORROWINGS</b>			
Loan Repayable on Demand			
<b>Secured</b>			
(i) Working Capital Loans from :			
a) IDBI Bank Ltd.	607	301	(4)
Secured by first charge on entire current assets (Present and future) of Master Batch unit of Superpack division of the Company, equitable mortgage on the building, structures and machineries situated at Company's premises at Sausar and charge on Plot Nos B12, B12/1, B/13, B13/1, B14, B14/1 at MIDC Industrial Estate, Hingna, Nagpur held in the name of a related Company and corporate guarantee of the said related Company and also by personal guarantee of a Director and C.E.O of Superpack Division of the Company.			
b) AXIS Bank Limited			
Secured by first charge on entire current assets of Steel Division of the Company, present & Future, collateral security by way of extension of exclusive second charge on the entire moveable and immoveable fixed assets, present and future, situated at plot No-G-108, Butibori, MIDC, Nagpur and assets acquired out of term loan-1 installed at C-108, G-6 & G-7 Hingna Nagpur and exclusive second charge on the fixed asset acquired out of term loan-2 and by personal guarantee of the Managing and Executive Director of the Company.			
-Rupee Loan	2,744	2,338	2366
-Foreign Currency Loan	653	667	666





## BAJAJ STEEL INDUSTRIES LIMITED

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
(ii) Overdraft from :			
a) HDFC Bank Limited	203	194	130
b) AXIS Bank Limited	-	145	144
c) Karur Vysya Bank Limited	-	702	675
-Secured by pledge of certain fix deposit Receipt			
	<u>4,207</u>	<u>4,347</u>	<u>3,977</u>
<b>18.2 TRADE PAYABLES</b>			
-Dues of Micro enterprise	-	-	-
-[Refer Note-34]	<u>2,807</u>	<u>3,037</u>	<u>4,976</u>
	<u>2,807</u>	<u>3,037</u>	<u>4,976</u>
<b>18.3 OTHER FINANCIAL LIABILITIES</b>			
Current maturities of long-term borrowings			
Others (Refer Note No. 16.1)	178	215	225
Interest accrued but not due on borrowings	0	0	0
Interest accrued and due on borrowings	4	6	4
Unclaimed Dividends	17	20	23
Other liabilities	<u>1,344</u>	<u>1,227</u>	<u>996</u>
	<u>1543</u>	<u>1468</u>	<u>1248</u>
<b>19 OTHER CURRENT LIABILITIES</b>			
Advance from customers	1,012	1099	1505
Statutory Liabilities	136	156	192
Other Liabilities	<u>29</u>	<u>34</u>	<u>59</u>
	<u>1,176</u>	<u>1,289</u>	<u>1,755</u>
<b>20 CURRENT PROVISIONS</b>			
Provision for Employe Benefits			
- Gratuty	90	39	47
- Leave Pay	<u>2</u>	<u>22</u>	<u>37</u>
	<u>92</u>	<u>62</u>	<u>84</u>



## BAJAJ STEEL INDUSTRIES LIMITED

21.1 REVENUE FROM OPERATIONS	2017-2018	2016-2017
(a) Sale of products		
Finished Goods	23,005	22,701
Traded Goods	12	4
(b) Sale of Services	566	544
(c) Other Operating Revenue		
Scrap Sales	161	202
	<u>23,744</u>	<u>23,451</u>
(d) <del>Less:-</del> Excise Duty	306	2,231
	<u>23,438</u>	<u>21,220</u>
<b>Details of products sold</b>		
<b>Finished Goods:</b>		
a) DR Gin	1,588	2,540
b) Bale Press Machine	1,240	2,065
c) Auto Feeder	393	613
d) Automation Parts	1,936	3,010
e) Master Batches	7,212	7,828
f) Others	10,636	6,646
	<u>23,005</u>	<u>22,702</u>
<b>Traded Goods:</b>		
- Liliput Gins	1	4
- Masterbatches	11	-
	<u>12</u>	<u>4</u>
<b>Detail of sale of services:</b>		
Errection and Commissioning Charges	314	393
Income from Civil construction (Net)	99	45
Income from sale of Licences	75	64
Duty Drawback	78	42
	<u>566</u>	<u>544</u>
<b>21.2 OTHER INCOME</b>		
Interest	167	130
Income from Investments:		
Mutual Funds	20	21
Profit on sale of Fixed Assets (Net)	0	-
Foreign Exchange Variation (Net)	48	-
Miscellaneous Income	95	111
Provision for Doubtful debts written back	20	2
	<u>351</u>	<u>263</u>
<b>22.1 COST OF MATERIALS CONSUMED</b>		
(a) Steel Division		
Iron and Steel	2,984	2,792
Castings	1,030	1,162
Ball Bearings	234	243
Others	3,192	3,038
(b) Plastic Division		
Polymers	3,150	2,998



## BAJAJ STEEL INDUSTRIES LIMITED

Mineral Powders	1,469	1,569		
Chemicals	554	511		
	<u>12,612</u>	<u>12,313</u>		
	<u><u>12,612</u></u>	<u><u>12,313</u></u>		
	₹	%	₹	%
Imported	2,558	20.28	3,454	28.05
Indigeneous	10,054	79.72	8,859	71.95
	<u>12,612</u>	<u>100.00</u>	<u>12,313</u>	<u>100.00</u>
<b>22.2 PURCHASES</b>				
Liliput Gins	1	3		
Masterbatches	6	-		
	<u>7</u>	<u>3</u>		
<b>22.3 MANUFACTURING &amp; PROCESSING EXPENSES</b>				
Stores and spares consumed (indigenous)	742	915		
Power & Fuel	165	154		
Job work charges	244	267		
Errection and Commissioning Charges	173	337		
Processing charges	941	895		
	<u>2,265</u>	<u>2,568</u>		
<b>22.4 CHANGES IN INVENTORIES</b>				
<b>Opening Stock :</b>				
Finished Goods	524	617		
Work-in-progress	2,352	2,889		
Traded Goods	-	-		
	<u>2,876</u>	<u>3,506</u>		
<b>Less: Closing Stock:</b>				
Finished Goods	657	524		
Work-in-progress	1,315	2,352		
Traded Goods	5	-		
	<u>1,978</u>	<u>2,876</u>		
	<u>899</u>	<u>630</u>		
<b>22.5EMPLOYEE BENEFIT EXPENSES</b>				
Salary and allowances	2,336	2,562		
Directors' Remuneration	133	98		
Contribution to Provident & Other Funds	108	118		
Staff welfare expenses	54	46		
	<u>2,632</u>	<u>2,824</u>		



## BAJAJ STEEL INDUSTRIES LIMITED

The disclosures required under Ind. AS-19:Employees Benefit, notified in the company's (Accounting standard) Rules, 2015 are given below, based on the actuarial Report certified by a Practicing Actuary.

### DEFINED CONTRIBUTION PLAN

(₹ in lacs)

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:	2017-2018	2016-2017
Employer's Contribution to Provident & Pension Fund	108.34	117.81
Defined Benefit Plan		

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	2017-2018		2016-2017	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
<b>a. Movement in present value of defined benefit obligations</b>				
Present value of obligation at the beginning of the year	373.14	105.68	19.30	128.13
Service Cost	38.41	24.87	39.22	22.36
Interest Cost	27.82	7.82	33.27	10.18
Remeasurement - Actuarial (gains)/losses	49.72	(12.92)	(62.47)	(36.09)
Benefit paid	(43.34)	(8.50)	(56.18)	(18.90)
Present value of obligation at the end of the year	445.75	116.95	373.14	105.68

### b. Reconciliation of fair value of assets and obligation

Present value of obligation at the end of year	445.75	116.95	373.14	105.68
Fair Value of Plan assets as at the end of the year	-	-	-	-
Net Liability recognised in Balance Sheet	445.75	116.95	373.14	105.68

### c. Amount recognised in the Statement of profit & loss under Employee Benefit Expenses

Service Cost	38.41	24.87	39.22	22.36
Interest Cost	27.82	7.82	33.27	10.18
Expected return on plan asset	-	-	-	-
Net expenses recognised in the statement of profit and loss	66.23	32.69	72.49	32.54

### d. Amount recognised in the other comprehensive income

Return on plan assets  
Actuaial (gains)/losses arising from change in demographic assumptions



## BAJAJ STEEL INDUSTRIES LIMITED

Actuaial (gains)/losses arising from change in financial assumptions	-42.27	-19.72	-34.47	-42.54
Actuaial (gains)/losses arising from experience adjusments	91.99	6.80	(28.00)	6.45
Net Expences recognised in the other comprehensive income	49.72	-12.92	-62.47	-36.09

**e. The weighted-average assumption used to determine net periodic net periodic benefit cost are set out below:**

Mortality Table ( L I C)	2006-08 (ultimate)	2006-08 (ultimate)	2006-08 (ultimate)	2006-08 (ultimate)
Interest rate for discounting	7.75%	7.75%	7.50%	7.50%
Rate of escalation in salary (per annum)	8.00%	8.00%	8.00%	8.00%
Weighted average duration of defined benefit obligation	2 -3 Years	2-3 Years	2 -3 Years	1-3 Years

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Maturity profile of defined benefit obligation:

	Gratuity ( ₹ in lacs)	Leave Pay ( ₹ in lacs)
Within 1 year	90.19	1.99
1-2 Year	91.62	3.32
2-3 Year	37.23	13.38
3-4 Year	41.52	23.83
4-5 Year	31.04	5.00
above 5 years	154.16	69.43
	<u>445.76</u>	<u>116.95</u>

**BAJAJ STEEL INDUSTRIES LIMITED**

	2017-2018	2016-2017
	₹	₹
<b>NOTES TO THE ACCOUNTS.....</b>		
<b>22.6 SELLING &amp; DISTRIBUTION EXPENSES</b>		
Freight & Other Expenses	609	223
Sales Commission	791	650
Discount on sales	15	79
	<u>1,414</u>	<u>952</u>
<b>22.7 FINANCE COSTS</b>		
Interest :		
- On Term Loans	38	61
- Fixed/Trade Deposits	4	6
- Others	853	835
Loan Processing & Other Financial Charges	43	44
	<u>938</u>	<u>946</u>
Less:- Related to Capital Work in Progress	<u>35</u>	<u>41</u>
	<u>903</u>	<u>904</u>
<b>22.8 DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation relating to-		
- Property Plant & Equipments	561	811
- Intangible Assets	5	5
	<u>566</u>	<u>816</u>
<b>22.9 OTHER EXPENSES</b>		
Rent	222	218
Rates and Taxes	53	37
Insurance	40	46
Travelling and Conveyance	285	312
Repairs and Maintenance :		
To Machineries	102	77
To Building	18	33
To Others	31	48
Directors' Fees	2	1
Auditors' Remuneration :		
For Statutory Audit	16	16
For Internal Audit	0	0
For Tax Audit	3	3
For Other Services	1	4
Miscellaneous Expenses	809	637
Irrecoverable Debts and Advances written off	-	1
Provision for Doubtful Debts	44	370
Items relating to previous year	22	29
Investments Written off	14	-
Foreign Exchange Variation (Net)	-	15
Loss on sale of Investments (Net)	-	49
Loss on sale of Fixed Assets (Net)	-	3
	<u>1,663</u>	<u>1,898</u>



## BAJAJ STEEL INDUSTRIES LIMITED

<b>Corporate Social Responsibility (CSR)</b>		
Particulars	Amount (₹) FY-2017	Amount (₹) FY-2016
i) Average Net profit of the Company for last three Financial year	(141)	786
ii) Prescribed CSR expenditure (2% of the (i) above)	-	16
iii) CSR expenditure spent	-	-
<b>23 TAX EXPENSES</b>		
Current tax		
Income Tax	115	-
Tax Adjustments	(22)	-
	<u>93</u>	<u>-</u>
Deferred Tax		
Deferred Tax	(182)	(391)
	<u>(89)</u>	<u>(391)</u>

(i) The major components of tax expense for the years ended 31 March 2018 and 31 March 2017 are:

	2017 - 2018	2016 - 2017
Current Tax:		
Current tax expenses for current year	115	-
Current tax expenses pertaining to prior periods	(22)	-
	<u>93</u>	<u>-</u>
Deferred tax	(183)	(391)
Total tax expense reported in the statement of profit or loss	<u>(89)</u>	<u>(391)</u>

(ii) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expenses reported in statement of profit and loss is as follows:

	2017 - 2018	2016 - 2017
Profit before income taxes	827	(1,425)
At statutory income tax rate	33.063%	33.063%
Expected Income Tax expenses	274	(471)

Tax effects of adjustments to reconcile expected income tax expense to reported income tax expense

Income exempt from tax	-	-
Non deductible expenses for tax purposes (Net)	69	202
Income under other heads - exempt	(9)	-
Unabsorbed lossess of the previous period	(228)	-
Tax pertaing to prior periods	(22)	-
Others (Net)	(174)	(122)
<b>Total Income Tax expenses</b>	<u>(89)</u>	<u>(391)</u>



## BAJAJ STEEL INDUSTRIES LIMITED

(iii) Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2018 is as follows:

	Opening Balance	Recognised/ reversed through Profit and Loss	Recognised/ reversed in other comprehensive income	Closing Balance
Deferred Tax Assets in relation to:				
Fixed Assets	206	393	-	598
Employee Benefits	167	7	12	186
Provision for doubtful debts	184	(18)	-	166
Fiscal allowance of unabsorbed losses	213	(213)	-	-
Others	31	14	(4)	41
Net Deferred Tax Assets	801	183	8 -	992

Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2017 is as follows:

	Opening Balance	Recognised/ reversed through Profit and Loss	Recognised/ reversed in other comprehensive income	Closing Balance
Deferred Tax Assets in relation to:				
Fixed Assets	156	50	-	206
Employee Benefits	181	19	(33)	167
Provision for doubtful debts	75	109	-	184
Fiscal allowance of unabsorbed losses	-	213	-	213
Others	43	1	(12)	31
Net Deferred Tax Assets	455	391	(45)	801





## NOTES TO THE ACCOUNTS.....

**24. EARNINGS PER SHARE**

2017-2018

2016-2017

The "Earnings per share (EPS)" has been calculated as specified in IND AS-33 on "Earning per share" prescribed by Companies (Accounting Standards) Rules, 2015 and related disclosures are as below,

For Calculating Basic and Diluted earning per share

a) Profits attributable to equity holders of the company	900	(942)
b) Weighted average number of equity shares used as the denominator in calculating EPS (No)	23,50,000	23,50,000
c) Basic and Diluted EPS [a/b]	38.31	(40.11)

**25 COMMITMENTS AND CONTINGENCIES**

## a. Other Commitments

Estimated amount of contracts to be executed on Capital accounts and not provided for ₹124.14 Lacs (P.Y. Nil), advance there against ₹29.51 Lacs (P.Y.Nil).

