

## Corporate Information

### Directors

Mr. Ajay Kumar Chakraborty - Chairman  
DIN : 00133604

Mr. Varun Agrawal - Managing Director  
DIN : 00441271

Dr. Kali Kumar Chaudhuri  
DIN : 00206157

Mr. Mrinal Kanti Pal  
DIN : 00867865

Mrs. Smita Khaitan  
DIN : 01116869

Mr. Suresh Kumar Agrawal - Director  
DIN : 00520769

Mr. Vineet Agrawal  
DIN : 00441223

### Company Secretary

Mr. Ajay Sharma

### Chief Financial Officer

Mr. Rajesh Singhania

### Auditors

M/s. S K Agrawal & Co.

### Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.  
59C, Chowringhee Road  
Kolkata - 700 020

### Registered Office

8/1, Lal Bazar Street  
Bikaner Building, 3rd Floor  
Kolkata - 700 001

### Bankers

State Bank of India  
Allahabad Bank  
Bank of Baroda  
IDBI Bank Limited

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## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Fifteenth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2016.

### FINANCIAL RESULTS :

(₹ in Lacs)

Particulars	2015-16	2014-15
<b>Total Revenue</b>	<b>29036.46</b>	33559.86
<b>Profit Before Tax (PBT)</b>	<b>821.46</b>	1112.63
Less: Provisions for Taxation	<b>323.64</b>	294.62
<b>Net Profit After Tax (PAT)</b>	<b>497.82</b>	818.01
Balance brought forward from previous year	<b>1866.15</b>	1048.14
Total Amount available for appropriation	<b>2363.97</b>	1866.15
<b>Appropriations :</b>		
Transfer to General Reserve	<b>500.00</b>	–
Surplus Carried to Balance Sheet	<b>1863.97</b>	1866.15
<b>Total</b>	<b>2363.97</b>	1866.15

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Kindly refer to 'Management Discussion and Analysis Report' which forms part of the Annual Report.

### CHANGES IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company during the financial year 2015-16.

### DIVIDEND

To conserve the resources for future, the Board of Directors has decided not to recommend any dividend for the financial year ended 31st March, 2016.

### TRANSFER TO RESERVES

The Board in its Meeting held on 27th May, 2016 proposed to transfer ₹ 500.00 Lacs to the General Reserve.

### CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at 31st March, 2016 stood at ₹ 655.34 Lacs. During the year under review, the Company has not issued any further shares.

### DETAILS PERTAINING TO SHARES IN SUSPENSE ACCOUNT

Details of shares held in the demat suspense account as required under Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") forms part of the Corporate Governance Report.

### OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to 'Management Discussion and Analysis Report', which forms part of the Directors' Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) read with Para B of Schedule V of the Listing Regulations forms part of this Annual Report.

### DETAILS RELATING TO MATERIAL VARIATIONS

Since no prospectus or letter of offer has been issued during last 5 years, there is no question of any material variation.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company during the year under review.

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on 31st March, 2016 in the prescribed Form MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 forms part of this Directors' Report and marked as **Annexure- "A"**.

**CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 read with Para C of Schedule V of the Listing Regulations, Report on the Corporate Governance along with a certificate from the Auditors of the Company confirming compliance with the conditions of the Corporate Governance is annexed as **Annexure-"B"**.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The details of numbers of meeting of Board held during the year under review forms part of the Corporate Governance Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013 :

- a) that in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that the Directors had adopted such accounting policies and applied them consistently and made judgements and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2015-16 and of the profit of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively;
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS**

The Company has appointed Mr. Ajay Kumar Chakraborty (DIN: 00133604), Dr. Kali Kumar Chaudhuri (DIN: 00206157) and Mrs. Smita Khaitan (DIN: 01116869), as Independent Directors of the Company for a fixed term of 5 (Five) years in the Extra Ordinary General Meeting of the Company held on 17th November, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Article 87 of the Articles of Association of the Company, Mr. Suresh Kumar Agrawal (DIN: 00520769), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year under review the designation of Mr. Suresh Kumar Agrawal (DIN: 00520769) has been changed from Managing Director to Non-Executive Director of the Company with effect from 11th February, 2016.

Mr. Varun Agrawal (DIN: 00441271) has been designated as Managing Director from Whole-time Director of the Company with effect from 11th February, 2016.

The brief Resume/Profile of the Directors recommended by the Board for appointment/re-appointment forms part of Notice convening the 15th Annual General Meeting.

#### **STATUTORY AUDITORS & AUDITORS' REPORT**

Messers S. K. Agrawal & Co., Chartered Accountants, (Firm Registration No. 306033E), had been appointed as statutory auditors of the Company at the 13th Annual General Meeting held on 10th September, 2014, to hold office from the conclusion of 13th Annual General Meeting till the conclusion of 18th Annual General Meeting, on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

In accordance with Section 139(1) of the Companies Act, 2013, the Board recommends such appointment of M/s. S. K. Agrawal & Co., Chartered Accountants for ratification by the members in the ensuing Annual General Meeting.

There are no observations (including any qualification, reservation, adverse remarks or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. The specific notes forming part of the accounts referred to in Auditor's Report are self-explanatory and give complete information.

#### **SECRETARIAL AUDITORS**

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 had appointed M/s. Vinod Kothari & Company, Practising Company Secretaries to conduct Secretarial Audit of the Company for the Financial Year 2015-16.

#### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report in Form MR-3 as given by the secretarial auditor for the Financial Year ended 31st March, 2016, forms part of the Directors Report and annexed as **Annexure-"C"**.

The Secretarial Auditors Report addressed to the shareholders of the Company, does not contain any qualification, reservation, adverse remark or disclaimer.

#### **COST AUDITORS**

The provisions of Section 148 of Companies Act, 2013 and the relevant Rules made thereunder are not applicable to your Company.

#### **FRAUD REPORTING**

There was no fraud reported by the Auditors of the Company under section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the year under review, the Company has given a security of ₹ 6.00 Crores by way of lien on fixed deposit to State Bank of India, Commercial Branch Kolkata, 24 Park Street, Kolkata against the Letter of Credit to be opened by Manaksia Limited in favour of Trafigura PTE Ltd. The full particulars of the same can be found in the notes to the financial statement.

The Company has not given any loan or made any investments as stipulated under the provisions of Section 186 of the Companies Act, 2013 during the financial year 2015-16.

#### **PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company with related parties for the year under review were on arm's length basis and in the ordinary course of business and were reviewed by the Audit Committee and that the provisions of Section 188(1) read with the Companies (Meetings of Board and its Powers) Rules, 2014 are not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

All Related Party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their noting on a quarterly basis.

During the year under review, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Company's policy of Materiality of Related Party Transactions.

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the Company's website [www.manaksia.com](http://www.manaksia.com) and the weblink thereto [http://www.manaksia.com/corp\\_policy\\_steels.php](http://www.manaksia.com/corp_policy_steels.php).

#### **DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The details required pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo forms part of this Directors Report and marked as **Annexure-"D"**.

#### **RISK MANAGEMENT SYSTEM**

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate the probability and/or impact of unfortunate events or to maximize the realisation of opportunities.

The Company has structured Risk Management Policy, designed to safeguard the organization from various risks through adequate and timely actions. The Company manages, monitors and reports on its risks and uncertainties that can impact its ability to achieve its objectives. The major risks have been identified by the Company and its mitigation process/measures have been formulated.

#### **AUDIT COMMITTEE**

The Company, pursuant to the requirement of the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations has in place Audit Committee comprising of 4 (Four) members, Mr. Ajay Kumar Chakraborty (DIN : 00133604) – Independent Director (Chairman), Dr. Kali Kumar Chaudhuri (DIN : 00206157) – Independent Director, Mrs. Smita Khaitan (DIN : 01116869) – Independent Director and Mr. Suresh Kumar Agrawal (DIN : 00520769) – Non-Executive Director. The detailed terms of reference of the Committee is provided in the Corporate Governance Report.

There were no such instances where in the Board had not accepted recommendation of the Audit Committee.

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

The Company pursuant to the requirement of provisions of Section 178(1) of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations has in place the Nomination & Remuneration Committee comprising of 4 (Four) members, Dr. Kali Kumar Chaudhuri (DIN: 00206157) – Independent Director (Chairman), Mr. Ajay Kumar Chakraborty (DIN: 00133604) – Independent Director, Mrs. Smita Khaitan (DIN: 01116869) – Independent Director and Mr. Vineet Agrawal (DIN: 00441223) – Non-Executive Director. The detailed terms of reference of the Committee is provided in the Corporate Governance Report.

The Company pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Para A of Part D of Schedule II, upon recommendation of Nomination & Remuneration Committee has devised a policy on Remuneration of Directors and Key Managerial Personnel and other employees. The said policy forms part of the Directors Report and marked as **Annexure-"E"**.

The Board of Directors of the Company pursuant to the requirement of provisions of the Companies Act, 2013 and Listing Regulations and on recommendation of Nomination & Remuneration Committee formed a questionnaire laying down several question dealing with several aspect of evaluation of performance of the individual directors, committees of board and the board itself which inter-alia included appropriate assistance in implementing corporate governance practices, participating actively in collective decision making, analysing the options for action and working towards consensus, their specific roles and responsibilities to be fulfilled as an independent director.