## b. Contingent liabilities

Contingent liabilities (not provided for) in respect of :- (₹In Lacs)	2017-2018 (₹ in lacs)	2016-2017 (₹ in lacs)
a) Excise duty	93.43	93.43
b) Customs Duty	136.6	136.60
c) Sales Tax	21.04	21.04
d) Entry Tax	0.50	0.50

26 (a) On the basis of physical verification of assets, as specified in Ind AS - 36 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2018.

(b) The company has invested USD 1668000 (equivalent to ₹ 10.26 crs) in its wholly owned subsidiary M/s. Bajaj Coneagle LLC, USA. In spite of operating at decent gross profit margin, the said subsidiary had been incurring substantial losses every year since its incorporation till FY-2016-17, primarily due to low demand. However, now the subsidiary is well recognised in the local market and getting good orders and has made some profit in F.Y. 2017-18 and the overhead costs is also being considerably reduced. The Management expects that the subsidiary will be earning sizeable profits and the entire accumulated losses will be recovered by the end of F.Y. 2019-20 and that the subsidiary will start giving profits in the future years thereafter. In view of this, no provisioning of Impairment of assets, as per Ind AS - 36 is being considered in the accounts.

27 Certain Balances under Advance from Customers, Trade Payables, Capital Advances, Trade Receivables and Advances Recoverable in cash or in kind or value to be received are subject to Confirmation.



## 28 FINANCIAL INSTRUMENTS

### 28.1 Financial Instruments by category

The carrying value of financial instruments by categories as on 31st March, 2018 were as follows:  
(₹ in lacs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amor-tised Cost	Total carry-ing value	Total Fair Value
<b>Financial Assets</b>						
Investments						
- Equity Instruments (other than subsidiary, Joint ventures)		-	-	-	-	-
- Mutual Funds	11.1	-	68	-	68	68
Non Current Deposits with Banks	-	-	-	0	0	0
Trade Receivables	11.2	-	-	5,094	5,094	5,094
Cash & Cash Equivalents	11.3	-	-	2,040	2,040	2,040
Other Non Current Financial Assets	7.4	-	-	82	82	82
<b>Total Financial Assets</b>		-	68	7,216	7,284	
<b>Financial Liabilities</b>						
Borrowings	16.1 & 18.1	-	-	7,928	7,928	7,928
Trade Payables	18.2	-	-	2,807	2,807	2,807
Other financial liabilities	16.2 & 18.3	-	-	1,653	1,653	1,653
<b>Total Financial Liabilities</b>	-	-	-	12,388	12,388	

The carrying value of financial instruments by categories as on 31st March, 2017 were as follows:  
(₹ in lacs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amor-tised Cost	Total carry-ing value	Total Fair Value
<b>Financial Assets</b>						
Investments						
- Equity Instruments (other than subsidiary, Joint ventures)		-	14	-	14	14
- Mutual Funds	11.1	-	224	-	224	224
Non Current Deposits with Banks	-	-	-	2	2	2
Trade Receivables	11.2	-	-	4,107	4,107	4,107
Cash & Cash Equivalents	11.3	-	-	1,645	1,645	1,645
Other Non Current Financial Assets	7.4	-	-	327	327	327
<b>Total Financial Assets</b>		-	239	6,081	6,320	
<b>Financial Liabilities</b>						
Borrowings	16.1 & 18.1	-	-	7,889	7,889	7,889
Trade Payables	18.2	-	-	3,037	3,037	3,037
Other financial liabilities	16.2 & 18.3	-	-	1,582	1,582	1,582
<b>Total Financial Liabilities</b>		-	-	12,508	12,508	



## BAJAJ STEEL INDUSTRIES LIMITED

The carrying value of financial instruments by categories as on 01st April, 2016 were as follows:

(₹ in lacs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amor-tised Cost	Total carry-ing value	Total Fair Value
<b>Financial Assets</b>						
Investments						
- Equity Instruments (other than subsidiary, Joint ventures)	0	-	68	-	68	68
- Mutual Funds	11.1	-	340	-	340	340
Non Current Deposits with Banks	-			3	3	3
Trade Receivables	11.2	-	-	4,757	4,757	4,757
Cash & Cash Equivalents	11.3	-	-	1,856	1,856	1,856
Other Non Current Financial Assets	7.4			127	127	127
<b>Total Financial Assets</b>		-	408	6,743	7,151	
<b>Financial Liabilities</b>						
Borrowings	16.1 & 18.1	-	-	7,794	7,794	7,794
Trade Payables	18.2	-	-	4,976	4,976	4,976
Other financial liabilities	16.2 & 18.3	-	-	1,375	1,375	1,375
<b>Total Financial Liabilities</b>			-	14,145	14,145	-

### Management estimations and assumptions

a) The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the quoted shares and unquoted mutual funds are based on NAVs at the reporting date.

(ii) The fair values of the unquoted equity shares have been determined based on certifications from valuers who have used Net Asset Value approach for determining the fair values.

**NOTES TO THE ACCOUNTS.....****28.2 Fair value hierarchy**

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis : (₹ in lacs)

Particulars	Note Reference	Fair value measurement at end of the reporting period/year using			
		Level 1	Level 2	Level 3	Level 4
As on 31st March, 2018					
Financial Assets					
Mutual funds	11.1	68	-	-	68
Equity Instruments (other than subsidiary, Joint ventures)	0	-	-	-	-
As on 31st March, 2017					
Financial Assets					
Mutual funds	11.1	224	-	-	224
Equity Instruments (other than subsidiary, Joint ventures)	0	-	-	14	14
As on 1st April, 2016					
Financial Assets					
Mutual funds	11.1	340	-	-	340
Equity Instruments (other than subsidiary, Joint ventures)	0	-	-	68	68

**Level 1:** Quoted Prices in active markets for identical assets or liabilities

**Level 2 :** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company's policy is to recognize transfers into and the transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 during the end of the reported periods.

**28.3 Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to various financial risks: market risk, credit risk and liquidity risk. The company tries to foresee the unpredictable nature of financial markets and seek to minimise potential adverse impact on its financial performance. The senior management of the company oversees the management of these risks. The Audit Committee has additional oversight in the area of financial risks and controls. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

**29. CAPITAL MANAGEMENT**

The following are the objectives of Capital management policy of the company:

- (i) Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital

As a part of capital management strategy, the company may adjust the amount of dividends paid to shareholders, issue new shares, raise debt capital or sell assets to reduce debt. The company monitors capital basis a gearing ratio which is calculated by dividing the total borrowings by total equity. The company's strategy is to maintain a gearing ratio as possible as lower. In order to achieve this overall objective, the company ensures to meet its financial covenants attached to the interest bearing loans and borrowings. There have never been any breaches in financial covenants of any interest bearing loans and borrowings in the past and also in the current period.

**30. RELATED PARTY TRANSACTIONS**

Related parties and transactions with them as specified in the Accounting Standard-18 on "Related Party Disclosures" issued by the ICAI has been identified and given below;

- 1. Enterprises where Control Exists: Bajaj Coneagle LLC (Wholly Owned Foreign Subsidiary)  
Bajaj Steel Industries (U) Limited (Wholly Owned Foreign Subsidiary)
- 2. Other Related parties with whom the Company had transactions:
  - (a) Key Management personnel and their relatives: Shri Rohit Bajaj (Chairman cum Managing Director), Shri Sunil Bajaj (Executive Director), Shri Ashish Bajaj (CEO of Superpack Division), Shri Vinod Kr. Bajaj (Director) Dr. M.K. Sharma ( Director and CEO of the Company), Sri Manish Sharma (CFO), Shri Divyanshu Vyas (Company Secretary).

Relatives :- Smt Devika Bajaj, Sri Lav Bajaj,

- (b) Enterprises over which Key Management personnel and their relatives are able to exercise Significant Influence-

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plastics Private Limited, Bajaj Global Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Xerxes Traders Pvt. Ltd., Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Gangalaxmi Agrotech Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Limited, Luk Infrastructure Private Limited, Tashi India Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymix Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd, Bajaj Superpack Ltd, Bajaj Gintech Pvt. Ltd., Bajaj Plastics Pvt. Ltd., Bajaj Reinforcement LLP and Bajaj Cotgin Pvt. Ltd.



## BAJAJ STEEL INDUSTRIES LIMITED

Transactions with related parties:-

(₹ in lacs)

Nature of Transactions	Wholly Owned Foreign Subsidiary		Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence		Key Management Personnel and their relatives	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Income						-
Rent	-	-	1.44	1.51		-
Service Charge	-	-	0.48	2.23		-
Sales	1,553.16	181.41	384.85	327.26	-	-
Consideration for Transfer of Contract	53.14	54.99	-	-	-	-
Job Work Charges	-	-	23.86	-		-
Commission	-	-	0.80	2.71		-
Expenses	-	-				-
Computer Charges	-	-	-	0.25		-
Furniture Hire Charges	-	-	1.80	1.80		-
Interest	-	-	249.13	422.16		-
Jobwork Charges	-	-	30.77	54.81		-
Processing Charges	-	-	941.74	895.31		-
Purchase	559.84	400.63	426.00	36.00		-
Rent	-	-	212.57	208.13		4.20
Labour Supply Charges	-	-	850.64	835.41		-
Vehicle Expenses	-	-	1.12	-		-
Legal & Professional Fees	-	-		-		-
Electricity & Water Charges	-	-		0.34		-
Service Charge	-	-		-		-
Remuneration	-	-		-	188.64	184.31
Sitting Fees	-	-		-	0.15	0.20
Balance at the end of the year						
Debtors	484.81	564.88	676.37	640.03		-
Creditors	-	-	1,093.54	960.50		-
Advances (Dr)	11.78	131.98	-	-		-
Loan Taken	-	-	3,718.29	3,365.88		-
Loan Given	-	-	-	-	4.99	6.58
Investments	1,027.76	1,027.76	-	-	-	-

The table below describes the compensation to key managerial personnel:

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Short term employee benefits	176.02	171.76
Post employment benefits		
Defined contribution plan*	12.62	12.55
Defined benefit plan	-	-
Other long term benefit	-	-
	<u>188.64</u>	<u>184</u>

## NOTES TO THE ACCOUNTS

### 31. Segment Revenue, Results and Capital Employed

Particulars	Steel Division		Plastic Division		Total of Segments		Unallocated		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Revenue - Domestic	9,285	13,300	7,276	7,784	16,561	21,084	-	-	16,561	21,084
- Export	7,533	2,599	-	57	7,533	2,656	-	-	7,533	2,656
Total Revenue	16,818	15,899	7,276	7,841	24,094	23,740	-	-	24,094	23,740
Result										
Profit before Interest, Tax, Depn. And Extra Ordinary Items	2,018	384	277	(67)	2,295	317	-	-	2,295	317
Less : Depreciation	562	808	4	8	566	816	-	-	566	816
Less: Interest Expenses	443	472	460	432	903	904	-	-	903	904
Provision for Taxation										
- Current Tax									93	
- Deferred Tax									(183)	(369)
- Tax Adjustments (Incl. Tr. Through OCI)									16	(91)
Net Profit									900	(943)
Other Information										
Segment Assets	16,172	15,762	4,049	3,776	20,221	19,537	2,059	2,130	22,280	21,667
Segment Liabilities	10,239	10,741	3,887	3,535	14,126	14,276	2,041	1,988	16,167	16,264
Capital Expenditure	1,252	282	4	1	1,256	283	-	-	1,256	283
Depreciation	562	808	4	8	566	816	-	-	566	816

#### NOTES:-

Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.



BAJAJ STEEL INDUSTRIES LIMITED



## BAJAJ STEEL INDUSTRIES LIMITED

### 32 ASSETS SECURED FOR BORROWINGS

The carrying amounts of assets secured for current and non current borrowings is given in the following table

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
<b>Non Current Assets</b>				
Property, Plant and Equipments (Including CWIP)		5,200	5,613	6,090
<b>Total</b>		<b>5,200</b>	<b>5,613</b>	<b>6,090</b>
<b>Current Assets</b>				
Trade Receivables		5,094	4,107	4,757
Cash and Cash Equivalents		1,693	1,473	1,623
Inventories		4,567	5,007	6,743
<b>Total</b>		<b>11,354</b>	<b>10,588</b>	<b>13,124</b>

33 Inventories of raw materials include obsolete and slow moving stock, cost whereof was ₹ 253.45 lacs, being carried at estimated net realisable value of ₹ 52.78 lacs. There is no effect in profit or loss for the year due to such write down of inventories.

34 .With effect from 1st January 2018, the steel division of the company has changed the method of providing depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM). Due to such change in the method of depreciation, the depreciation for the year is lower by ₹ 103.07 lacs and consequently, profit for the year is higher by ₹ 103.07 lacs.

35. On the basis of physical verification of assets, as specified in IND AS - 36 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2018.

36. In absence of adequate information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the Company is unable to identify such suppliers, hence the Information required under the said Act, cannot be ascertained.

	2017-2018	2016-2017
37 a) CIF Value of Imports	₹	₹
Capital Goods	5	61
Raw Material	2,349	2,923
b) Earnings in Foreign Currency		
FOB Value of Exports	7,295	2,335
c) Expenditure in Foreign Currency		
Travelling & Freight Expenses	85	11
Commission	173	167
Tender Fees	10	-
Membership and Subscription	3	2
Royalty Charges	-	37
Legal & Consultancy charges	67	3
Errrection & Commissioning Charges	-	16
Business Promotion Expenses	2	3
Insurance & Registration Fees	7	21
Bank Charges	60	28

38 a) Previous year figures above are indicated in brackets.

b) Previous year figure have been regrouped/rearranged, wherever found necessary.

In terms of our Report of even date attached herewith

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E  
Aditya Sethia  
Partner  
Membership NO. 311293  
Place: Nagpur (Camp)  
Date: 30th May, 2018.

Rohit Bajaj  
(Chairman & Managing Director)  
Mahendra K Sharma  
(Director)  
Divyanshu Vyas  
(Company Secretary)  
-:: 111 ::-

Sunil Bajaj  
(Executive Director)  
Deepak Batra  
(Director)

Vinod Kr Bajaj  
(Director)  
Alok Goenka  
(Director)  
Manish Sharma  
(Chief Financial Officer)



**BAJAJ STEEL INDUSTRIES LIMITED****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

<b>SR. NO.</b>	<b>NAME OF THE SUBSIDIARY</b>	<b>BAJAJ CONEAGLE LLC</b>	<b>BAJAJ STEEL INDUSTRIES (U) LTD</b>
1	<b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>	N.A	N.A
2	<b>Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries</b>	US DOLLAR Exchange Rate as on 31.03.2018: 1 US \$ = Rs. 65.04	Uganda Shillings (UGX) Exchange Rate as on 31.03.2018: 1 UGX = Rs. 0.017659
3.	<b>Share Capital</b>	10,26,80,409	95,669
4.	<b>Reserves &amp; surplus</b>	(6,20,74,841)	22,177,984
5.	<b>Total assets</b>	22,74,49,978	35,068,547
6.	<b>Total liabilities</b>	22,74,49,978	35,068,547
7.	<b>Investments</b>	Nil	Nil
8.	<b>Turnover</b>	29,45,08,958	13,130,243
9.	<b>Profit / (Loss) before taxation</b>	2,10,86,572	10,05,119
10.	<b>Provision for taxation</b>	Nil	Nil
11.	<b>Profit / (Loss) after taxation</b>	2,10,86,572	10,05,119
12.	<b>Proposed dividend</b>	Nil	Nil
13	<b>Extent of Shareholding (in percentage)</b>	100%	100%

**Notes:**

- 1) There are no subsidiaries which are yet to commence its operations.
- 2) There is no subsidiary which has been liquidated or sold during the year.
- 3) There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. Hence, Part B is not applicable.

**For VMSS & Associates**

Chartered Accountants

Firm Registration No. 328952E

**Aditya Sethia**

Partner

Membership NO.311293

Place: Nagpur (Camp)

Date: 30th May, 2018.

**Rohit Bajaj**

(Chairman & Managing Director)

**Sunil Bajaj**

(Executive Director)

**Vinod Kr Bajaj**

(Director)

**Mahendra K Sharma**

(Director)

**Deepak Batra**

(Director)

**Alok Goenka**

(Director)

**Divyanshu Vyas**

( Company Secretary)

**Manish Sharma**

( Chief Financial Officer)

# CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 2018



**AUDITOR'S REPORT**

**To the Members of M/s BAJAJ STEEL INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of M/s **BAJAJ STEEL INDUSTRIES LIMITED** (here in after referred to as Company) and its foreign subsidiaries (the Company and its subsidiaries together referred to as "the group") which comprises the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement



of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### **Basis of Qualified Opinion**

*The company is not disclosing the information required under micro, small and medium Enterprises Development Act, 2006 [Note 36]*

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us *except for the effects of matter described in the Basis of Qualified Opinion paragraph*, 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2018, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matter**

In view of the management's opinion, no provisioning for impairment of assets is required to be done in respect of the company's investment in its wholly owned subsidiary M/s Bajaj Coneagle LLC, USA amounting to USD 1668000 (equivalent to Rs.10.26 crs). [Refer Note 26(b)]. Further with effect from 1st January, 2018 the Steel Division of the Company has changed its method of accounting from Written Down Value Method (WDV) to Straight Line Method (SLM) [Refer Note 34]

#### **Other Matters**

We did not audit the financial statement of the subsidiary companies. The financial statements of the subsidiary companies are not required to be audited under the law of the country where the subsidiary companies operates. Hence, our review is based on the duly certified financial statement of the subsidiary companies received from the Management.



**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) in our opinion, the aforesaid consolidated financial Statement comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) on the basis of written representations received from the directors of the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company none of the directors of the Group Companies is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
  - f) 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 A"; and
  - g) 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:
    - a. The consolidated financial statements has, to the extent ascertainable, disclosed the impact of pending litigations on the consolidated financial position of the Group, - Refer Note 25 to the financial statements;
    - b. There are no provisions, as required under the applicable law or accounting standards, that need to be made for material foreseeable losses or on long-term contracts including derivative contracts.



## BAJAJ STEEL INDUSTRIES LIMITED

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- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

Place: Nagpur

Date: 30th May, 2018.

**For VMSS & Associates**  
**Chartered Accountants**  
**Firm Registration No. 328952E**

**Aditya Sethia**  
**Partner**  
**Membership NO.311293**



**BAJAJ STEEL INDUSTRIES LIMITED**  
**ANNEXURE - A TO THE AUDITORS' 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 M/s Bajaj Steel Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**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 ('ICAI'). 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 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.

**Auditors' 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, issued by ICAI and deemed to be prescribed 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 31 March 2018, 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.

Place: Nagpur  
Date: 30th May, 2018

**For VMSS & Associates**  
**Chartered Accountants**  
**Firm Registration No. 328952E**

**Aditya Sethia**  
**Partner**  
**Membership NO. 311293**



**BAJAJ STEEL INDUSTRIES LIMITED**

Annexure I as referred in clause [vii (b)] of the Annexure to our Report of even date for the year ended 31st March, 2018

Name of the Statute	Nature of the Dues	Amount (Lacs)	Relating to the year	Forum where dispute Pending
Central Sales Tax Act, 1956	Non submission of Forms	2.16	2001 - 2002	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	1.83	2002-2003	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	7.09	2003-2004	Deputy Commissioner, Sales Tax, Nagpur
Bombay Sales Tax Act, 1956	Non submission of Forms	2.75	2003-2004	Deputy Commissioner, Sales Tax, Nagpur
Central Excise Act, 1944	Duty on material cleared after Job Work	0.43	Oct-03 to Apr - 2004	Assistant Commissioner Chindwara
The Customs Act, 1962	Duty and Penalty on import of material	136.60	2002-2003 & 2003-2004	High court, Mumbai
Madhya Pradesh Commercial Tax Act, 1994	Demand on regular assessment	0.27	2002 - 2003	Assistant Commissioner, Commercial Tax
Madhya Pradesh Entry Tax Act, 1976.	Entry Tax on Stock transferd goods.	0.38	2010-2011	Deputy Commissioner, Commercial Tax (Appeal) Chindwara
Central Excise Act, 1944	Non payment of Excise duty on Hydraulic Oil.	89.36	May, 2009 to Oct, 2014	The Additional Commissioner of Central Excise Custom & Service Tax, Ngp-1
Central Sales Tax Act, 1956	Non submission of Forms	0.54	2006-2007	Deputy Commissioner, Commercial Tax (Appeal) Chindwara

Place: Nagpur

Date: 30th May, 2018.

For VMSS & Associates

Chartered Accountants

Firm Registration No. 328952E

Aditya Sethia

Partner

Membership NO.311293



## BAJAJ STEEL INDUSTRIES LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

( ₹ in Lakhs )

Particulars	Note No.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
<b>ASSETS</b>		<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Non-current Assets</b>				
Property, plant and equipment	4	5,132	4,500	5,107
Capital work-in-progress	5	231	1,279	1,166
Intangible assets	6	11	16	37
Financial assets				
- Investment in Shares & Securities	7.1	-	15	68
- Deposit with Banks	7.2	-	2	3
- Other non-current financial assets	7.3	95	93	56
Deferred tax Assets (Net)	8	994	801	455
Other non-current assets	9	30	-	76
		<u>6,493</u>	<u>6,706</u>	<u>6,968</u>
<b>Current assets</b>				
Inventories	10	5,711	5,789	7,531
Financial assets				
- Investment in Shares & Securities	11.1	68	224	340
- Trade receivables	11.2	4,953	4,153	4,649
- Cash and cash equivalents	11.3	914	257	766
- Bank balance other than cash & cash equivalents	11.4	1,710	1,493	1,646
- Other Current Financial Assets	11.5	26	274	112
Current Tax Assets (Net)	12	143	185	133
Other current assets	13	2,240	1,957	2,116
		<u>15,765</u>	<u>14,332</u>	<u>17,293</u>
<b>Total Assets</b>		<u><u>22,258</u></u>	<u><u>21,038</u></u>	<u><u>24,261</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	14	235	235	235
Other Equity	15	6,600	5,417	6,286
		<u>6,835</u>	<u>5,652</u>	<u>6,521</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	16.1	3,721	3,542	3,817
- Other financial liabilities	16.2	110	114	127
Non - Current Provisions	17	470	417	463
		<u>4,301</u>	<u>4,073</u>	<u>4,407</u>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	18.1	4,207	4,346	3,977
- Trade payables	18.2	2,923	3,220	5,298
- Other financial liabilities	18.3	1,543	2,375	1,982
Other current liabilities	19	2,357	1,309	1,992
Current Provisions	20	92	62	84
		<u>11,121</u>	<u>11,312</u>	<u>13,333</u>
<b>Total Equity and Liabilities</b>		<u><u>22,258</u></u>	<u><u>21,038</u></u>	<u><u>24,261</u></u>

Corporate Information & Significant Accounting Policies

1 & 2

First Time adoption of Ind AS

3

Accompanying notes to the financial statements

4 to 39

In terms of our report of even date attached herewith

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E  
Aditya Sethia  
Partner  
Membership NO.311293  
Place: Nagpur (Camp)  
Date: 30th May, 2018.

Rohit Bajaj  
(Chairman & Managing Director)  
Mahendra K Sharma  
(Director)

Sunil Bajaj  
(Executive Director)  
Deepak Batra  
(Director)

Vinod Kr Bajaj  
(Director)  
Alok Goenka  
(Director)

Divyanshu Vyas  
( Company Secretary)

Manish Sharma  
( Chief Financial Officer)

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## BAJAJ STEEL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

Particulars	Note No.	2017-2018	2016-2017
		₹	₹
<b>Income</b>			
Revenue from Operations	21.1	24,762	23,813
Other Income	21.2	355	241
Total Revenue		25,118	24,054
<b>Expenses</b>			
Cost of materials consumed	22.1	12,966	13,965
Purchases	22.2	7	3
Manufacturing & Processing Charges	22.3	2,268	2,586
Changes in Inventories	22.4	899	630
Employee Benefits Expense	22.5	2,852	3,143
Selling & Distribution Expenses	22.6	1,606	1,040
Finance Costs	22.7	904	908
Depreciation & Amortization Expenses	22.8	586	839
Other Expenses	22.9	1,982	2,279
Total Expenses		24,069	25,393
Profit/(Loss) before tax		1,049	(1,339)
<b>Tax Expense:</b>	23		
Current Tax		89	56
Deferred Tax		(186)	(391)
		(97)	(335)
<b>Profit/(Loss) for the year</b>		1,146	(1,004)
<b>Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss			
- Changes in fair value of Equity Instruments		12	37
- Remeasurement of net defined benefit liabilities		(37)	99
- Tax Expense relating to above items		8	(45)
Other comprehensive income/(Loss) for the year		(16)	91
Total comprehensive income/(Loss) for the year		1,130	(913)
(Profit/ loss + other comprehensive income)			
Earnings per equity share	24	0.00	(0.00)
Basic & Diluted			
Corporate Information & Significant Accounting Policies	1 & 2		
First Time adoption of Ind AS	3		
Accompanying notes to the financial statements	4 to 39		

In terms of our report of even date attached herewith

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E

Rohit Bajaj  
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(Director)

Vinod Kr Bajaj  
(Director)  
Alok Goenka  
(Director)

Aditya Sethia  
Partner  
Membership NO.311293  
Place: Nagpur (Camp)  
Date: 30th May, 2018.