Familiarization programme undertaken for Independent Directors is provided at the following weblink: <http://www.manaksia.com/management-team-manaksia-steels.php>.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

As required by the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations the Company has in place the Stakeholders Relationship Committee comprising of 3 (Three) members, Dr. Kali Kumar Chaudhuri (DIN: 00206157) – Independent Director (Chairman), Mr. Suresh Kumar Agrawal (DIN: 00520769) – Non-Executive Director and Mr. Varun Agrawal (DIN: 00441271) – Managing Director as members. The detailed terms of reference of the Committee is provided in the Corporate Governance Report.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 and relevant rules made thereunder. The composition and the terms of reference of the CSR Committee is provided in the Corporate Governance Report. The CSR activities are inter-alia, focused on rural development including protecting fauna and promoting education. The Report on CSR activities pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 forms part of this report and marked as **Annexure-"F"**.

## **BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Nomination & Remuneration Committee has laid down the criteria for performance evaluation, in a structured questionnaire form after taking into consideration various aspects of the Board functioning, composition of the Board and its Committees, culture, execution, diligence, integrity, awareness and performance of specific laws, duties, obligations and governance, on the basis of which, the Board has carried out evaluation of its own performance, the performance of Board Committee and of Directors individually.

The Independent Directors of the Company, without the participation of Non-Independent Directors and members of management, in their separate meeting have reviewed the performance of Non-Independent Directors and the Board as a whole and also the performance of the Chairman of the Company taking into account the views of executive directors and non executive directors. The Independent Directors further assessed the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform their duties. The review of performance of Non-Independent Directors was done, after discussing with them on various parameters, such as, skill, competence, experience, degree of engagement, ideas & planning etc. The Board performance was reviewed on various parameters, such as, adequacy of the composition of the Board, Board culture, appropriateness of qualification & expertise of Board members, process of identification and appointment of Independent Directors, inter-personal skills, ability to act proactively, managing conflicts, managing crisis situations, diversity in the knowledge and related industry expertise, roles and responsibilities of Board members, appropriate utilization of talents and skills of Board members etc. The evaluation of the Chairman of the Company was conducted on various parameters such as leadership quality, capability, availability, clarity of understanding, governance & Compliance and degree of contribution etc.

The Board of Directors of the Company expressed their satisfaction towards the process of review and evaluation of performance of Board, it's Committees and of individual directors.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any subsidiary, joint venture or associate company during the year under review.

## **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year 2015-16 in terms of Chapter V of the Companies Act, 2013.

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

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which may impact its going concern status and Company's operations in future.

## **STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place adequate internal financial controls with reference to financial statements. Your Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. To commensurate the internal financial control with its size, scale and complexities of its operations, the Company on the recommendation of Audit Committee has appointed M/s Namita Kedia & Associates, Chartered Accountants, as Internal Auditor of the Company.

The Audit Committee reviews the report submitted by the Internal Auditors. The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems. In this regard, your Board confirms the following :

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

In Compliance with the provisions of Section 177(9) of the Companies Act, 2013 and the Listing Regulations, the Company has framed a Whistle Blower Policy to establish a vigil mechanism for Directors and employees to report genuine concerns about actual or suspected unethical behavior, malpractice, wrongful conduct, discrimination, sexual harassment, fraud, violation of the Company policies including Code of Conduct without fear of reprisal/retaliation. The Whistle Blower Policy/Vigil Mechanism has also been uploaded on Company's website [www.manaksia.com](http://www.manaksia.com).

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITON & REDRESSAL) ACT, 2013**

There has been no such case pending during the year under review.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The disclosure pertaining to remuneration and other details as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Directors Report and marked as **Annexure-"G"**.

During the period under review, no employee of the Company drew remuneration in excess of the limits specified under the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no disclosure is required to be made in the Annual Report.

**ACKNOWLEDGEMENT**

Your Company continues its relentless focus on strengthening competition in all its businesses. It is the endeavour of your Company to deploy resources in a balanced manner so as to secure the interest of the shareholders in the best possible manner in the short, medium and long terms.

Your Directors convey their grateful appreciation for the valuable patronage and co-operation received and goodwill enjoyed by the Company from its esteemed customers, commercial associates, banks, financial institutions, Government Authorities, other stakeholders and the media.

Your Directors also wish to place on record their deep sense of appreciation to all the employees at all levels for their commendable teamwork, professionalism and enthusiastic contribution towards the working of the Company during the year under review.

Your Directors look forward to the future with hope and conviction.

**For and on behalf of the Board of Directors**

Place : Kolkata  
Date : 27th May, 2016

**Varun Agrawal**  
*Managing Director*  
DIN: 00441271

**Mrinal Kanti Pal**  
*Director*  
DIN: 00867865

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on financial year ended 31.03.2016

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

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	:	U27101WB2001PLC138341
(ii)	Registration Date	:	7th June, 2001
(iii)	Name of the Company	:	MANAKSIA STEELS LIMITED
(iv)	Category/Sub-Category of the Company	:	Public Company Limited by Shares/Indian Non-Govt. Co.
(v)	Address of the Registered office and contact details	:	Bikaner Building, 3rd Floor 8/1, Lal Bazar Street, Kolkata – 700 001 Tel : +91-33-2231 0050 Fax : +91-33-2230 0336
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	:	Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor Room No. 5, Kolkata – 700 020 Tel : +91-33-2289 0540 Fax : +91-33-2289 0539

**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 :

Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	HOT/COLD ROLLED PRODUCTS OF STEEL	24105	53.18%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Not Applicable****IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% 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	41255940	–	41255940	62.953	42543440	–	42543440	64.918	1.965
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1)</b>	<b>41255940</b>	<b>0</b>	<b>41255940</b>	<b>62.953</b>	<b>42543440</b>	<b>0</b>	<b>42543440</b>	<b>64.918</b>	<b>1.965</b>



Category of Shareholders		No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	<b>Foreign</b>									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	
	b) Others - Individuals	-	-	-	-	-	-	-	-	
	c) Bodies Corp.	-	-	-	-	-	-	-	-	
	d) Banks / FI	-	-	-	-	-	-	-	-	
	e) Any other	-	-	-	-	-	-	-	-	
	<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	
	<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>41255940</b>	-	<b>41255940</b>	<b>62.953</b>	<b>42543440</b>	-	<b>42543440</b>	<b>64.918</b>	<b>1.965</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	<b>Institutions</b>									
	a) Mutual Funds	-	-	-	-	-	-	-	-	
	b) Banks/FI	19208	-	19208	0.029	19208	-	19208	0.029	
	c) Central Govt	-	-	-	-	-	-	-	-	
	d) State Govt(s)	-	-	-	-	-	-	-	-	
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	
	f) Insurance Companies	-	-	-	-	-	-	-	-	
	g) FIs	62290	-	62290	0.095	33983	-	33983	0.052	(0.043)
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
	i) Others (specify)	-	-	-	-	-	-	-	-	
	<b>Sub-total (B)(1)</b>	<b>81498</b>	-	<b>81498</b>	<b>0.124</b>	<b>53191</b>	-	<b>53191</b>	<b>0.081</b>	<b>(0.043)</b>
2.	<b>Non-Institutions</b>									
	a) Bodies Corp									
	i) Indian	17292833	-	17292833	26.388	15696446	-	15696446	23.952	(2.436)
	ii) Overseas	-	-	-	-	-	-	-	-	
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to ₹ 1 lacs	5809646	1313	5810959	8.867	5933054	1406	5934460	9.056	0.189
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lacs	979500	-	979500	1.495	1200313	-	1200313	1.832	0.337
	c) Others (specify)									
	Non Resident Indians (Rep)	33703	-	33703	0.051	37491	-	37491	0.057	0.006
	Non Resident Indians (Non-Rep)	13514	-	13514	0.021	28115	-	28115	0.043	0.022
	Clearing Members	66103	-	66103	0.102	40594	-	40594	0.062	0.039
	<b>Sub-total (B)(2)</b>	<b>24195299</b>	<b>1313</b>	<b>24196612</b>	<b>36.924</b>	<b>22936013</b>	<b>1406</b>	<b>22937419</b>	<b>35.000</b>	<b>(1.924)</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>24276797</b>	<b>1313</b>	<b>24278110</b>	<b>37.048</b>	<b>22989204</b>	<b>1406</b>	<b>22990610</b>	<b>35.082</b>	<b>(1.965)</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	
	<b>Grand Total (A+B+C)</b>	<b>65532737</b>	<b>1313</b>	<b>65534050</b>	<b>100</b>	<b>65532644</b>	<b>1406</b>	<b>65534050</b>	<b>100</b>	-