Divyanshu Vyas  
( Company Secretary)

Manish Sharma  
( Chief Financial Officer)

**BAJAJ STEEL INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**

**Equity share capital**

Particulars	Notes	As at 1st April 2016	Changes during 2016-2017	As at 31st March 2017	Changes during 2017-2018	As at 31st March, 2018
Authorized 15000000 Equity shares of 10/- each		1,500	-	1,500	-	1,500
Issued, subscribed and paid up 2350000 Equity shares of 10/- each fully paid up	14	235	-	235	-	235
		<b>235</b>	<b>-</b>	<b>235</b>	<b>-</b>	<b>235</b>

**Other Equity**

Particulars	Notes 15	Reserves and Surplus				Equity Investment Reserve {upon fair value through other comprehensive income}	Total
		Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings Surplus in the statement of Profit and Loss		
<b>Balance as at 01.04.2016</b>		<b>381</b>	<b>152</b>	<b>6,200</b>	<b>(503)</b>	<b>56</b>	<b>6,286</b>
<b>Profit for the year</b>		-	-	-	(1,004)	-	(1,004)
<b>Other comprehensive income for the year</b>		-	-	-	66	25	91
<b>Total comprehensive income for the year</b>		-	-	-	(938)	25	(913)
<b>Transfer from General Reserve</b>		-	-	(900)	900	-	-
Realised gains transferred to Retained Earnings		-	-	44	74	(74)	44
<b>Balance as at 31.03.2017</b>		<b>381</b>	<b>152</b>	<b>5,344</b>	<b>(467)</b>	<b>8</b>	<b>5,417</b>
<b>Balance as at 01.04.2017</b>		<b>381</b>	<b>152</b>	<b>5,344</b>	<b>(467)</b>	<b>8</b>	<b>5,417</b>
<b>Profit for the year</b>		-	-	-	1,146	-	1,146
<b>Other comprehensive income for the year</b>		-	-	54	(25)	8	37
<b>Total comprehensive income for the year</b>		-	-	54	1,122	8	1,183
Transfer to General Reserve		-	-	500	(500)	-	-
Realised gains transferred to Retained Earnings		-	-	-	15	(15)	-
<b>Balance as at 31.03.2018</b>		<b>381</b>	<b>152</b>	<b>5,897</b>	<b>169</b>	<b>0</b>	<b>6,600</b>

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E  
Aditya Sethia  
Partner  
Membership NO.311293  
Place: Nagpur  
Date: 30th May, 2018.

Rohit Bajaj  
(Chairman & Managing Director)  
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(Director)  
Manish Sharma  
( Chief Financial Officer)



BAJAJ STEEL INDUSTRIES LIMITED



## BAJAJ STEEL INDUSTRIES LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	2017-2018	2016-2017
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and extraordinary items	1,048	(1,339)
Adjusted for :		
Depreciation	586	839
Fixed Assets adjusted	-	-
Provision for employee benefits	-	99
Provision for Doubtfull Debtors -	-	(49)
Loss/(Income) on sale/fair value of Investments	51	74
Interest Expenses	904	907
	<u>2,589</u>	<u>531</u>
Less: adjustments for (Profit) / Loss on sale of Fixed Assets	(1)	-
Interest & Divident Received	(168)	(130)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<u>2,420</u>	<u>401</u>
Adjusted for :		
Trade Payables and advances from customers	(86)	(2,468)
Trade and other receivables	(867)	550
Inventories	79	1,742
<b>CASH GENERATED FROM OPERATIONS</b>	<u>1,546</u>	<u>225</u>
Less:Interest Paid	(904)	(908)
Direct Taxes paid / adjusted	(38)	(56)
Cash flow before extra ordinary items	<u>604</u>	<u>(739)</u>
Extra Ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<u><u>604</u></u>	<u><u>(739)</u></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(168)	(345)
Sale of Fixed Assets	5	7
Net Changes in fixed assets	-	-
Sale of Investments (Incl. W/off)	171	134
Foreign Currency Translation Reserve	54	55
Interest & Dividend received	168	130
<b>Net Cash from investing activities (B)</b>	<u>230</u>	<u>(19)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net Proceeds from borrowings	39	95
Dividend paid	-	-
<b>Net Cash from Financing activities (C)</b>	<u>39</u>	<u>95</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)</b>	<u>873</u>	<u>(663)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	1,752	2,415
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	2,624	1,752

NOTES: 01. Proceeds from long term and other borrowings are shown net of repayment.

02. Cash and cash equivalents represent cash and bank balances only

For VMSS & Associates  
Chartered Accountants  
Firm Registration No. 328952E

Rohit Bajaj  
(Chairman & Managing Director)

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(Director)

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Alok Goenka  
(Director)

Divyanshu Vyas  
( Company Secretary)

Manish Sharma  
( Chief Financial Officer)

**NOTES TO THE FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

Bajaj Steel Industries Limited ("the Company") is a public limited company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange ("BSE") and Calcutta Stock Exchange ("CSE"). The registered office of the company is situated at C-108, MIDC Industrial Area, Nagpur - 440 028.

The principal business activities of the company is manufacturing of Cotton ginning and Pressing Machineries, Pre fabricated building structure, components and allied products, which it handles it from its "Steel division" and manufacturing of Master Batches which it handles from its "Plastic division". Presently, all the manufacturing facilities of the company are in the state of Maharashtra.

The company has wholly owned subsidiaries in the state of Alabama, USA and Uganda.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation- for Indian Company**

The financial statements (Separate financial statements) have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 3 for an explanation of how the transition from previous GAAP to Ind AS has effected presentation of company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees ("INR" or "₹") and all amounts are rounded to the nearest lacs, except as stated otherwise.

**2.1(b) Basis of preparation- For Foreign Subsidiaries**

- a) The financial statements of Bajaj Coneagle LLC are prepared as per US GAAP.
- b) The financial Statements of Bajaj Steel Industries (U) Ltd. are prepared as per International Accounting Standard of Uganda.

**Principles of Consolidation**

The Consolidated Financial Statements include the financial statements of Bajaj Steel Industries Limited and its subsidiaries. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS - 21 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared on the following basis:



- i) Consolidated Financial Statements normally include consolidated Balance Sheet, consolidated statement of Profit & Loss, consolidated statement of Cash flows and notes to the Consolidated Financial Statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.
- ii) The Consolidated Financial Statements include the financial statements of the Company and its subsidiaries.
- iii) The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating inter-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of Foreign Currency Translation Reserve denotes the accumulated resulting exchange differences on consolidation of the foreign subsidiaries.
- iv) Notes to the Consolidated Financial Statements represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

## **2.2 Estimates and Judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 2.22. Accounting estimates could change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. 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 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**An asset is treated as current when it is:**

- o Expected to be realised or intended to be sold or consumed in normal operating cycle
- o Held primarily for the purpose of trading
- o Expected to be realised within twelve months after the reporting period, or
- o Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period





All other assets are classified as non-current.

**A liability is current when:**

- o It is expected to be settled in normal operating cycle
- o It is held primarily for the purpose of trading
- o It is due to be settled within twelve months after the reporting period, or
- o There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.4 Property, Plant and Equipment**

Freehold/Leasehold land and capital work-in-progress is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price, any costs directly attributable to its acquisition, borrowing costs (wherever applicable). Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expenditure including Pre-operative expenditure, incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment is calculated using the written Down Value Method to allocate their cost, net of their residual values, over their estimated useful lives. However, with effect from 1st January 2018, the Steel Division of the company has changed the method of providing depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM) The useful lives estimated for the major classes of property, plant and equipment are as follows:

Class of property, plant and equipment	Useful life (in years)
Buildings	30-60
Plant & Machinery	8-15
Furniture & Fixtures	10
Vehicles	8-10
Electrical Installations	10
Computer Hardware (Including Software)	3-6
Other Equipments and facilities	5





The useful lives have been determined based on technical evaluation done by the management's experts, which is same as the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost/deemed cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit and loss when the asset is derecognised.

### **2.5 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on a Written Down Value Method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The depreciation on all the intangible assets i.e. Technical Knowhow and Patents are charged on the basis of useful life as decided by the management.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually.

### **2.6 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet. Non-current assets are not depreciated or amortised while they are classified as held for sale.

### **2.7 Inventories**

Raw Materials, Stores, Spares and Fuel are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods are valued at lower of cost and net realizable value except non prime/off grade Master batches which is valued at Net Realisable value. Cost includes direct materials and a proportion of labour and manufacturing overheads based on operation of the relevant financial year.



Scrap is valued at estimated realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## **2.8 Cash and Cash Equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits maturing within twelve months from the date of balance Sheet, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under borrowings in the balance sheet.

## **2.9 Financial Instruments**

### **A. Financial Instruments - Initial recognition and measurement**

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **B.1. Financial assets –Subsequent measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

##### **a. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

##### **b. Financial assets measured at amortised cost**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables generally do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

##### **c. Financial assets at fair value through OCI**

All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

#### **B.2. Financial assets –Derecognition**

The company derecognises a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the



risks and rewards of ownership of the asset.

Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

***C. Investment in subsidiaries, joint ventures and associates***

Investments made by the company in subsidiaries, joint ventures and associates are measured at cost in the separate financial statements of the company.

***D.1. Financial liabilities –Subsequent measurement***

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

- a. Financial liabilities at fair value through profit or loss  
Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any.
- b. Financial liabilities measured at amortised cost  
Interest bearing loans and borrowings taken by the company are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the statement of profit and loss.

***D.2. Financial liabilities –Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or expires.

***E. Offsetting financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

***F. Fair value measurement***

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the assets or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**2.10 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will



flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the company's activities are described below:

***Sale of Goods***

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and the amount of revenue can be measured reliably.

***Sale of Services***

Revenue from sale of services is recognised as per the terms of the contract with buyer based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

***Other Operating Income***

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit & loss on receipt of such incentives.

***Interest income***

Interest income from debt instruments (including Fixed Deposits) is recognised using the effective interest rate method. The effective interest rate is that rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

***Other Income***

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

**2.11 Foreign currency transactions**

Foreign currency transactions are translated into Indian rupee using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

**2.12 Employee benefits*****Short Term employee benefits***

Liabilities for wages, salaries and other employee benefits that are expected to be settled within twelve months of rendering the service by the employees are classified as short term employee benefits. Such short term employee benefits are measured at the amounts expected to be paid when the liabilities are settled.

***Post employment benefits*****(a) Defined contribution plans**

The company pays provident fund contribution to publicly administered provident funds as per the local regulations. The contributions are accounted for as defined contribution plans and are recognised as employee benefit expense when they are due.

**(b) Defined benefit plans**

The liabilities recognised in the balance sheet in respect of defined benefit plan, namely gratuity and leave pay, are the present value of the defined benefit obligation at the end of the year less the fair value of plan assets, if any. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.

**2.13 Finance Costs**

Borrowing costs that are attributable to ongoing capital expenditure of the company are charged to property, plant and equipment as a part of the cost of such capitalisation. Other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**2.14 Leases**

A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis



over the lease term, unless the payments are structured to increase in line with expected general inflation.

## **2.15 Taxes**

### *Current Tax*

The current tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates. Current tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

### *Deferred Tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognised in other comprehensive income or equity is recognised in other comprehensive income or equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

## **2.16 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the company has present determined obligations as a result of past events and an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is not recognised but disclosed in the notes to the accounts, unless the probability of an outflow of resources is remote.

A contingent asset is generally neither recognised nor disclosed.

## **2.17 Earnings per share**

The Basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of equity



shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**2.18 Customs**

Liability on account of Customs Duty on Imported materials is accounted in the year in which the goods are cleared from customs.

**2.19 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**2.20 Exceptional items**

Exceptional items refer to items of income or expense within statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.

**2.21 Impairment of assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

**2.22 Critical accounting estimates*****Property, plant and equipment***

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

***Intangible assets***

The company tests whether intangible assets have suffered any impairment on an annual basis. The recoverable amount of a cash generating unit is determined based on value in use calculations which require the use of assumptions.



***Recoverability of Trade Receivable and provision for the same***

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. The provision for debtors is done for those debtors which are outstanding for more than three years.

**3 First time adoption of Ind AS**

These separate financial statements of Bajaj Steel Industries Limited for the year ended March, 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with 1st April, 2016 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the separate financial statements for the year ended 31st March, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has effected the Company's Balance Sheet, Statement of Profit and Loss is explained in note 3.2 . Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 3.1.

**3.1 Exemptions availed on first time adoption**

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

**(a) Estimates**

Ind AS 101 provides that an entity's estimates as per Ind AS 8 " Accounting Policies, Changes in Accountitng Estimates and Errors" at the date of transition shall be consistent with the estimates made for same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Accordingly, the company has made Ind AS estimates as at the transition date i.e. 1st April 2016 which are consistent with estimates made by it under the previous GAAP for the same date. The company made estimates for following items in accordance with Ind AS at the date of transition since these were not required under previous GAAP :

- i) Investment in equity instruments designated at Fair Value through OCI
- ii) Impairment of financial assets based on expected credit loss model

**b) Deemed Cost**

Ind AS 101 provides an option under Ind AS 16 " Property, Plant and Equipment", to continue with the carrying value of all its property, plant and equipment as recognised in financial statements as on transition date, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments for de-commissioning liabilities instead of measuring at fair value on the transition date. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets.

The company has elected to measure all of its property, plant and equipment and intangible assets as on the transition date at their previous GAAP carrying value.