**(B) Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Basudeo Agrawal	9500115	14.496	–	–	–	–	(14.496)
2.	Suresh Kumar Agrawal	9402740	14.348	–	12350360	18.846	–	4.498
3.	Mahabir Prasad Agrawal	5448245	8.314	–	–	–	–	(8.314)
4.	Varun Agrawal	2766930	4.222	–	12610770	19.243	–	15.021
5.	Vineet Agrawal	2416245	3.687	–	–	–	–	(3.687)
6.	Karan Agarwal	1797185	2.742	–	–	–	–	(2.742)
7.	Sunil Kumar Agrawal	1616060	2.466	–	–	–	–	(2.466)
8.	Shobha Devi Agrawal	1305560	1.992	–	–	–	–	(1.992)
9.	Chandrakala Agrawal	1244810	1.899	–	10744810	16.396	–	14.497
10.	Sushil Kumar Agrawal	852875	1.301	–	–	–	–	(1.301)
11.	Shailaja Agrawal	497810	0.760	–	–	–	–	(0.760)
12.	Manju Agrawal	487125	0.743	–	–	–	–	(0.743)
13.	Kanta Devi Agrawal	482060	0.736	–	–	–	–	(0.736)
14.	Basudeo Agrawal (HUF)	464060	0.708	–	–	–	–	(0.708)
15.	Mahabir Prasad Agrawal (HUF)	464060	0.708	–	–	–	–	(0.708)
16.	Sunil Kumar Agrawal (HUF)	393750	0.601	–	–	–	–	(0.601)
17.	Anirudha Agrawal	1374560	2.097	–	–	–	–	(2.097)
18.	Sushil Kumar Agrawal (HUF)	338250	0.516	–	–	–	–	(0.516)
19.	Suresh Kumar Agrawal (HUF)	337500	0.515	–	337500	0.515	–	–
20.	Anuradha Agrawal	66000	0.101	–	–	–	–	(0.101)
21.	Payal Agrawal	–	–	–	6500000	9.918	–	9.918

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

Sl No	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company
1	Basudeo Agrawal	9500115	14.496	01.04.2015		9566115	14.597
				27.06.2015	66000 *	13287920	20.276
				14.07.2015	3721805 *	–	–
2	Suresh Kumar Agrawal	9402740	14.348	01.04.2015		11062860	16.881
				16.10.2015	1660120 *	12012860	18.331
				16.02.2016	950000**	12062860	18.407
				23.02.2016	50000**	12140360	18.525
				24.02.2016	77500**	12250360	18.693
				25.02.2016	110000**	12350360	18.846
				26.02.2016	100000**	12350360	18.846
31.03.2016		–	–				
3	Mahabir Prasad Agrawal	5448245	8.314	01.04.2015		12555920	19.159
				14.07.2015	7107675*	–	–
				22.07.2015	(12555920)*	–	–

Sl No	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company
4	Varun Agrawal	2766930	4.222	01.04.2015 22.07.2015 31.03.2016	22843840 * (13000000) *	25610770 12610770	39.080 19.243
5	Vineet Agrawal	2416245	3.687	01.04.2015 14.07.2015	(2416245)*	-	-
6	Karan Agrawal	1797185	2.742	01.04.2015 04.07.2015	(1797185)*	-	-
7	Sunil Kumar Agrawal	1616060	2.466	01.04.2015 04.07.2015 14.07.2015	1861685* (3477745)*	3477745 -	5.307 -
8	Shobha Devi Agrawal	1305560	1.992	01.04.2015 14.07.2015	(1305560)*	-	-
9	Chandrakala Agrawal	1244810	1.899	01.04.2015 22.07.2015 31.03.2016	3000000* 6500000*	4244810 10744810	6.477 16.396
10	Sushil Kumar Agrawal	852875	1.301	01.04.2015 04.07.2015 14.07.2015	2294995* (3147870)*	3147870 -	4.803 -
11	Shailaja Agrawal	497810	0.760	01.04.2015 04.07.2015	(497810)*	-	-
12	Manju Agrawal	487125	0.743	01.04.2015 04.07.2015	(487125)*	-	-
13	Kanta Devi Agrawal	482060	0.736	01.04.2015 14.07.2015	(482060)*	-	-
14	Basudeo Agrawal (HUF)	464060	0.708	01.04.2015 16.10.2015	(464060)*	-	-
15	Mahabir Prasad Agrawal (HUF)	464060	0.708	01.04.2015 16.10.2015	(464060)*	-	-
16	Sunil Kumar Agrawal (HUF)	393750	0.601	01.04.2015 16.10.2015	(393750)*	-	-
17	Anirudha Agrawal	1374560	2.097	01.04.2015 04.07.2015	(1374560)*	-	-
18	Sushil Kumar Agrawal (HUF)	338250	0.516	01.04.2015 16.10.2015	(338250)*	-	-
19	Suresh Kumar Agrawal (HUF)	337500	0.515	01.04.2015 31.03.2016	-	337500	0.515
20	Anuradha Agrawal	66000	0.101	01.04.2015 04.07.2015	(66000)*	-	-
21	Payal Agrawal	-	-	01.04.2015 31.03.2016	6500000*	6500000	9.918

\*Inter-se Transfer of Shares

\*\*Creeping Acquisition through Market

**(D) Shareholding Pattern of top ten Shareholders :**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
1	Accolade Traders Private Limited	3264875	4.982	01.04.2015 31.03.2016	-	3264875	4.982
2	Attractive Vinimay Private Limited	1816250	2.771	01.04.2015 31.03.2016	-	1816250	2.771
3	Kalitara Glass Moulding Works Private Limited	1913658	2.920	01.04.2015 31.03.2016	-	1913658	2.920
4	Palash Machineries Private Limited	1514155	2.310	01.04.2015 31.03.2016	-	1514155	2.310
5	Aradhana Properties Private Limited	1467000	2.239	01.04.2015 31.03.2016	-	1467000	2.239
6	B B Constructions Limited	1026250	1.566	01.04.2015 31.03.2016	-	1026250	1.566
7	Globe Capital Market Limited	1184358	1.807	01.04.2015 10.04.2015 01.05.2015 15.05.2015 22.05.2015 29.05.2015 30.06.2015 04.09.2015 25.09.2015 13.11.2015 27.11.2015 22.01.2016 31.03.2016	16279* 10000* 24170* 20000* 25322* 29805* 10228* (136)* (1000)* (760)* (1000)* (1853)*	1200637 1210637 1234807 1254807 1280129 1309934 1320162 1320026 1319026 1318266 1317266 1315413	1.832 1.847 1.884 1.915 1.953 1.999 2.014 2.014 2.013 2.012 2.010 2.007
8	SAK Dealers Private Limited	600000	0.916	01.04.2015 03.07.2015	(600000)*	-	-
9	Mrs. Sudha Gupta	375000	0.572	01.04.2015 31.03.2016	-	375000	0.572
10	N B Dealers Private Limited	350000	0.532	01.04.2015 31.03.2016	(350000)*	-	-
11	Stuti Hardware Private Limited			03.07.2015 (entered in top 10) 19.02.2016 (ceased to be in top 10)	950000* (950000)*	950000 -	1.449
12	Consortium Capital Pvt. Ltd.			03.07.2015 (entered in top 10) 07.08.2015 (ceased to be in top 10) 25.09.2015 (entered in top 10) 30.09.2015 (ceased to be in top 10)	310000* - - (310000)*	310000 310000 310000 -	0.473 0.473 0.473 -

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
13	Aristo Capital Markets Limited			07.08.2015 (entered in top 10)	173034*	358022	0.546
				14.08.2015	29936*	387958	0.592
				25.09.2015 (ceased to be in top 10)	(328232)*	59726	0.091
14	Welquin Suppliers Pvt. Ltd.			30.09.2015 (entered in top 10)	310000*	316000	0.482
15	Fendra Infrastructure Pvt. Ltd.			19.02.2016 (entered in top 10)	-	235000	0.359
				26.02.2016 (ceased to be in top 10)	(235000)*	-	-
16	Linton Consultants Pvt Ltd			19.02.2016 (entered in top 10)	-	231088	0.353

\*Shares Transfer

**Note :** The above information is based on the weekly beneficiary position received from the Depositories.**(E) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
<b>DIRECTORS</b>							
1	Mr Ajay Kumar Chakraborty	-	-	01.04.2015 31.03.2016	-	-	-
2	Dr Kali Kumar Chaudhuri	-	-	01.04.2015 31.03.2016	-	-	-
3	Mr Mrinal Kanti Pal	396	0.001	01.04.2015 31.03.2016		396	0.001
4	Mrs Smita Khaitan	-	-	01.04.2015 31.03.2016	-	-	-
5	Mr Suresh Kumar Agrawal	9402740	14.348	01.04.2015			
				16.10.2015	1660120 *	11062860	16.881
				16.02.2016	950000**	12012860	18.331
				23.02.2016	50000**	12062860	18.407
				24.02.2016	77500**	12140360	18.525
				25.02.2016	110000**	12250360	18.693
				26.02.2016	100000**	12350360	18.846
31.03.2016	-	12350360	18.846				
6	Mr Varun Agrawal	2766930	4.222	01.04.2015			
				22.07.2015	22843840*	25610770	39.080
				31.03.2016	(13000000)*	12610770	19.243

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
7	Mr Vineet Agrawal	2416245	3.687	01.04.2015 14.07.2015	(2416245)*	-	-
<b>KEY MANAGERIAL PERSONNEL</b>							
1	Ajay Sharma	20	-	01.04.2015 31.03.2016	-	20	-
2	Rajesh Singhania	2	-	01.04.2015 31.03.2016	-	2	-

\* Inter-se Transfer of Shares

\*\* Creeping Acquisition through Market

**(F) INDEBTEDNESS**

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

(₹ in Lacs)

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	4465.78	-	-	4465.78
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	5.75	-	-	5.75
<b>Total (i+ii+iii)</b>		<b>4471.53</b>	<b>-</b>	<b>-</b>	<b>4471.53</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition		929.57	-	-	929.57
* Reduction		-	-	-	-
<b>Net Change</b>		<b>929.57</b>	<b>-</b>	<b>-</b>	<b>929.57</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	5386.91	-	-	5386.91
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	14.19	-	-	14.19
<b>Total (i+ii+iii)</b>		<b>5401.10</b>	<b>-</b>	<b>-</b>	<b>5401.10</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Managing Director	Whole Time Director	Managing Director	
		Suresh Kumar Agrawal	Varun Agrawal	Varun Agrawal	
		(01.04.2015 – 10.02.2016)	(01.04.2015-10.02.2016)	(11.02.2016-31.03.2016)	
1.	Gross salary				
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	21.72	34.55	7.45	63.72
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profit in lieu of salary under Section 17(3) of the 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>21.72</b>	<b>34.55</b>	<b>7.45</b>	<b>63.72</b>
	Ceiling as per the Act*	<b>108.95</b>	<b>108.95</b>	<b>11.05</b>	<b>228.95</b>

\* The Ceiling as per the Act has been calculated as per Schedule V for the proportionate period of appointment.

## B. Remuneration to other directors

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	<b>Ajay Kumar Chakraborty</b>	<b>Dr Kali Kumar Chaudhuri</b>	<b>Smita Khaitan</b>	
	Fee for attending board / committee meetings	0.13	0.14	0.15	0.42
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.13</b>	<b>0.14</b>	<b>0.15</b>	<b>0.42</b>
2.	<b>Other Non-Executive Directors</b>	<b>Vineet Agrawal</b>	<b>Mrinal Kanti Pal</b>		
	Fee for attending board / committee meetings	0.08	0.05	-	0.13
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>0.08</b>	<b>0.05</b>	<b>-</b>	<b>0.13</b>
	<b>Total (B)=(1+2)</b>				<b>0.55</b>
	<b>Total Managerial Remuneration*</b>				<b>64.27</b>
	<b>Overall Ceiling as per the Act</b>				<b>228.95</b>

\* Total Remuneration to Managing Director, Whole Time Director &amp; other Directors (being the total of A &amp; B).

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CS	CFO	
		Ajay Sharma (01.04.2015 - 31.03.2016)	Rajesh Singhania (01.04.2015 - 31.03.2016)	
1.	Gross salary	3.47	9.86	13.33
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>3.47</b>	<b>9.86</b>	<b>13.33</b>

## VI. 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)
<b>A. COMPANY</b>					
Penalty			- NONE -		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			- NONE -		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			- NONE -		
Punishment					
Compounding					



## CORPORATE GOVERNANCE REPORT

As required under Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") the details of compliance by the Company with the norms of Corporate Governance are as under:

### Philosophy of the Company on Corporate Governance :

The Company's philosophy on Corporate Governance is to ensure adoption of high standard of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and Compliance with regulatory guidelines on governance. The Company has adopted the principles of good Corporate Governance and is committed to adopt, best relevant practices for governance to achieve the highest levels of transparency and accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. As such, the Company aims at always remaining progressive, competent and trustworthy, creating and enhancing value of stakeholders and customers to their complete satisfaction. The Company continues to focus its resources, strengths and strategies to achieve the core values of Quality, Trust, Leadership and Excellence.

The Company is in compliance with all the requirements of the Corporate Governance code as stipulated in Part C of the Schedule V of the SEBI Listing Regulations.

### BOARD OF DIRECTORS

#### Composition of the Board :

As on 31st March, 2016, the Board of Directors of the Company comprised of 7 (Seven) Directors, of whom 3 (Three) are Independent Directors including the Chairman, 1 (One) is Executive Director and 3 (Three) are Non-Executive Directors. The composition of the Board of Directors is in conformity with Companies Act, 2013 (hereinafter referred to as "Act") and Listing Regulations. The Board of Directors of the Company has a woman director. The details of directorships held in Indian public companies and Chairmanship and/or Membership of the Committees held as on 31st March, 2016 by each Director in other Companies are as under:

Name and DIN of the Directors	Category	* No. of Directorship(s) held in Indian Public Companies (including this Company)		# No. of Committee(s) of which he/she is a Member/ Chairman (including this Company)	
		Chairman	Director	Chairman	Member
Mr. Ajay Kumar Chakraborty DIN : 00133604	NEI/ Chairman	4	6	5	6
Dr. Kali Kumar Chaudhuri DIN : 00206157	NEI	None	6	4	9
Mr. Mrinal Kanti Pal DIN : 00867865	NE	None	2	None	None
Mrs Smita Khaitan DIN : 01116869	NEI	None	5	2	7
Mr. Suresh Kumar Agrawal ** DIN : 00520769	PD/NE	None	3	None	3
Mr. Varun Agrawal *** DIN : 00441271	PD/ED/MD	None	2	None	1
Mr. Vineet Agrawal DIN : 00441223	PD/NE	None	7	None	2

PD : Promoter Director; MD: Managing Director; NEI: Non Executive Independent Director; NE: Non Executive Director; WTD: Whole Time Director; ED: Executive Director.

\* Number of Directorship includes Chairmanship.

\*\* Change in Designation from Managing Director to Non-Executive Director w.e.f 11th February, 2016.

\*\*\* Change in Designation from Whole-time Director to Managing Director w.e.f 11th February, 2016

# Number of Membership includes Chairmanship.

The above mentioned directorships exclude directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

As mandated by Regulation 26(1) of the Listing Regulations, none of the Directors on the Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees, across all the public limited companies in which he/she is a Director. For assessment of

these criteria, the limit under Regulation 26 (1), the membership / chairmanship of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered. In compliance with Regulation 25(1) of the Listing Regulations, the Directors on the Board of the Company does not serve as Independent Directors in more than 7 (Seven) listed Companies.

Mr Suresh Kumar Agrawal and Mr. Varun Agrawal are relatives within the meaning of section 2(77) of the Act.

The number of Shares held by Non-Executive Directors as on 31.03.2016 is as follows :

Name of Non-Executive Directors	No. of Shares Held
Mr Suresh Kumar Agrawal	1,23,50,360
Mr Vineet Agrawal	Nil
Mr Mrinal Kanti Pal	396

### Independent Directors

The Company has appointed Independent Directors and a woman director on its Board for a term of Five years w.e.f. 17th November, 2014. The Company ensured that the persons, who have been appointed as Independent Directors of the Company, have the requisite qualifications and experience which they would continue to contribute and would be beneficial to the Company. In terms of requirement of Section 149(7) of the Companies Act, 2013 read with rules made thereunder and Listing Regulations, all Independent Directors have given declaration in the Board meeting held on 27th May, 2016 that they meet the criteria of independence as stated in Section 149(6) of the Act, and Regulation 16(1)(b) of the Listing Regulations.

### Formal letter of Appointment

A formal letter of appointment to Independent Directors has been issued at the time of appointment. The terms and conditions of their appointment is disclosed on the website of the Company, [www.manaksia.com](http://www.manaksia.com)

### Performance Evaluation of Independent Directors

The Board of Directors of the Company pursuant to the requirement of provisions of the Act and Listing Regulations and on recommendation of Nomination & Remuneration Committee has formed a questionnaire format setting the criteria for evaluation which inter-alia includes appropriate assistance in implementing corporate governance practices, participating actively in collective decision making, analysing the options for action and working towards consensus, their specific roles and responsibilities to be fulfilled as an Independent Director. Performance evaluation of Independent Directors was done by the entire Board of Directors excluding the director being evaluated. On the basis of that evaluation the performance of the Independent Directors has been found satisfactory and the Board of Directors were of the view that the performance of the Independent Directors is beneficial for the Company.

### Seperate Meeting of the Independent Directors

During the Financial Year 2015-16, as per the requirement of Schedule IV of the Companies Act, 2013 and the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on 8th November, 2015 without the presence of the Non-Independent Directors and the members of the management, to discuss the following :

- a. Performance of Non-Independent Directors and the Board as a whole;
- b. Performance of the Chairman of the Company;
- c. To assess the quality, quantity and timeliness of flow of information.

All the Independent Directors were present throughout the meeting. They expressed their satisfaction about effective strategy, performance management and towards the best practices in governance and compliance. They also expressed their satisfaction towards transparency and the freedom to express views on the business transacted at the meetings and the openness with which the management discuss various subject matters on the agenda of the meeting.