**c) Investment in subsidiaries**

Ind AS 101 provides an option under Ind AS 27 "Separate Financial Statements", to continue with the previous GAAP carrying amount in respect of an entity's investment in subsidiaries in the entity's separate financial statements.

The company has accordingly elected to measure such investments in subsidiaries as on the transition date at their previous GAAP carrying value.

**3.2 Reconciliations between previous GAAP and Ind AS**

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101

a) Equity as at 1st April, 2016 and as at 31st March, 2017

b) Net Profit for the year ended 31st March, 2017.

**a) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017.**

	Notes to first time adoption	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Equity under previous GAAP		5,569	6,450
<b>Adjustments:-</b>			
Change in Fair valuation of Financial Instruments	1	20	57
Provision for doubtful debts	2	(2)	(50)
Deferred tax adjustmetns	3	42	65
Others		23	(1)
Equity under Ind AS		<u>5,652</u>	<u>6,521</u>

**b) Reconciliation of total comprehensive income for the year ended 31 March, 2017**

	Notes to first time adoption	2016 -2017 ₹
Profit/(loss) after tax as per previous GAAP		(903)
Adjustments		.
Change in Fair valuation of Financial Instruments	1	(36)
Provision for doubtful debts	2	49
Deferred Tax adjustments	3	(23)
Others		
Total comprehensive income as per Ind AS		<u>(913)</u>

c) There are no material adjustments to the statements of cash flows as reported under the previous GAAP.

**d) Notes to first time adoption****Note 1 : Change in Fair valuation of Financial Instruments**

Under the previous GAAP, investments in equity instruments and mutual fund were classified as long term investments or current investments based on the intended holding period and realisation. Long -term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value at each reporting period. The resulting fair value changes of these investments (other than equity instruments designated at fair value through OCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017.

Fair value changes with respect to investments in equity instrument designated fair value through OCI have been recognised in Equity Investment Reserve as at the date of transition and subsequently in other comprehensive income for the year ended 31st March 2017. This increased other reserve by ₹ 20.44 Lacs as at 31st March, 2017 (1 April,2016 ₹ 56.52 Lacs)

Consequent to the above, the total equity as at 31st March, 2017 increased by ₹ 20.44 Lacs (1 April,2016 ₹ 56.52 Lacs) and total comprehensive income for the year ended 31st March 2017 increased by ₹ 37.48 Lacs.

**Note 2 : Provision for doubtful debts**

Under the previous GAAP, the management had provided for doubtful debts based on its assessment of recoverability from the debtors. Ind AS requires the company to make provision for doubtful debts based on the expected credit loss model. Upon transition to Ind AS, the company has applied the expected credit loss model and has reworked the quantum of provision for doubtful debts. The differential figures as on 1st April, 2016 amounting to ₹50.47 Lacs has been adjusted in retained earnings and the differential amount for the year ended 31st March, 2017 amounting to ₹ 48.86 Lacs has been charged to the statement of profit and loss for the said year.

**Note 3 : Deferred Tax Adjustments**

Tax adjustments relating to above adjustments are recognised and adjusted in retained earnings on the date of transition. Deferred tax adjustments relating to the year ended 31st March, 2017 have been adjusted in the statement of profit and loss for the said year.



# BAJAJ STEEL INDUSTRIES LIMITED

## PROPERTY, PLANT & EQUIPMENT

Particulars	GROSS BLOCK			DEPRECIATION			NETBLOCK		
	As at 01.04.2016 ₹	Additions/ (Deductions) ₹	As at 31.03.2017 ₹	As at 31.03.2018 ₹	For 2016-17/ (Adjustments) ₹	Up to 31.03.2017 ₹	Up to 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
LAND									
- Freehold	33	-	33	33	-	-	-	33	33
- Leasehold	112	-	112	206	-	-	-	112	112
BUILDING	2,612	100	2,712	3,020	171	171	370	2,621	2,612
PLANT & MACHINERY	1,900	37	2,016	2,080	550	550	864	1,468	1,900
FURNITURE & FIXTURES	63	3	66	66	17	17	27	49	63
VEHICLES	204	7	204	211	59	59	90	145	204
EQUIPMENTS AND FACILITIES	103	7	110	119	36	36	54	74	103
TOTAL	5,169	234	5,334	6,545	823	823	1,413	4,509	5,169

## 5 CAPITAL WORK IN PROGRESS

Particulars	GROSS BLOCK			DEPRECIATION			NETBLOCK		
	As at 01.04.2016 ₹	Additions/ (Deductions) ₹	As at 31.03.2017 ₹	As at 31.03.2018 ₹	For 2016-17/ (Adjustments) ₹	Up to 31.03.2017 ₹	Up to 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
LAND - Leasehold	22	69	91	-	-	-	-	91	22
BUILDING	993	95	996	47	-	-	-	968	993
PLANT AND MACHINERY	150	51	202	7	-	-	-	202	150
TOTAL	1,169	215	1,276	54	-	-	-	1,276	1,169

## 6 INTANGIBLE ASSETS

Particulars	GROSS BLOCK			AMORTIZATION			NETBLOCK		
	As at 01.04.2016 ₹	Additions/ (Deductions) ₹	As at 31.03.2017 ₹	As at 31.03.2018 ₹	For 2016-17/ (Adjustments) ₹	Up to 31.03.2017 ₹	Up to 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
TECHNICAL KNOW HOW	21	-	21	21	5	5	10	16	21
GOODWILL ON CONSOLIDATION	16	(16)	0	0	-	-	-	0	16
PATENTS	623	-	623	623	0.06	0.06	0.06	0.17	0.23
TOTAL	37	(16)	21	21	5	5	11	16	37



## BAJAJ STEEL INDUSTRIES LIMITED

FINANCIAL ASSETS - NON CURRENT	ASAT 31.03.2018 ₹	ASAT 31.03.2017 ₹	ASAT 01.04.2016 ₹
<b>7.1 INVESTMENT IN SHARES &amp; SECURITIES</b>			
Investment in Equity Instruments (fully paid-up):			
i. Quoted			
85850 equity shares of Wopolin Plastics Limited. (F.V. ₹ 10)	-	1	1
90000 equity shares of Ushita Trading & Agencies Ltd.. (F.V. ₹ 10)	-	14	14
ii. Unquoted			
Nil (2016: 3800) equity shares of Associated Biscuits Co.ltd.. (F.V. ₹ 100)	-	-	27
<b>In fully paid up Preference Shares of a company</b>			
"Nil (2016:3800) Associated Biscuits Co.Ltd.			
- 11% Non Cumulative Convertible Preference Shares (FV ₹ 10)	-	-	26
	<u>-</u>	<u>15</u>	<u>68</u>
Aggregate amount of quoted investments and market value thereof	-	15	15
Aggregate amount of unquoted investments	-	-	53
<b>7.2 DEPOSIT WITH BANKS</b>			
In Fixed Deposit Account	-	2	3
	<u>-</u>	<u>2</u>	<u>3</u>
<b>7.3 OTHER NON-CURRENT FINANCIAL ASSETS</b>			
Security Deposits	95	93	56
	<u>95</u>	<u>93</u>	<u>56</u>
<b>8 DEFERRED TAX ASSETS (NET)</b>			
Deferred Tax Assets relating to			
- Fixed Assets	601	206	156
- Employee Benefits	186	167	181
- Provision for doubtful debts	166	184	75
- Fiscal allowance of unabsorbed losses	-	213	-
- Others	41	31	43
	<u>994</u>	<u>801</u>	<u>455</u>
<b>9 OTHER NON-CURRENT ASSETS</b>			
(Unsecured, considered good)			
Capital Advances	30	-	76
	<u>30</u>	<u>-</u>	<u>76</u>
<b>10 INVENTORIES</b>			
Stores, spares and fuel	198	165	264
Raw Materials (In transit ₹ 4156847/- ; P.Y ₹ Nil)	3,535	2,748	3,761
Semi-finished Goods	1,315	2,352	2,889
Finished Goods	657	524	617
Traded Goods	5	-	-
	<u>5,711</u>	<u>5,789</u>	<u>7,531</u>



## BAJAJ STEEL INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS.....	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
	₹	₹	₹
<b>FINANCIAL ASSETS-CURRENT</b>			
<b>11.1INVESTMENTS IN SHARES &amp; SECURITIES</b>			
In units of mutual funds (unquoted)			
ICICI Prudential Value Fund Series (FV ₹ 10,)	-	122	95
Kotak FMP Series-131 (FV ₹ 10,)	-	-	127
IIFL-Income Opportunities Fund (FV ₹ 10,)	68	102	118
	<u>68</u>	<u>224</u>	<u>340</u>
Repurchase value of units of mutual funds	68	224	340
<b>11.2TRADE RECEIVABLES</b>			
(Unsecured, Considered Good unless otherwise stated)			
Due for more than six months	1,447	2,222	2,124
Others	<u>4,125</u>	<u>2,526</u>	<u>2,752</u>
	5,572	4,748	4,875
Less: Provision for doubtful debts	<u>619</u>	<u>595</u>	<u>226</u>
	<u>4,953</u>	<u>4,153</u>	<u>4,649</u>
Secured	646	696	199
<b>11.3CASH AND CASH EQUIVALENTS</b>			
Balances with Banks :			
In Current Account	631	240	484
In Fixed Deposit Account	248	-	236
Cheques in hand	8	10	18
Cash-in-hand	<u>27</u>	<u>7</u>	<u>28</u>
	<u>914</u>	<u>257</u>	<u>766</u>
<b>11.4BANK BALANCE OTHER THAN CASH &amp; CASH EQUIVALENTS</b>			
Unclaimed Dividend Account	17	20	23
Pledged Fixed Deposit Account	<u>1,693</u>	<u>1,473</u>	<u>1,623</u>
	<u>1,710</u>	<u>1,493</u>	<u>1,646</u>
<b>11.5OTHER CURRENT FINANCIAL ASSETS</b>			
(Unsecured, Considered Good)			
Advances Recoverable in cash	<u>26</u>	<u>274</u>	<u>112</u>
Includes due from foreign subsidiary	12	132	20
<b>12 CURRENT TAX ASSETS (NET)</b>			
Taxation advance and refundable (Net of provisions)	<u>143</u>	<u>185</u>	<u>133</u>
<b>13 OTHER CURRENT ASSETS</b>			
(Unsecured, considered good)			
Balances with Government Authorities	1,508	1,147	1,346
Advances recoverable in kind or for value to be received	<u>732</u>	<u>810</u>	<u>770</u>
	<u>2,240</u>	<u>1,957</u>	<u>2,116</u>



## BAJAJ STEEL INDUSTRIES LIMITED

### NOTES TO THE ACCOUNTS.....

	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
	₹	₹	₹
<b>14 EQUITY SHARE CAPITAL</b>			
Authorised :			
15000000 Equity shares of ₹10/- each	15,00	15,00	15,00
<b>Issued, Subscribed and Paid up :</b>			
2350000 Equity shares of ₹10/- each fully paid up	235	235	235
	<u>235</u>	<u>235</u>	<u>235</u>

#### a) Details of shareholders

	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
holding more than 5% of the Equity Shares in the company:			
Name of Shareholder	Nos. % holding	Nos. % holding	Nos. % olding
Bajaj Exports Pvt. Ltd.	2,13,800 9.10	2,13,800 9.10	2,13,800 9.10
Vidarbha Tradelinks Pvt. Ltd.	2,09,000 8.89	2,09,000 8.89	2,09,000 8.89
Smt Gayatri Devi Bajaj	1,51,400 6.44	1,51,400 6.44	1,51,400 6.44
Satish Lalchand Mutha	1,24,390 5.29	1,28,800 5.48	1,28,800 5.48

#### b) Term /Rights attached to Equity Shares

"The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. "In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. "The distribution will be in proportion to the number of equity shares held by the shareholders. "

	AS AT 31.03.2018	AS AT 31.03.2017
	₹	₹
<b>15 OTHER EQUITY</b>		
Capital Reserve	<u>152</u>	<u>152</u>
As per last account	<u>152</u>	<u>152</u>
Securities Premium Reserve	<u>381</u>	<u>381</u>
<b>Retained Earnings</b>		
General Reserve		
As per last Account	5,300	6,200
Less: Amount transferred from/to surplus in Profit & Loss Account	<u>500</u>	<u>(900)</u>
	<u>5,800</u>	<u>5,300</u>

**BAJAJ STEEL INDUSTRIES LIMITED**

Surplus in the statement of Profit and Loss		
Balance as per last Account	(467)	(503)
Profit for the year	1,146	(1,004)
Less: Appropriations		
Transfer to/from General Reserve	(500)	900
Remeasurement of net defined benefit liabilities	(25)	66
Transfer from FVTOCI Reserve	15	74
	<u>169</u>	<u>(467)</u>
<b>Total Retained Earnings</b>	<u><u>5,969</u></u>	<u><u>4,833</u></u>
<b>Equity Investment Reserve</b>		
As per last Account	8	57
Changes in fair value of equity instruments	8	25
Less: Transfer to Retained Earnings upon realisation	(15)	(74)
<b>TOTAL</b>	<u><u>1</u></u>	<u><u>8</u></u>
<b>Foreign Currency Translation Reserve</b>		
As per last Account	44	44
Add:- Change during the year	54	-
	<u>97</u>	<u>44</u>
	<u><u>6,600</u></u>	<u><u>5,417</u></u>

**Nature of Reserves****Securities Premium**

Security Premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**General Reserve**

The General reserve is used from time to time for transfer of profits from surplus in statement of Profit and Loss for appropriation purposes.