### Familiarization Programme for the Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter-alia explains their roles, functions, duties and responsibilities as the Director of the Company. The Director is also explained in detail the compliance to be made by him/her under the Act, Listing Regulations and other relevant regulations and affirmation taken with respect to the same. The Managing Director of the Company also have one to one discussion with the newly appointed Director to familiarise him/her with the Company's operations.

During the financial year 2015-16, no new Independent Director was appointed on the Board of the Company. However, on an ongoing basis as a part of Agenda of Board/Committee Meetings Independent Directors regularly discuss on various matters inter-alia covering the Company's businesses & operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters (familiarization programme). Familiarization programme for Independent Directors is provided at the following weblink: <http://www.manaksia.com/management-team-manaksia-steels.php>

**Board Agenda :**

The meetings of the Board are governed by a structured agenda. The Agenda for the Board Meeting covers items set out as per the requirements of the Act and Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information and documents to enable the Board to take informed decisions. The Board members in consultation with the Chairman may bring upon other matters for consideration at the Board Meeting. Members of the Senior Management are occasionally present in the meeting as a special invitee, as and when required. The Notice and Agenda of each Board Meeting is given in advance to all the Directors.

**Information placed before the Board**

Necessary information as required under statute and as per the guidelines on Corporate Governance are placed before the Board, from time to time. The Board periodically reviews compliances of various laws applicable to the Company and the items required to be placed before it. Draft minutes are circulated amongst the Directors for their comments within the period stipulated in the Secretarial Standards. The minutes of the proceedings of the meetings are entered in the Minutes Book and thereafter signed by the Chairman.

**Number of Board Meetings held and attended by Directors**

During the financial year 2015-16, 5 (Five) meetings of the Board of Directors were held and gap between any two consecutive meetings did not exceed 120 days. No resolutions were passed through circulation during the financial year under review. The dates on which the Board meetings were held are 15th May, 2015, 3rd August, 2015, 12th August, 2015, 7th November, 2015 and 10th February, 2016. The attendance record of each of the directors at the Board Meetings held during the year ended 31st March, 2016 and of the last Annual General Meeting is as under:

Name of Directors	No. of Board Meetings during the year 2015-16		Attendance at the last AGM held on 25th September, 2015
	Held	Attended	Yes/No
Mr. Ajay Kumar Chakraborty	5	5	Yes
Dr. Kali Kumar Chaudhuri	5	3	Yes
Mr. Mrinal Kanti Pal	5	5	Yes
Mrs. Smita Khaitan	5	5	Yes
Mr. Suresh Kumar Agrawal	5	5	Yes
Mr. Varun Agrawal	5	4	Yes
Mr. Vineet Agrawal	5	4	Yes

**Code of Conduct**

The Company has adopted "Code of Conduct" for Board Members and Senior Management of the Company. The code anchors ethical and legal behaviour within the organisation. The Code is available on the Company's website, '[www.manaksia.com](http://www.manaksia.com)'.

All Board members and senior management executives have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of the Report.

Pursuant to the provisions of Section 149(8) of the Act, the Independent Directors shall abide by the provisions specified in Schedule IV to the Act, which laid down a code for Independent Directors. The said Schedule forms part of the appointment letter of the Independent Director, which has been placed on the website of the Company.

**WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy of the Company is available on the Company's website, '[www.manaksia.com](http://www.manaksia.com)'.

**BOARD COMMITTEES**

The Board of Directors of the Company play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. Manaksia Steels Limited has four Board level committees :

- (a) Audit Committee
- (b) Nomination & Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms and reference for members of various committees. The minutes of all the Board and Committee meetings are placed before the Board and noted by the Directors present at the meetings. The role and composition of the Committees including the number of meeting(s) held and the related attendance during financial year 2015-16 are as follows :

#### **AUDIT COMMITTEE**

The Company has in place a qualified and Independent Audit Committee. The terms of reference of the Audit Committee includes the powers as laid down in Regulation 18(2)(c) and role as stipulated in Regulation 18(3) of the Listing Regulations read with Section 177 of the Act. The Audit Committee also reviews the information as per the requirement of Regulation 18(3) of the Listing Regulations read with Section 177 of the Act.

The brief description of terms of reference of the Audit Committee includes the following :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information :

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### Composition

The composition of the Audit Committee is in accordance with the requirement of Regulation 18 of the Listing Regulations and Section 177 of the Act. All members of the Audit Committee have the ability to read and understand the financial statement.

As on 31st March, 2016, the Committee comprised of 3 (Three) Independent Directors and 1 (One) Non-Executive Director. The Chairman of the Committee is an Independent Director. The composition consists of Mr. Ajay Kumar Chakraborty (Chairman of the Committee), Dr. Kali Kumar Chaudhuri, Mrs. Smita Khaitan and Mr. Suresh Kumar Agrawal are members of the Committee. The Company Secretary, Mr. Ajay Sharma acts as Secretary to the Committee.

The Audit Committee meetings are also attended by Chief Financial Officer (CFO), representatives of Statutory Auditors, representatives of Internal Auditors and Senior Executives of the Company, if required.

#### Meetings and Attendance

Four Audit Committee meetings were held during the financial year 2015-16. The dates on which the Audit Committee meetings were held are 15th May, 2015, 12th August, 2015, 7th November, 2015 and 10th February, 2016. The details of attendance of members are as under :

Name of the Member	No. of meetings during the year 2015-16	
	Held	Attended
Mr. Ajay Kumar Chakraborty	4	4
Dr. Kali Kumar Chaudhuri	4	3
Mrs. Smita Khaitan	4	4
Mr. Suresh Kumar Agrawal	4	4

#### NOMINATION & REMUNERATION COMMITTEE

Pursuant to the requirement of provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations the Company has in place the Nomination & Remuneration Committee. The terms of reference, inter-alia, includes the following :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### Composition

As on 31st March, 2016, the Committee comprised of 3 (Three) Independent Directors and 1 (One) Non-Executive Director. The Chairman of the Committee is an Independent Director. Dr. Kali Kumar Chaudhuri (Chairman), Mr. Ajay Kumar Chakraborty, Mrs. Smita Khaitan and Mr. Vineet Agrawal are members of the Committee. The Company Secretary, Mr Ajay Sharma acts as Secretary to the Committee.

The composition of the Committee is in line with the requirement given in Section 178 of the Act and Regulation 19 of the Listing Regulations.

### Meetings and Attendance

Three Nomination & Remuneration Committee meetings were held during the year. The dates on which the Nomination & Remuneration Committee meetings were held are 15th May, 2015, 3rd August, 2015 and 10th February, 2016. The details of attendance of members are as under :

Name of the Member	No. of meetings during the year 2015-16	
	Held	Attended
Dr. Kali Kumar Chaudhuri	3	2
Mr. Ajay Kumar Chakraborty	3	3
Mrs. Smita Khaitan	3	3
Mr. Vineet Agrawal	3	2

### Performance evaluation criteria for Independent Directors

Details of the performance evaluation criteria for Independent Directors of the Company is provided in the Directors' Report forming part of the Annual Report of the Company.

### Remuneration Policy

The payment of remuneration to Managing Director/Whole time Director is in accordance with the approval of the shareholders in the Annual General Meeting of the Company held on 25th September, 2015. The Managing Director has been appointed for a period of 3 (Three) years with effect from 23rd November, 2014. The Whole Time Director has been appointed for a period of 3 (Three) years with effect from 17th November, 2014. The Agreement with the Managing Director/Whole-time Director may be terminated at any time by either party by giving not less than three months notice in writing. The Agreement does not provide for payment of any severance fees. The Remuneration Policy of the Company forms part of the Directors Report. The Directors are not entitled to any other benefits, bonuses, pension etc. and are also not entitled to performance linked incentives. The Company does not have any Employee Stock Option Scheme.

The Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof as per the prescribed limit. The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees is ₹ 1000/- per meeting. The remuneration paid to the Executive Directors is within the limits approved by the Shareholders of the Company.

### Details of Remuneration paid to Executive Directors

Name of the Director	Salary & Perquisites (₹ in Lacs)	Sitting Fees (₹ in Lacs)
Mr. Suresh Kumar Agrawal*	21.72	-
Mr. Varun Agrawal*	42.00	-

\* Change in designation w.e.f. 11th February, 2016

The agreements entered into with the Managing Director/Whole Time Director(s) are for a period of 3 (Three) years from the respective dates of appointment/re-appointment.

### Details of Sitting Fees paid to Non-Executive Directors

During the year, the Company has not made any payments to Non-Executive Directors except sitting fees as detailed hereunder :

Name of the Director	Sitting Fees (₹ in Lacs)
Mr. Ajay Kumar Chakraborty	0.13
Dr. Kali Kumar Chaudhuri	0.14
Mr. Mrinal Kanti Pal	0.05
Mrs. Smita Khaitan	0.15
Mr. Vineet Agrawal	0.08

There was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, which may affect the independence of the Directors.

The criteria for making payment to Non-Executive Directors is part of the Remuneration Policy which is disclosed on the website of the Company [www.manaksia.com](http://www.manaksia.com) and weblink thereto is [http://www.manaksia.com/corp\\_policy\\_steels.php](http://www.manaksia.com/corp_policy_steels.php)

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations the Company has in place the Stakeholders Relationship Committee. The terms of reference of the Committee inter-alia includes the following :

1. Redressal of shareholder and investor complaints like transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends, interests etc;
2. Reference to statutory and regulatory authorities regarding investor grievances;
3. To ensure proper and timely attendance and redressal of investor queries and grievances;
4. Oversee the performance of Registrar and Share Transfer Agent;
5. To approve the request for transfer, transmission, etc. of shares;
6. To approve the dematerialization of shares and rematerialisation of shares, splitting and consolidation of Equity Shares and other securities issued by the Company;
7. Review of cases for refusal of transfer / transmission of shares and/or any other securities as may be issued by the Company from time to time, if any;
8. To review from time to time overall working of the secretarial department of the Company;
9. Relating to the shares of our Company and functioning of the share transfer agent and other related matters.
10. To consider and approve issue of duplicate / split / consolidated share certificates;
11. To issue duplicate certificates and new certificates on split/consolidation/renewal etc.;
12. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by the committee.

#### Composition

As on 31st March, 2016, the Committee comprised of 1 (One) Independent Director, 1 (One) Executive Director and 1 (One) Non-Executive Director. Dr. Kali Kumar Chaudhuri (Chairman), Mr Varun Agrawal and Mr Suresh Kumar Agrawal are members of the Committee. Mr Ajay Sharma, Company Secretary of the Company acts as Secretary to the Committee.

#### Meetings and Attendance

Two Stakeholders Relationship Committee meetings were held during the year. The dates on which the Stakeholders Relationship Committee meetings were held are 15th May, 2015 and 10th February, 2016. The details of attendance of members are as under :

Name of the Member	No. of meetings during the year 2015-16	
	Held	Attended
Dr. Kali Kumar Chaudhuri	2	2
Mr. Suresh Kumar Agrawal	2	2
Mr. Varun Agrawal	2	2

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company in its meeting held on 10th February, 2016 has formulated a Corporate Social Responsibility Committee pursuant to the requirement of Section 135 of the Companies Act, 2013. The Committee comprised of 1 (One) Independent Director and 2 (Two) Non-Executive Directors. The terms of reference of the committee is in compliance with the requirements of the Act and rules made thereunder.

Mr Suresh Kumar Agrawal (Chairman), Dr Kali Kumar Chaudhuri and Mr Vineet Agrawal are members of the Committee.

**Meeting and Attendance**

One Corporate Social Responsibility Committee meeting was held on 10th February, 2016. The details of attendance of members are as under :

Name of the Member	No. of meetings during the year 2015-16	
	Held	Attended
Mr. Suresh Kumar Agrawal	1	1
Dr. Kali Kumar Chaudhuri	1	1
Mr. Vineet Agrawal	1	1

**Investor's Complaints**

Details of Investors Complaints received and redressed during the Financial Year 2015-16 :

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	8	8	Nil

It is the endeavour of the Company to attend investors' complaints and other correspondence within 15 days except where constrained by disputes or legal impediments. In terms of SEBI circular the Company has obtained necessary SCORES (SEBI Complaints Redressal System) authentication. This has facilitated the investors to view online status of the action taken against the complaints made by logging on to SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in). Mr Ajay Sharma, Company Secretary of the Company has been designated as Compliance Officer for speedy redressal of the Investor complaints. As on date of the Report, the Company affirms that no shareholder's complaint was lying pending under SCORES.

**GENERAL BODY MEETINGS****(A) Annual General Meetings :**

The location and time of last three AGMs held are as under :

No.	Financial Year / Time	Date	Venue	No. of Special Resolutions passed
14th AGM	2014-15 10.00 A.M	25.09.2015	Bhasha Bhawan, National Library Auditorium Near Alipore Zoo, Belvedere Road, Kolkata- 700 027	4
13th AGM	2013-14 1.30 P.M	10.09.2014	Bikaner Building, 8/1, Lal Bazar Street, 3rd Floor, Kolkata - 700 001	4
12th AGM	2012-13 11.30 A.M	30.09.2013	– Do –	–

**(B) Extra-Ordinary General Meeting**

During the financial year 2015-16, no Extra-Ordinary General Meeting of the Company was held.

**(C) Special resolution through Postal Ballot**

No Special Resolution was passed through the postal ballot during financial year 2015-16. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution through postal ballot.

**(D) Procedure for Postal Ballot**

Prescribed procedure under the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, shall be complied as and when necessary.

**SECRETARIAL AUDIT REPORT**

The Company has undertaken Secretarial Audit for the financial year 2015-16 which, inter-alia, includes audit of compliance with the Companies Act, 2013 and the Rules made thereunder, the revised Listing Agreement, Listing Regulations and Guidelines prescribed by the Securities and Exchange Board of India, Foreign Exchange Management Act, 1999 and other applicable laws, if any. The Secretarial Audit Report is part of this Annual Report.

**MEANS OF COMMUNICATION**

The Board of Directors of the Company approves and takes on record the quarterly, half-yearly and yearly financial results in the proforma



prescribed under Regulation 33 of the Listing Regulations.

The Company sends such approved financial results to the BSE Limited and National Stock Exchange of India Limited. These results are also been published in leading newspapers like Financial Express/Business Standard (English) and Ek Din/Dainik Statesman (Bengali), etc.

The financial results and the official news releases of the Company are displayed on the website of the Company at [www.manaksia.com](http://www.manaksia.com).

The quarterly financial results are published in the press and are also posted on the website of the Company.

As mandated by the Ministry of Corporate Affairs (MCA), the Company will send Annual Report, Notices, etc to the shareholders at their email address registered with their Depository Participants and /or Company's Registrar and Share Transfer Agent. To continue its support to the GREEN INITIATIVES measures of MCA, the Company during the financial year 2015-16, through its various communications has requested shareholders to register and /or update their email address with the Company's RTA, in case shares held in physical mode and with their respective Depository Participants, in case of shares held in dematerialized mode.

The Company has not made any presentation to the institutional investors /analysts during the year.

In compliance with the requirement of the Listing Regulations, the official website of the Company contains information about its business, shareholding pattern, compliance with corporate governance, contact information of the compliance officer, etc. and the same are updated at any given point of time.

### **RISK MANAGEMENT**

The Company has a Risk Management Policy, designed to safeguard the organization from various risks through adequate and timely actions. The Company manages, monitors and reports on its risks and uncertainties that can impact its ability to achieve its objectives. The major risks have been identified by the Company and its mitigation process/measures have been formulated.

### **DISCLOSURES**

#### **Related Party Transaction**

The transactions entered into with related parties during the financial year 2015-16 were on arm's length basis and in the ordinary course of business pursuant to the provisions of Section 188 read with the Companies (Meetings of Board and its Powers) Rules, 2014. Further, there are no materially significant related party transactions during the financial year 2015-16 which may have a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and also to the Board for approval.

The Company has not entered into any material Related Party Transaction during the year. In line with the requirement of the Companies Act, 2013 and the Listing Agreement/Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website [www.manaksia.com](http://www.manaksia.com) and the weblink thereto is [http://www.manaksia.com/corp\\_policy\\_steels.php](http://www.manaksia.com/corp_policy_steels.php). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The details of the significant related party transactions have been disclosed by way of Note No. 27 of Financial Statements for the financial year 2015-16.

#### **Details of Non Compliance by the Company**

The Company has complied with all the requirements of regulatory authorities. There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority during the last three years.

#### **Compliance with Mandatory Requirements**

The Company has complied with all applicable mandatory requirements of Clause 49 of the Listing Agreement and Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

#### **Accounting Treatment**

In preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI).

## Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of this Annual Report.

### Disclosure regarding Appointment/Re-appointment of the Directors

The brief resume and other information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.

### Subsidiary

The Company does not have any subsidiaries.

### Foreign Exchange Risk

The Company does not speculate in foreign exchange. The Company's policy is to actively manage its foreign exchange risk within the framework laid down by the Company's risk management policy approved by the Board.

### Proceeds from Public Issue

During the year under review the Company has not accepted any proceeds from Public issue.

### Managing Director/ CFO Certification

The Managing Director and Chief Financial Officer of the Company have given a certificate to the Board of Directors of the Company under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2016. Pursuant to Regulation 33 of the Listing Regulations, the Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the same before the Board.

### Compliance Certificate of the Auditors

Certificate from the Company's Auditor M/s. S K Agrawal & Company confirming compliance with conditions of Corporate Governance as stipulated in the Listing Regulations is attached and forms part of the Annual Report.

### Code for Prevention of Insider Trading Practices

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Code for Prohibition of Insider Trading. The said Code prohibits the Directors, KMPs and other Connected Persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company at its meeting held on 15th May, 2015 had adopted a new Prohibition of Insider Trading code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in line with the new SEBI (Prohibition of Insider Trading) Regulations, 2015.