**Capital Reserve**

This reserve represents the subsidy from Government and amount received upon reissue of forfeited shares and upon forfeiture of share warrants.

**Equity Investment Reserve**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net off amounts reclassified to retained earnings when those assets have been disposed off.



## NOTES TO THE ACCOUNTS.....

## FINANCIAL LIABILITIES - NON CURRENT

	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
	₹	₹	₹
<b>16.1 BORROWINGS</b>			
Secured Loan			
<b>A Term Loans:</b>			
(i) From Banks:			
AXIS Bank Limited -Term Loan-2	125	250	375
<p>Secured by way of first charge on the fixed assets acquired from this loan, extension of exclusive charge on entire moveable and immovable fixed assets of the Company's unit situated at Plot No. G-108, Butibori, MIDC, Nagpur and fixed assets acquired out of term loan-1 installed at C-108 and G-6 &amp; G-7 unit of the Company and collaterally secured by way of extension of exclusive charge on entire current assets of Steel division of the Company, present and future, and personal guarantee of the Managing and Executive Director of the Company.</p> <p>Terms of Repayment : Quarterly Installments of ₹31.25 Lacs each to be paid after a moratorium period of 1 year from the date of first disbursement i.e 02.05.2014.</p>			
ii) From Others			
SICOM Limited :	51	117	183
<p>Secured by way of first charge by way of mortgage of the entire present and future fixed asset of the company at plot No. C-108 Nagpur industrial area and also first charge on the entire movable assets including plant and machinery except C.N.C Horizontal Machine which is hypothecated to the Axis Bank Ltd., machinery spares, tools and accessories, electrical installation, furniture fixtures etc. both present and future at plot No-C-108 in the Nagpur Industrial Area, Hingna. Floating charge present and future at plot No-C-108 in the Nagpur Industrial Area, Hingna, floating charge on all the other assets of the company except C.N.C.,Horizontal machine hypothecated to Axis Bank Ltd and personal guarantees of Managing and Executive Director of the company.</p> <p>Terms of Repayment :11 Quarterly Installments of ₹16.60 Lacs each and Last installment of ₹17.40 Lacs.</p>			





## BAJAJ STEEL INDUSTRIES LIMITED

	AS AT 31.03.2018 ₹	AS AT 31.03.2017 ₹	AS AT 01.04.2016 ₹
<b>B Vehicle Loan</b>			
i) From Banks:			
a) AXIS Bank Limited	1	21	50
b) ICICI Bank Ltd.	4	3	8
Secured against hypothecation of vehicles financed by them.			
Terms of Repayment:			
₹ 433775/- Under 36 EMI Scheme			
<b>UNSECURED LOANS</b>			
From Related Parties	3,718	3,366	3,426
	3,898	3,757	4,042
Less : Current Maturity (Refer Note No. 18.3)	178	215	225
	3,721	3,542	3,817
<b>16.2 OTHER FINANCIAL LIABILITIES</b>			
Trade Deposit	103	106	106
Retention Money	7	8	20
	110	114	127
<b>17 NON CURRENT PROVISIONS</b>			
Provision for Employee Benefits:			
- Gratuity	355	334	372
- Leave Pay	115	83	91
	470	417	463
<b>NOTES TO THE ACCOUNTS.....</b>			
<b>FINANCIAL LIABILITIES - NON CURRENT</b>	<b>AS AT 31.03.2018 ₹</b>	<b>AS AT 31.03.2017 ₹</b>	<b>AS AT 01.04.2016 ₹</b>
<b>18.1 BORROWINGS</b>			
<b>Loans Repayable on Demand</b>			
<b>Secured</b>			
a) IDBI Bank Ltd.	607	301	(4)
Secured by first charge on entire current assets (Present and future) of Master Batch unit of Superpack division of the Company, equitable mortgage on the building , structures and machineries situated at Company's premises at Sausar and charge on Plot Nos B12, B12/1, B/13, B13/1, B14, B14/1 at MIDC Industrial Estate, Hingna, Nagpur held in the name of a related Company and corporate guarantee of the said related Company and also by personal guarantee			



## BAJAJ STEEL INDUSTRIES LIMITED

	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
	₹	₹	₹
of a Director and C.E.O of Superpack Division of the Company.			
<b>b) AXIS Bank Limited</b>			
Secured by first charge on entire current assets of Steel Division of the Company, present & Future, collateral security by way of extension of exclusive second charge on the entire moveable and immoveable fixed assets, present and future, situated at plot No- G-108, Butibori, MIDC, Nagpur and assets acquired out of term loan-1 installed at C-108, G-6 & G-7 Hingna Nagpur and exclusive second charge on the fixed asset acquired out of term loan-2 and by personal guarantee of the Managing and Executive Director of the Company.			
- Rupee Loan	2,744	2,338	2,366
- Foreign Currency Loan	653	667	666
<b>( ii) Overdraft Facilities</b>			
a) HDFC Bank Limited	203	194	130
b) AXIS Bank Limited	-	144	144
c) Karur Vysya Bank Limited	-	702	675
- Secured by pledge of certain Fixed Deposit Receipts			
	<u>4,207</u>	<u>4,346</u>	<u>3,977</u>
<b>18.2 TRADE PAYABLES</b>			
- Dues of Micro and Small Enterprises	-	-	-
- Others [Refer Note -34]	2,923	3,220	5,298
	<u>2,923</u>	<u>3,220</u>	<u>5,298</u>
<b>18.3 OTHER FINANCIAL LIABILITIES</b>			
Current maturities of long-term borrowings (Refer Note No.16.1)	178	215	225
Interest accrued but not due on borrowings	0.00	0	0
Interest accrued and due on borrowings	4	6	4
Unclaimed Dividends	17	20	23
Other Liabilities	1,344	2,134	1,730
	<u>1,543</u>	<u>2,375</u>	<u>1,982</u>
<b>19 OTHER CURRENT LIABILITIES</b>			
Advance from customers	2,173	1,099	1,686
Statutory liabilities	142	157	244
Other liabilities	42	53	62
	<u>2,357</u>	<u>1,309</u>	<u>1,992</u>

**20 CURRENT PROVISIONS**

Provision for Employee Benefits:

- Gratuity	90	39	47
- Leave Pay	2	22	37
	92	62	84

**NOTES TO THE ACCOUNTS.....****2017-2018****2016-2017**

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**21.1 REVENUE FROM OPERATIONS**

(a) Sale of products		
Finished Goods	24,329	25,294
Traded Goods	12	4
(b) Sale of Services	566	544
(c) Other Operating Revenue		
Scrap Sales	161	202
	<u>25,068</u>	<u>26,044</u>
(d) Less:- Excise Duty	306	2,231
	<u>24,762</u>	<u>23,813</u>

**Details of products sold****Finished Goods:**

a) DR Gin	1,588	2,540
b) Bale Press Machine	1,240	2,065
c) Auto Feeder	393	613
d) Automation Parts	1,936	3,010
e) Master Batches	7,212	7,828
f) Others	11,960	6,646
	<u>24,329</u>	<u>22,702</u>

**Traded Goods:**

Liliput Gins	1	4
Masterbatches	11	-
	<u>12</u>	<u>4</u>

**Detail of sale of services:**

Errection and Commissioning Charges	314	393
Income from Civil construction (Net)	99	45
Income from sale of Licences	75	64
Duty Drawback	78	42
	<u>566</u>	<u>544</u>

**21.2 OTHER INCOME**

Interest	168	136
Income from Investments:	-	-
Mutual Funds	20	21
Profit on sale of Fixed Assets (Net)	1	-
Foreign Exchange Variation (Net)	57	1



## BAJAJ STEEL INDUSTRIES LIMITED

Miscellaneous Income	90	81
Provision for Doubtful debts written back	20	2
	<u>355</u>	<u>241</u>

### 22.1COST OF MATERIALS CONSUMED

(a) Steel Division		
Iron and Steel	3,339	3,108
Castings	1,030	1,162
Ball Bearings	234	243
Others	3,192	4374
(b) Plastic Division	-	-
Polymers	3,150	2,997
Mineral Powders	1,469	1,569
Chemicals	554	512
	<u>12,966</u>	<u>13,965</u>

	₹	%	₹	%
Imported	2,558	19.73	3,454	24.73
Indigeneous	10,408	80.27	10,511	75.27
	<u>12,966</u>	<u>100.00</u>	<u>13,965</u>	<u>100.00</u>

### 22.2PURCHASES

Liliput Gins	1	3
Masterbatches	6	-
	<u>7</u>	<u>3</u>

### 22.3MANUFACTURING & PROCESSING EXPENSES

Stores and spares consumed (indigenous)	742	915
Power & Fuel	167	172
Job work charges	244	267
Errection and Commissioning Charges	173	337
Processing charges	942	895
	<u>2,268</u>	<u>2,587</u>

### 22.4CHANGES IN INVENTORIES

Opening Stock :		
Finished Goods	524	617
Work-in-progress	2,352	2,889
Traded Goods	-	-
	<u>2,876</u>	<u>3,506</u>
<b>Less: Closing Stock:</b>		
Finished Goods	657	524
Work-in-progress	1,315	2,352
Traded Goods	5	-
	<u>1,978</u>	<u>2,876</u>
	<u>899</u>	<u>630</u>

**22.5 EMPLOYEE BENEFIT EXPENSES**

Salary and allowances	2,553	2,859
Directors' Remuneration	133	98
Contribution to Provident & Other Funds	108	118
Staff welfare expenses	57	68
	<u>2,852</u>	<u>3,143</u>

The disclosures required under Ind. AS-19: Employees Benefit, notified in the company's (Accounting standard) Rules, 2015 are given below, based on the actuarial Report certified by a Practicing Actuary.

Defined Contribution Plan

(₹ in lacs)

Contribution to Defined Contribution Plan,  
recognised are charged off for the year are as under:

Employer's Contribution to Provident & Pension Fund	2017-2018	2016-2017
	108.34	117.81

**Defined Benefit Plan**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	2017-2018		2017-2018	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Present value of obligation at the beginning of the year	373.14	105.68	419.30	128.13
Service Cost	38.41	24.87	39.22	22.36
Interest Cost	27.82	7.82	33.27	10.18
Remeasurement - Actuarial (gains)/losses	49.72	(12.92)	(62.47)	(36.09)
Benefit paid	(43.34)	(8.50)	(56.18)	(18.90)
Present value of obligation at the end of the year	445.75	116.95	373.14	105.68

**b. Reconciliation of fair value of assets and obligation**

Present value of obligation at the end of year	445.75	116.95	373.14	105.68
Fair Value of Plan assets as at the end of the year	-	-	-	-
Net Liability recognised in Balance Sheet	445.75	116.95	373.14	105.68

**c. Amount recognised in the Statement of profit & loss under Employee Benefit Expenses**

Service Cost	38.41	24.87	39.22	22.36
Interest Cost	27.82	7.82	33.27	10.18
Expected return on plan asset	-	-	-	-
Net expenses recognised in the statement of profit and loss	66.23	32.69	72.49	32.54

--: 148 :-

**d. Amount recognised in the other comprehensive income**

Return on plan assets

Actuaial (gains)/losses arising from change in demographic assumptions

Actuaial (gains)/losses arising from

change in financial assumptions -42.27 -19.72 -34.47 -42.54

Actuaial (gains)/losses arising from

experience adjustments 91.99 6.80 (28.00) 6.45

Net Expenses recognised in the

other comprehensive income 49.72 -12.92 -62.47 -36.09

**e. The weighted-average assumption used to determine net periodic net periodic benefit cost are set out below:**

Mortality Table ( L I C)	2006-08	2006-08	2006-08	2006-08
	(ultimate)	(ultimate)	(ultimate)	(ultimate)
Interest rate for discounting	7.75%	7.75%	7.50%	7.50%
Rate of escalation in salary				
(per annum)	8.00%	8.00%	8.00%	8.00%
Weighted average duration of				
defined benefit obligation	2 -3 Years	2-3 Years	2 -3 Years	1-3 Years

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

	Gratuity (₹ in lacs)	Leave Pay (₹ in lacs)
Within 1 year	90.19	1.99
1-2 Year	91.62	3.32
2-3 Year	37.23	13.38
3-4 Year	41.52	23.83
4-5 Year	31.04	5.00
above 5 years	154.16	69.43
	<u>445.76</u>	<u>116.95</u>

**BAJAJ STEEL INDUSTRIES LIMITED**

	2017-2018	2016-2017
NOTES TO THE ACCOUNTS.....	₹	₹
<b>22.6 SELLING &amp; DISTRIBUTION EXPENSES</b>		
Freight & Other Expenses	700	307
Sales Commision	891	653
Discount on sales	15	79
	<u>1,606</u>	<u>1,040</u>
<b>22.7 FINANCE COSTS</b>		
Interest :		
- On Term Loans	38	61
- Fixed/Trade Deposits	4	6
- Others	854	838
Loan Processing & Other Financial Charges	43	44
	<u>939</u>	<u>949</u>
Less:- Related to Capital Work in Progress	35	41
	<u>904</u>	<u>908</u>
<b>22.8 DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation relating to-Property Plant & Equipments	580	833
Intangible Assets	5	5
	<u>586</u>	<u>839</u>
<b>22.9 OTHER EXPENSES</b>		
Rent	241	246
Rates and Taxes	69	38
Insurance	79	97
Travelling and Conveyance	407	381
Repairs and Maintenance :		-
To Machineries	102	88
To Building	18	33
To Others	32	50
Directors' Fees	2	1
Auditors' Remuneration :		-
For Statutory Audit	16	18
For Internal Audit	0	0
For Tax Audit	5	3
For Other Services	1	4
Miscellaneous Expenses	928	853
Irrecoverable Debts and Advances written off		1
Provision for Doubtful Debts	44	370
Items relating to previous year	22	29
Investments Written off	14	-
Foreign Exchange Variation (Net)	-	15
Loss on sale of Investments (Net)	-	49
Loss on sale of Fixed Assets (Net)	-	3
	<u>1,982</u>	<u>2,279</u>