The details of dealing in Company's shares by Directors, Designated Persons, Officers and Connected Persons are placed before the Board at its next meeting. The Code also prescribes sanction framework and any instance of breach of code is dealt with in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the website of the Company [www.manaksia.com](http://www.manaksia.com) and the weblink thereto is [http://www.manaksia.com/corp\\_policy\\_steels.php](http://www.manaksia.com/corp_policy_steels.php).

### AFFIRMATION AND DISCLOSURE

There were no materially financial or commercial transaction, between the Company and members of the Management that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussions nor vote on such matters.

### GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting Date : }  
Time : } As mentioned in the notice convening the Annual General Meeting for the Financial Year 2015-16  
Venue : }

- b) **Financial Calendar** Financial year of the Company is from 1st April, 2016 to 31st March, 2017. The Financial results will be declared as per the following schedule :

Particulars	Schedule
Quarter ended 30th June 2016	On or before 14th August, 2016 (Tentative)
Quarter ending 30th September 2016	On or before 14th November, 2016 (Tentative)
Quarter ending 31st December 2016	On or before 14th February, 2017 (Tentative)
Annual Results of 2016-17	On or before 30th May, 2017 (Tentative)

- c) **Dates of Book Closure :** As mentioned in the notice convening the Annual General Meeting for the Financial Year 2015-16
- d) **Dividend Payment :** The Board of Directors of the Company do not recommend any dividend on Equity Shares for the year under review.
- e) **\*Listing on Stock Exchanges:**
- (i) National Stock Exchange of India Limited (NSE)  
Exchange Plaza, C-1, Block "G"  
Bandra Kurla Complex, Bandra East, Mumbai- 400051
- (ii) BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001
- \*The annual listing fees have been paid to the Stock Exchanges for the year 2016-17.
- f) **Custodial Fees to Depositories :** Annual Custody/Issuer fee for the financial year 2016-17 has been paid to NSDL and CDSL.
- g) **Unclaimed shares lying in the Demat Suspense Account :**

The Company has opened a separate demat account in the name of "Manaksia Steels Limited-Suspense Account" in order to credit the unclaimed shares of the FPO of Manaksia Limited which could not be allotted to the rightful shareholders due to insufficient/incorrect information or for any other reason. The Voting rights in respect of said shares will be frozen till the time the rightful owner claims such shares. In terms of requirement of Listing Regulations, the details of shares lying in the aforesaid demat account are as

Particulars	No. of Shares	No. of Shareholders
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 1st April, 2015.	3348	38
Number of shareholders who approached Company for transfer of shares from suspense account during the year.	63	1
Number of shareholders to whom shares were transferred from suspense account during the year.	63	1
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2016	3285	37

Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split, etc., shall also be credited to aforesaid suspense account. Shareholders who have yet not claimed their shares are requested to immediately approach the Company/Registrar and Share Transfer Agent of the Company along with documentary evidence, if any.

- h) **Stock Code :**
- |  |              |
|--|--------------|
| ISIN No.                                 | INE824Q01011 |
| National Stock Exchange of India Limited | MANAKSTEEL   |
| BSE Limited                              | 539044       |

- i) **Share Transfer System :**
- 99.99% of shares of the Company are held in electronic mode. Intimation about transfer/transmission of these shares to RTA is done through the depositories i.e. NSDL & CDSL with no involvement of the Company.
- For transfer of shares in physical mode, the transfer documents should be sent to the office of the RTA. All share transfers are completed

within the stipulated statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Stakeholders Relationship Committee has been delegated with the authority to approve transfer and/or transmissions of shares and other related matters.

The half year Compliance Certificate pursuant to Clause 47(c) of erstwhile Listing Agreement for the half year ended 30th September, 2015 and pursuant to Regulation 40 (9) of SEBI Listing Regulations for 31st March, 2016 from Practicing Company Secretary have been submitted to the Stock Exchanges within the stipulated time.

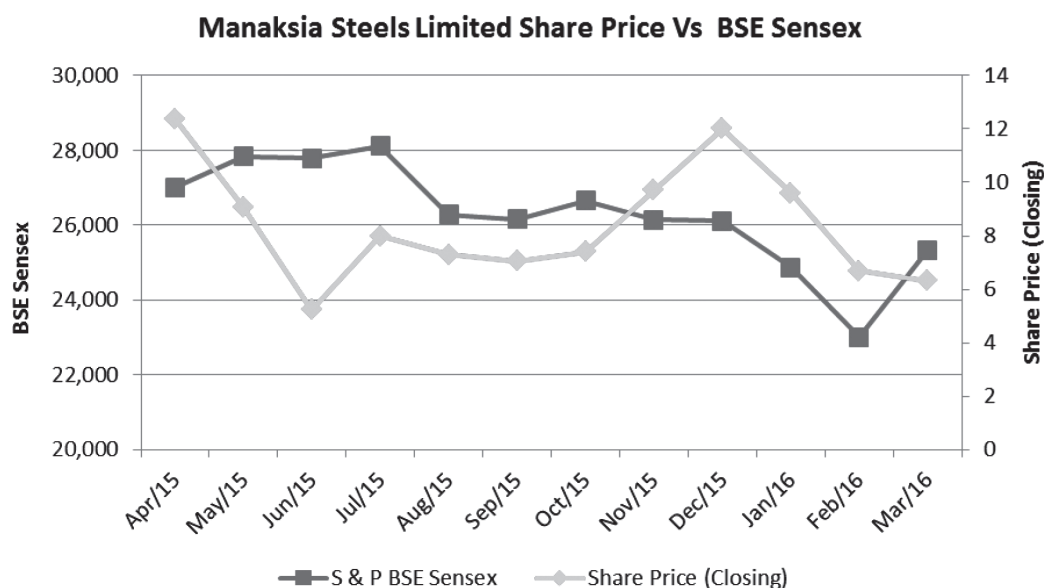
Pursuant to provisions of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 the Company has submitted Reconciliation of Share Capital Audit Report on quarterly basis to the Stock Exchanges within the stipulated time.

j) **Market Price Data**

The details of monthly high and low quotations of the equity shares of the Company traded at BSE and NSE during the financial year 2015-16 are given hereunder :

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Total Number of Shares Traded	High (₹)	Low (₹)	Total Number of Shares Traded
April, 2015	25.75	11.15	150860	18.95	11.15	253579
May, 2015	13.55	8.40	78674	12.65	8.50	191130
June, 2015	9.47	5.21	43825	9.05	5.25	106276
July, 2015	9.49	5.00	16524	9.70	5.35	258087
August, 2015	8.69	6.80	42589	8.40	6.55	115407
September, 2015	9.21	7.00	39678	10.00	7.10	141248
October, 2015	8.31	6.45	41301	8.65	7.30	119271
November, 2015	10.99	6.91	50653	10.65	6.90	104393
December, 2015	13.95	9.36	187676	13.45	9.50	263621
January, 2016	12.98	9.03	179050	12.50	9.25	178177
February, 2016	10.00	6.10	337283	10.40	6.10	161938
March, 2016	7.19	5.20	62507	7.00	5.10	124922

**Performance in comparison with BSE Sensex**



k) **Registrar and Share Transfer Agent (RTA) :**

Link Intime India Private Limited is acting as the Registrar and Share Transfer Agent of the Company.

The address of the Registrar is given hereunder :

Link Intime India Private Limited  
59C, Chowringhee Road, 3rd Floor,  
Room No. 5, Kolkata – 700 020  
Phone : +91-33-2289 0540, Fax: +91-33-2289 0539  
Contact Person : Mr. S P Guha, Email id: kolkata@linkintime.co.in

l) **Distribution of Equity Shareholding as on March 31, 2015**

No. of Equity shares held	Shareholders		Shares	
	From - To	Number	% Total Holders	Number
1 – 500	24915	94.71	2500277	3.82
501 – 1000	628	2.39	517954	0.79
1001 – 2000	336	1.28	525077	0.80
2001 – 3000	108	0.41	282511	0.43
3001 – 4000	66	0.25	237817	0.36
4001 – 5000	55	0.21	258488	0.39
5001 – 10000	75	0.29	531911	0.81
10001 – And above	123	0.47	60680015	92.60
<b>TOTAL</b>	<b>26306</b>	<b>100</b>	<b>65534050</b>	<b>100</b>

m) **Categories of Equity Shareholders as on March 31, 2016**

Sl. No.	Category	No. of Shares	% of Shareholdings
1	Promoters Group	42543440	64.92
2	Mutual Funds & UTI	Nil	Nil
3	Financial Institutions / Banks	19208	0.03
4	Central Government / State Government(s)	Nil	Nil
5	Venture Capital Fund	Nil	Nil
6	Foreign Institutional Investors	31147	0.05
7	Foreign Venture Capital Investors	Nil	Nil
8	Bodies Corporate	15696447	23.95
9	Public	7178202	10.95
10	NRI's / OCB's / Foreign National	65606	0.10
	<b>TOTAL</b>	<b>65534050</b>	<b>100</b>