## BAJAJ STEEL INDUSTRIES LIMITED

Corporate Social Responsibility (CSR)	Amount ₹	Amount ₹
Particulars	2017-2018	2016-2017
i) Average Net profit of the Company for last three Financial year	(141)	786
ii) Prescribed CSR expenditure (2% of the (i) above)	-	16
iii) CSR expenditure spent	-	-
<b>23. TAX EXPENSES</b>		
Current tax		
Income Tax	110	-
Tax Adjustments	(21)	-
	<u>89</u>	<u>-</u>
Deferred Tax		
Deferred Tax	(186)	(391)
	<u>(97)</u>	<u>(391)</u>

### NOTES TO THE ACCOUNTS.....

#### 24 EARNINGS PER SHARE

The "Earnings per share (EPS)" has been calculated as specified in IND AS-33 on "Earning per share" prescribed by Companies (Accounting Standards) Rules, 2015 and related disclosures are as below,

	2017-2018	2016-2017
For Calculating Basic and Diluted earning per share		
a) Profits attributable to equity holders of the company	1,130	(913)
b) Weighted average number of equity shares used as the denominator in calculating EPS (Nos.)	2,350,000	2,350,000
c) Basic and Diluted EPS [a/b]	0.00	(0.00)

#### 25 COMMITMENTS AND CONTINGENCIES

##### a. Other Commitments

Estimated amount of contracts to be executed on Capital accounts and not provided for ₹124.14 Lacs (P.Y. Nil), advance there against ₹29.51 Lacs (P.Y.Nil).

##### b. Contingent liabilities

Contingent liabilities (not provided for)  
in respect of :- (₹ In Lacs)

	2017-2018	2016-2017
	(₹ in lacs)	(₹ in lacs)
a) Excise duty	93.43	93.43
b) Customs Duty	136.6	136.60
c) Sales Tax	21.04	21.04
d) Entry Tax	0.50	0.50





## BAJAJ STEEL INDUSTRIES LIMITED

26 (a) On the basis of physical verification of assets, as specified in Ind AS - 36 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2018.

(b) The company has invested USD 1668000 (equivalent to Rs. 10.26 crs) in its wholly owned subsidiary M/s. Bajaj Coneagle LLC, USA. In spite of operating at decent gross profit margin, the said subsidiary had been incurring substantial losses every year since its incorporation till FY-2016-17, primarily due to low demand. However, now the subsidiary is well recognised in the local market and getting good orders and has made some profit in F.Y. 2017-18 and the overhead costs is also being considerably reduced. The Management expects that the subsidiary will be earning sizeable profits and the entire accumulated losses will be recovered by the end of F.Y. 2019-20 and that the subsidiary will start giving profits in the future years thereafter. In view of this, no provisioning of Impairment of assets, as per Ind AS - 36 is being considered in the accounts.

27 Certain Balances under Advance from Customers, Trade Payables, Capital Advances, Trade Receivables and Advances Recoverable in cash or in kind or value to be received are subject to Confirmation.

## 28 FINANCIAL INSTRUMENTS

### 28.1 Financial Instruments by category

The carrying value of financial instruments by categories as on 31st March, 2018 were as (₹ in Lakhs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amortised Cost	Total carrying value	Total Fair Value
<b>Financial Assets</b>						
Investments						
- Equity Instruments (other than subsidiary, Joint ventures)	7.1	-	-	-	-	-
- Mutual Funds	11.1	-	68	-	68	68
Non Current Deposits with Banks		-	-	-	-	-
Trade Receivables	11.2	-	-	4,953	4,953	4,953
Cash & Cash Equivalents	11.3	-	-	914	914	914
Other Non Current Financial Assets	7.3	-	-	95	95	95
<b>Total Financial Assets</b>		-	68	5,962	6,030	
<b>Financial Liabilities</b>						
Borrowings	16.1 & 18.1	-	-	7,928	7,928	7,928
Trade Payables	18.2	-	-	2,923	2,923	2,923
Other financial liabilities	16.2 & 18.3	-	-	1,653	1,653	1,653
<b>Total Financial Liabilities</b>		-	-	12,504	12,504	

The carrying value of financial instruments by categories as on 31st March, 2017 were as follows:

(₹ in Lakhs)

Particulars	Note Reference	Fair Value through Profit & Loss	Fair Value through OCI	Amortised Cost	Total carrying value	Total Fair Value
<b>Financial Assets</b>						
Investments						
- Equity Instruments (other than subsidiary, Joint ventures)	7.1	-	15	-	15	15
- Mutual Funds	11.1	-	224	-	224	224
Non Current Deposits with Banks		-	-	2	2	2
Trade Receivables	11.2	-	-	4,153	4,153	4,153
Cash & Cash Equivalents	11.3	-	-	257	257	257
Other Non Current Financial Assets	7.3	-	-	93	93	93
<b>Total Financial Assets</b>		-	240	4,505	4,745	
<b>Financial Liabilities</b>						
Borrowings	16.1 & 18.1	-	-	7,888	7,888	7,888
Trade Payables	18.2	-	-	3,220	3,220	3,220
Other financial liabilities	16.2 & 18.3	-	-	2,489	2,489	2,489
<b>Total Financial Liabilities</b>		-	-	13,597	13,597	



## BAJAJ STEEL INDUSTRIES LIMITED

The carrying value of financial instruments by categories as on 31st March, 2017 were as follows:

(₹ in Lakhs)						
Particulars	Reference	through Profit &	through OCI	Amortised Cost	Total carrying value	Total Fair Value
<b>Financial Assets</b>						
Investments						
- Equity Instruments (other than subsidiary, Joint ventures)	7.1	-	68	-	68	68
- Mutual Funds	11.1	-	340	-	340	340
Non Current Deposits with Banks	-	-	-	3	3	3
Trade Receivables	11.2	-	-	-	-	-
Cash & Cash Equivalents	11.3	-	-	766	766	766
Other Non Current Financial Assets	7.3	-	-	56	56	56
<b>Total Financial Assets</b>		-	408	825	1,233	
<b>Financial Liabilities</b>						
Borrowings	16.1 & 18.1	-	-	7,794	7,794	7,794
Trade Payables	18.2	-	-	5,298	5,298	5,298
Other financial liabilities	16.2 & 18.3	-	-	2,109	2,109	2,109
<b>Total Financial Liabilities</b>		-	-	15,201	15,201	

### Management estimations and assumptions

a) The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the quoted shares and unquoted mutual funds are based on NAVs at the reporting date.

(ii) The fair values of the unquoted equity shares have been determined based on certifications from valuers who have used Net Asset Value approach for determining the fair values.

### 28.2 Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at (₹ in Lacs)

Particulars	Note Reference	Fair value measurement at end of the reporting period/year using			
		Level 1	Level 2	Level 3	Total
As on 31st DEcember, 2017					
Financial Assets Mutual funds	11.1	68	-	-	68
Equity Instruments (other than subsidiary, Joint ventures)	7.1	-	-	-	-
As on 31st March, 2017					
Financial Assets					
Mutual funds	11.1	224	-	-	224
Equity Instruments (other than subsidiary, Joint ventures)	7.1	-	-	15	15
As on 1st April, 2016					
Financial Assets					
Mutual funds	11.1	340	-	-	340
Equity Instruments (other than subsidiary, Joint ventures)	7.1	-	-	68	68



Level 1: Quoted Prices in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company's policy is to recognize transfers into and the transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 during the end of the reported periods.

### **28.3 Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to various financial risks: market risk, credit risk and liquidity risk. The company tries to foresee the unpredictable nature of financial markets and seek to minimise potential adverse impact on its financial performance. The senior management of the company oversees the management of these risks. The Audit Committee has additional oversight in the area of financial risks and controls. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

### **29 CAPITAL MANAGEMENT**

The following are the objectives of Capital management policy of the company:

- (i) Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital

As a part of capital management strategy, the company may adjust the amount of dividends paid to shareholders, issue new shares, raise debt capital or sell assets to reduce debt. The company monitors capital basis a gearing ratio which is calculated by dividing the total borrowings by total equity. The company's strategy is to maintain a gearing ratio as possible as lower. In order to achieve this overall objective, the company ensures to meet its financial covenants attached to the interest bearing loans and borrowings. There have never been any breaches in financial covenants of any interest bearing loans and borrowings in the past and also in the current period.

### **30 RELATED PARTY TRANSACTIONS**

Related parties and transactions with them as specified in the Accounting Standard-18 on "Related Party Disclosures" issued by the ICAI has been identified and given below;

1. Enterprises where Control Exists: Bajaj Coneagle LLC (Wholly Owned Foreign Subsidiary)  
Bajaj Steel Industries (U) Limited (Wholly Owned Foreign Subsidiary)
2. Other Related parties with whom the Company had transactions:
  - (a) Key Management personnel and their relatives: Sri Rohit Bajaj (Chairman cum Managing Director), Shri Sunil Bajaj (Executive Director), Shri Ashish Bajaj (CEO of Superpack Division), Shri Vinod Kr. Bajaj (Director), Dr. M.K. Sharma ( Director and CEO of the Company), Shri Manish Sharma (CFO), Shri Divyanshu Vyas (Company Secretary.)

Relatives :- Smt Devika Bajaj, Sri Lav Bajaj,



## BAJAJ STEEL INDUSTRIES LIMITED

(b) Enterprises over which Key Management personnel and their relatives are able to exercise Significant Influence-

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plasticoats Private Limited, Bajaj Global Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Xerxes Traders Pvt. Ltd., Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Gangalaxmi Agrotech Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Limited, Luk Infrastructure Private Limited, Tashi India Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd, Bajaj Superpack Ltd, Bajaj Gintech Pvt. Ltd., Bajaj Plastics Pvt. Ltd., Bajaj Reinforcement LLP and Bajaj Cotgin Pvt. Ltd.

### Transactions with related parties:-

(₹ in Lakhs )

Nature of Transactions	Wholly Owned Foreign Subsidiary		Enterprises over which Key Management Personnel and their relatives are able to		Key Management Personnel and their relatives	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Income-</b>						
Rent	-	-	1.44	1.51	-	-
Service Charge	-	-	0.48	2.23	-	-
Sales	1,553.16	181.41	384.85	327.26	-	-
Consideration for Transfer of Contract	53.14	54.99	-	-	-	-
Job Work Charges	-	-	23.86	-	-	-
Commission	-	-	0.80	2.71	-	-
<b>Expenses-</b>						
Computer Charges	-	-	-	0.25	-	-
Furniture Hire Charges	-	-	1.80	1.80	-	-
Interest	-	-	249.13	422.16	-	-
Jobwork Charges	-	-	30.77	54.81	-	-
Processing Charges	-	-	941.74	895.31	-	-
Purchase	559.84	400.63	426.00	36.00	-	-
Rent	-	-	212.57	208.13	-	4.20
Labour Supply Charges	-	-	850.64	835.41	-	-
Vehicle Expenses	-	-	1.12	-	-	-
Legal & Professional Fees	-	-	-	-	-	-
Electricity & Water Charges	-	-	-	0.34	-	-
Service Charge	-	-	-	-	-	-
Remuneration	-	-	-	-	188.64	184.31
Sitting Fees	-	-	-	-	0.15	0.20
<b>Balance at the end of the year</b>						
Debtors	484.81	564.88	676.37	640.03	-	-
Creditors	-	-	1,093.54	960.50	-	-
Advances (Dr)	11.78	131.98	-	-	-	-
Loan Taken	-	-	3,718.29	3,365.88	-	-
Loan Given	-	-	-	-	4.99	6.58
Investments	1,027.76	1,027.76	-	-	-	-

The table below describes the compensation to key managerial personnel:

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Short term employee benefits	176.02	171.76
Post employment benefits		
Defined contribution plan*	12.62	12.55
Defined benefit plan	-	-
Other long term benefit	-	-
	<u>188.64</u>	<u>184</u>

## NOTES TO THE ACCOUNTS

### 31. Segment Revenue, Results and Capital Employed

Particulars	Steel Division		Plastic Division		Total of Segments		Unallocated		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Revenue - Domestic	10,615	16,414	7,276	7,784	17,891	24,198	-	-	17,891	24,198
- Export	7,533	2,599	-	57	7,533	2,656	-	-	7,533	2,656
Total Revenue	18,148	19,013	7,276	7,841	25,424	26,854	-	-	25,424	26,854
Result										
Profit before Interest, Depn. And Extra	2,260	597	278	(67)	2,538	530	-	-	2,538	530
Less : Depreciation	583	830	4	8	587	838	-	-	587	838
Less: Interest Expenses	443	476	460	432	903	908	-	-	903	908
Provision for Taxation										
- Current Tax									89	56
- Deferred Tax									(186)	(369)
- Tax Adjustments (Incl. Tr. Through OCI)									16	10
Net Profit									1,129	(913)
Other Information										
Segment Assets	14,524	15,209	4,049	3,776	18,573	18,984	2,059	2,129	20,632	21,115
Segment Liabilities	8,870	10,741	3,887	3,535	12,757	14,276	2,036	1,988	14,793	16,264
Capital Expenditure	1,263	282	4	-	1,267	283	-	-	1,267	283
Depreciation	583	830	4	8	587	839	-	-	587	839

#### NOTES:

Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.





## BAJAJ STEEL INDUSTRIES LIMITED

### NOTES TO THE ACCOUNTS

32) (a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The subsidiaries (which along with Bajaj Steel Industries Limited, the parent, constitute the Group) considered in the preparation of these consolidated financial statements is as below, and Since the Subsidiary's accounts are not subject to audit, the unaudited financial statements have been consolidated.

Name	Country of Incorporation	Percentage of voting power as at 31st. March, 2017	Percentage of voting power as at 31st. March, 2016
Bajaj Coneagle LLC	USA	100%	100%
Bajaj Steel Industries (U) Ltd.	Uganda	100%	100%

(b) Additional information as required by Paragraph 2 of the General Instructions to Schedule III of the Companies Act, 2013 for Preparation of Consolidated Financial Statements are as follows:

Name of Entities	Net Assets i.e., total assets minus total liabilities				Share in Profit & Loss			
	As % of consolidated Net assets		Amount(₹)		As % of consolidated profit & loss		Amount(₹)	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	2017-18	2016-17	2017-18	2016-17
Parent - Indian company Bajaj Steel Industries Limited	84.96%	81.82%	580,733,947	462,442,066	103.23%	103.23%	90,840,837	(94,266,797)
Subsidiary - Foreign company Bajaj Coneagle LLC	15.02%	18.17%	102,680,409	102,680,409	12.06%	12.06%	21,086,572	(11,009,774)
Subsidiary - Foreign company Bajaj Steel Industries (U) Limited	0.01%	0.02%	95,669	95,669	-15.28%	-15.28%	1,005,119	13,956,148
	100.00%	100.00%	683,510,025	565,218,144	100.00%	100.00%	112,932,528	(91,320,423)

(c) Reporting dates and reporting currency of financial statements considered in the consolidated balance sheet, consolidated profit & loss and consolidated cash flow statement :

Parent - Indian company	Reporting date	Reporting currency
Bajaj Steel Industries Limited	31st March, 2018 / 31st March, 2017	Indian Rupees
Subsidiary - Foreign company Bajaj Coneagle LLC	31st March, 2017 / 31st March, 2018	USD
Bajaj Steel Industries (U) Ltd.	31st March, 2017 / 31st March, 2018	UGX

**33 ASSETS SECURED FOR BORROWINGS**

The carrying amounts of assets secured for current and non current borrowings is given in the following table:

Particulars	Notes	31st March, 2018	31st March, 2017
1st April, 2016			
Non Current Assets			
Property, Plant and Equipments (Including CWIP)		5,374	5,795
Total		5,374	6,310
Current Assets			
Trade Receivables		4,953	4,153
Cash and Cash Equivalents		1,693	1,473
Inventories		5,711	5,789
Total		12,357	11,416
			13,803

34 Inventories of raw materials include obsolete and slow moving stock, cost whereof was Rs.253.45 lacs, being carried at estimated net realisable value of Rs. 52.78 lacs. There is no effect in profit or loss for the year due to such write down of inventories.

35 With effect from 1st January 2018, the steel division of the company has changed the method of providing depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM). Due to such change in the method of depreciation, the depreciation for the year is lower by 103.07 lacs and consequently, profit for the year is higher by 103.07 lacs.

36 On the basis of physical verification of assets, as specified in IND AS - 36 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2018.

37 In absence of adequate information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the Company is unable to identify such suppliers, hence the Information required under the said Act, cannot be ascertained.

	2017-2018	2016-2017
38 a) CIF Value of Imports		
Capital Goods	5	61
Raw Material	2,349	2,923
b) Earnings in Foreign Currency		
FOB Value of Exports	7,295	2,335
c) Expenditure in Foreign Currency		
Travelling & Freight Expenses	85	11
Commission	173	167
Tender Fees	10	-
Membership and Subscription	3	2
Royalty Charges	-	37
Legal & Consultancy charges	67	3
Errrection & Commissioning Charges		16
Business Promotion Expenses	2	26
Insurance & Registration Fees	7	21
Bank Charges	60	28

39 a) Previous year figures above are indicated in brackets.

b) Previous year figure have been regrouped/rearranged, wherever found necessary.

In terms of our Report of even date attached herewith



## BAJAJ STEEL INDUSTRIES LIMITED

### BAJAJ STEEL INDUSTRIES LIMITED

Regd. Office : C-108, MIDC Industrial Area, Hingna, Nagpur – 440018 (Maharashtra)

E-mail : [cs@bajajngp.com](mailto:cs@bajajngp.com) Website : [www.bajajngp.com](http://www.bajajngp.com)

Phone : 07104 – 238101 –20 ; Fax No. 07104 – 237067

(CIN: L27100MH1961PLC011936 )

#### ATTENDANCE SLIP

I..... Folio No..... record my presence at the Fifty Sixth (57th) Annual General Meeting held on Wednesday, the 26th September, 2018 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Opp Sales Tax Office, Civil Lines, Nagpur – 440 001

Signature (s) of the Shareholder

### BAJAJ STEEL INDUSTRIES LIMITED

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PROXY FORM

#### FORM NO. 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/ DP ID- Client ID No.	:

I/We being the member(s) of ..... shares of the above named Company, hereby appoint

1.Name : ..... Address : .....  
.....E-mail Id ..... Signature .....

or Failing him

2.Name : ..... Address : .....  
.....E-mail Id ..... Signature .....

or Failing him

3.Name : ..... Address : .....  
.....E-mail Id ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company, to be held on Wednesday, the 26th September, 2018 at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur – 440 001 (Maharashtra) and at any adjournment thereof in respect of such resolutions as are indicated below :





## BAJAJ STEEL INDUSTRIES LIMITED

Resolution No.	Resolutions	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>ORDINARY BUSINESS – ORDINARY RESOLUTION :</b>			
1	To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31 <sup>st</sup> March, 2018 and Reports of the Auditors and Directors thereon.		
2	Declaration of Final Dividend.		
3	To appoint a Director in place of Shri Vinod Kumar Bajaj (DIN 00519541) who retires by rotation and being eligible, offers himself for re-appointment.		
<b>SPECIAL BUSINESS – ORDINARY RESOLUTION :</b>			
4	Ratification of Remuneration payable to Cost Auditors		
5	Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company.		
6	Appointment of Shri. Deepak Batra as an Independent Director		

Signed this ..... Day of .....2018.

Signature of Shareholder .....

Signature of Proxy holder (s).....

Affix 1 Re. Revenue Stamp
---------------------------------

### Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 57th Annual General Meeting.
- 3) It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4) Please complete all details including details of member(s) in above box before submission.

**BAJAJ STEEL INDUSTRIES LIMITED****BAJAJ STEEL INDUSTRIES LIMITED**

Regd. Office : C-108, MIDC Industrial Area, Hingna, Nagpur – 440018 (Maharashtra)

E-mail : cs@bajajngp.com Website : www.bajajngp.com

Phone : 07104 – 238101 –20 ; Fax No. 07104 – 237067

(CIN: L27100MH1961PLC011936 )

**PHYSICAL BALLOT FORM FOR VOTING ON AGM RESOLUTIONS**

1. Name(s) & Registered Address of the sole/first named Member :
2. Name(s) of the Joint Holder(s) , if any :
3. Registered Folio No./DP ID No & Client ID No. :
4. Number of Share(s) held :
5. I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting: dated 26th September, 2018 by conveying my/our assent or dissent to the resolutions by placing tick (v) mark in the appropriate box below

Resolution No.	Resolutions	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>ORDINARY BUSINESS – ORDINARY RESOLUTION :</b>			
1	To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31 <sup>st</sup> March, 2018 and Reports of the Auditors and Directors thereon.		
2	Declaration of Final Dividend.		
3	To appoint a Director in place of Shri Vinod Kumar Bajaj (DIN 00519541) who retires by rotation and being eligible, offers himself for re-appointment.		
<b>SPECIAL BUSINESS – ORDINARY RESOLUTION :</b>			
4	Ratification of Remuneration payable to Cost Auditors		
5	Re-appointment of Shri Ashish Bajaj as Chief Executive Officer (CEO) of Superpack Division of the Company.		
6	Appointment of Shri. Deepak Batra as an Independent Director		

Place :

Date :

Signature of the Member or  
Authorised Representative

**Notes :**

- 1) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form
- 2) Last date for receipt of Physical Ballot Form, 25th September, 2018 (5.00 PM)
- 3) Please read the instructions printed overleaf carefully before exercising your vote.



## INSTRUCTIONS

### General Instructions :

- 1) Shareholders have option to vote either through e-voting ie. electronic means or to convey assent/ dissent in physical form. If a shareholder has opted for Physical Ballot Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through Physical Ballot Form and e-voting, then vote caste through e-voting mode shall be considered and vote cast through Physical Ballot Form shall be ignored.
- 2) Voting through Physical Ballot form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as state below.

### Instructions for voting physically on Ballot Form

- 1) A member desiring to exercise vote by Physical Ballot should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer M/s B.Chhawchharia & Co, Chartered Accountants, by post at their own cost to reach the Scrutinizer at the Address 202, Shantiniketan, K-13/A, Laxminagar, Nagpur - 440022. (Maharashtra) on or before 25th September, 2018 at 5.00 P.M. All forms received after this date will be strictly treated as if the reply from such Member has not been received.
- 2) This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
- 3) In respect of shares held by corporate and institutional shareholders (companies, trust, societies, etc.) the completed Ballot Form should be accompanied by a certified copy of the relevant board resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(s) duly attested.
- 4) The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (v) in the appropriate column in the Form. The Assent/ Dissent received in any other form shall not be considered valid.
- 5) Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- 6) There will be one Ballot Form for every Folio/ Client id irrespective of the number of joint holders.
- 7) A member may request for a duplicate Ballot Form, if so required and the same duly completed should reach to Scrutinizer not later than the date specified under instruction No. 1 above.
- 8) Members are requested not to send any other paper along with the Ballot Form. They are also requested not to write anything in the Ballot Form except their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
- 9) The Scrutinizers' decision on the validity of the Ballot Form will be final and binding.
- 10) Incomplete, unsigned or incorrectly ticket Ballot Form will be rejected.

**Route Map of the Venue of 57 th Annual General Meeting of Bajaj Steel Industries Limited**  
**Address :- VIA Hall, Udyog Bhavan , Civil Lines, Nagpur- 440001(Maharashtra)**



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BAJAJ STEEL INDUSTRIES LIMITED

*Prestigious order from Egyptian Holding Company to Bajaj Steel Industries Limited*



Finalization of order for 3 new Cotton Ginning Factories based on Rotobar Ginning technology by Dr. M.K Sharma of BSIL in presence of Egyptian Minister for Public Enterprises; Dr. Ashraf Al-Sharkawi & Chairman of the Holding Company Dr. Ahmed Moustafa.



## PRODUCTS & SERVICES

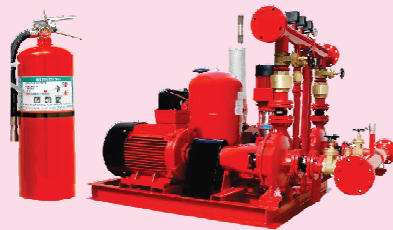
- Ginning Machines
  - Double Roller Ginning Machines
  - Single Roller Gin
  - Saw Gin
  - Rotobar Gin
- Pre Cleaners
- Raw Cotton Conveying Systems
  - Pneumatic
  - Belt
  - Central Screw Conveyor
  - Trolley
- Lint Cleaners
- Lint Conveying Systems
  - Belt
  - Pneumatic 1. Direct Suction 2. Intermittent Suction
- Bucket Elevators & Rotary Screw Lifts
- Cotton seed Conveying Systems
  - Pneumatic (Seed Blowing)
  - Screw Conveyor
- Cotton Boll Openers
- Hydraulic Roll Press for Leather Washers
- Leather Roll Grooving Machine.
- Cotton Baling Presses
  - Down Packing (5 to 60 BPH)
  - Up Packing (5 to 80 BPH)
  - Horizontal
- Seed Cotton Baling Press (25 BPH)
- Building Structurals & Civil Buildings
- Electrical Panels and Accessories
- Fire Detection & Diversion System
- Dust & Waste Handling System
- Cotton Seed Delinting Plant Machinery
- Cotton Seed Decorticating Plant Machinery
- Fully Automatic Ginning Plants
- Modernization of existing plants
- Turnkey Projects
- Humidification Systems
- Bale wire ties
- High Quality Spares
- CNC Machining of parts
- Moisture meters
- Laboratory Gin
- Pre Engineered Building / Sheds
- Fire Fighting & Hydrant System
- K House



**SPECIALITY CONVEYORS**



**ELECTRICAL PANEL**



**FIRE FIGHTING EQUIPMENT**



**SECURITY DOORS**



### BAJAJ STEEL INDUSTRIES LIMITED

Plot No. C-108, MIDC Industrial Area, Hingna, Nagpur - 440028 (MH) India.  
 Tel. : +91-07104-238101-20, Fax : +91-07104- 237067  
 E-mail : bsi@bajajngp.com Web : www.bajajngp.com

**AN ISO 9001 : 2015, 14001 : 2015 & OHSAS 18001 : 2007 CERTIFIED COMPANY**



BAJAJ CONEAGLE LLC