The Non Promoter shareholding is in compliance with the Listing Regulations.

n) **Dematerialization of Equity Shares**

The shares of the Company are currently traded only in dematerialized form and the Company has entered into agreements with the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE824Q01011. As on 31st March 2016, 65532644 equity shares representing about 99.99% of the share capital are held in dematerialized form.

o) **Outstanding GDRs / ADRs / Warrants / Other Convertible instruments : Nil**

p) **Commodity Price Risk and Hedging Activities :**

The Company considers exposure to commodity price fluctuations to be an integral part of its business and its usual policy is to sell its products at prevailing market prices, and not to enter into price hedging arrangements. The Company's reputation for quality, products differentiation and service, coupled with existence of brand image with marketing network mitigates the impact of price risk on finished goods.

q) **Plants Locations (Manufacturing Units as on 31st March 2016)**

471, Birsinghapur, Barjora Bankura- 722 202	1, Bhuniaraichak, Jhikurkhali, Haldia Purva Mednipur, West Bengal
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- r) **Address for Correspondence :** Manaksia Steels Limited  
Bikaner Building, 3rd Floor  
8/1, Lalbazar Street, Kolkata – 700 001  
Phone No.: +91-33-2231 0050  
Fax No.: +91-33-2230 0336  
Email : investorrelmsl@manaksia.com  
Website : www.manaksia.com

**COMPLIANCE WITH THE GOVERNANCE FRAMEWORK**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations.

The Company has complied with the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

**COMPLIANCE OFFICER**

Mr Ajay Sharma, Company Secretary of the Company has been designated as Compliance officer for complying with the requirements of Securities Laws and the Listing Agreements/Listing Regulations.

**Discretionary Requirements under Regulation 27 of Listing Regulations**

The status of compliance with discretionary recommendations of Regulation 27 of the Listing Regulations is provided below :

- **Non-Executive Chairman's Office :** The Company maintains a separate office of Non-Executive Independent Chairman and provides for reimbursement of expenses incurred in performance of his duties.
- **Shareholders' Rights :** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- **Modified Opinion in Auditors Report :** The Company's financial statement for the financial year 2015-16 does not contain any modified audit opinion.
- **Separate posts of Chairman :** The position of the Chairman is held by Mr Ajay Kumar Chakraborty and of the Managing Director is held by Mr. Varun Agrawal.
- **Reporting of Internal Auditor :** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

**CERTIFICATION OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY**

This is to confirm that the Company has received declarations affirming compliance of the Code of Conduct from the persons concerned for the Financial Year ended 31st March, 2016.

Place : Kolkata  
Date : 27th May, 2016

**Varun Agrawal**  
Managing Director  
DIN : 00441271

## M.D. / CFO Certification

### The Board of Directors Manaksia Steels Limited

Dear Sirs

We have reviewed the financial statements and the cash flow statement of Manaksia Steels Limited ('the Company') for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief, we state that:

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

For Manaksia Steels Limited

**Varun Agrawal**  
(Managing Director)  
DIN: 00441271

**Rajesh Singhania**  
(Chief Financial Officer)

Place : Kolkata

Date : 27th May, 2016

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Manaksia Steels Limited**

We have examined the compliance of conditions of Corporate Governance by Manaksia Steels Limited ('the Company'), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

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

For, **S. K. Agrawal & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 306033E

**Hemant Kumar Lakhotia**  
(Partner)

Membership No.: 068851

Place : Kolkata

Date : 27th May, 2016

## Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2016**

[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,  
**Manaksia Steels Limited**  
Bikaner Building, 8/1, Lal Bazar Street,  
3rd Floor,  
Kolkata - 700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Manaksia Steels 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as per Annexure – A1, hereinafter referred to as "Books and Papers") 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 period covered by our audit, that is to say, from April 01, 2015 to March 31, 2016 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of :

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. Equity Listing Agreement with the Stock Exchange(s);
3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR");
4. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
5. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
6. 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;
7. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. 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;
8. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;
9. Laws specifically applicable to the industry to which the Company belongs: We have been intimated by the Company that no specific laws are applicable to it.

**Management Responsibility :**

1. Maintenance of secretarial records 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 the 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 or examined any books, information or statements other than Books and Papers;
4. Wherever 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 procedure on test basis;
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the recommendations below:

**Recommendations as a matter of best practice :**

Since RPTs are focal point of current scenario of corporate governance, it is recommended that the minutes in this respect should be more exhaustive with respect to basis of approval of such transactions.

Additionally, during the course of our audit, we have made certain recommendations for good corporate practices, separately placed before the Board, for its necessary consideration and implementation by the Company.

**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 number of directors liable to retire by rotation is in compliance with provision of 152 (6) of Act, 2013 which provides that 2/3rd of the total directors (except independent directors) of the Company shall be such whose period of office will be liable to determination by retirement of directors by rotation.

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, 2013.

Adequate notices were given to all directors to schedule the Board Meetings. However, detailed notes on agenda were sent to the board of directors prior to the meeting.

All decisions of the board were taken with the requisite majority and recorded as part of the minutes.

**We further report that** subject to above the company has complied with the conditions of Corporate Governance as stipulated in the Act and the Listing Agreement/Listing Regulations.

**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, the Company has not incurred any specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as below:

**Alteration of the Articles of Association**

At the Annual General Meeting held on September 25, 2015, the members of the Company had approved resolution passed under section 14 of the Act to alter the Articles of Association of the Company by insertion of Clause 32A after the existing Article 32 in its existing Articles of Association, relating to transfer of shares.

Place : Kolkata  
Date : 14 May, 2016

For **Vinod Kothari & Company**  
*Practising Company Secretaries*

**Aditi Jhunjunwala**  
(Partner)  
Membership No.: 26988  
C P No.: 10144

## ANNEXURE - A1

### List of Documents

#### 1. Corporate Matters

- 1.1 Minutes books of the following were provided :
  - 1.1.1 Board Meeting;
  - 1.1.2 Audit Committee;
  - 1.1.3 Nomination and Remuneration Committee;
  - 1.1.4 Stakeholders Relationship Committee;
  - 1.1.5 Corporate Social Responsibility Committee;
  - 1.1.6 General Meeting;
- 1.2 Agenda papers for Board Meeting along with Notice;
- 1.3 Annual Report 2015;
- 1.4 Memorandum and Articles of Association;
- 1.5 Disclosures under Act, 2013 and Rules made thereunder;
- 1.6 Forms and returns filed with the ROC & RBI;
- 1.7 Documents under SEBI (Prohibition of Insider Trading) Regulations, 2015;
- 1.8 FDI file;
- 1.9 Documents under SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2015;
- 1.10 Registers maintained under Companies Act, 2013.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. CONSERVATION OF ENERGY :

#### i) Steps taken or impact on conservation of energy

The thrust for energy conservation continued during the year across all manufacturing processes through combined use of systems and devices. The various measures taken during the year include :

- a. Optimization of loading efficiency of furnace oil.
- b. Conducting training programmes at various factories for conservation of energy.

#### ii) Steps taken for utilizing alternate sources of energy

The Company is constantly taking steps to identify various alternative sources of energy both for thermal and power generation applications. In pursuit of its goal towards savings in energy cost, the Company while procuring new machinery under phased modernization/replacement programme takes into account its impact on energy conservation.

#### iii) Capital investment on energy conservation equipments : NIL

### B. TECHNOLOGY ABSORPTION :

#### i) Efforts made towards technology absorption

- a. Modification of manufacturing process.
- b. Improvement in Automation.
- c. Development of New Products.
- d. Installing upgraded Pollution Control Equipment for Air/Water.
- e. Improvement in safety and reliability of the Plant.

#### ii) Benefits derived as a result of such efforts

- a. Improved market share.
- b. Improvement in productivity.
- c. Energy conservation.
- d. Increase in in-house capability.

#### iii) No fresh technology has been imported during the year

#### iv) The expenditure on Research & Development : NIL

### C. FOREIGN EXCHANGE EARNINGS & OUTGO :

During the year under review foreign exchange earnings were ₹ 17,401.50 Lacs (Previous year ₹ 27,202.12 Lacs) and foreign exchange outgo was ₹ 16,065.64 Lacs (Previous year ₹ 14,629.06 Lacs).

## REMUNERATION POLICY

### OF MANAKSIA STEELS LIMITED

FRAMED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013 READ WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

#### I. INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as :

"Applicable Law"	:	shall mean the Companies Act, 2013 and allied rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any other statute, law, standards, regulations or other governmental instruction as may be applicable to the Company from time to time.
"Company"	:	refers to Manaksia Steels Limited.
"Board"	:	refers to the Board of Directors of the Company.
"Committee"	:	refers to Nomination & Remuneration Committee of Board of Directors of the Company.
"Directors"	:	refers to the Chairperson and all whole-time Directors.
"Executives"	:	refers to the Directors, Key Managerial Personnel and Senior Management.
"Key Managerial personnel"	:	refers to the Managing Director, Manager, Chief Executive Officer, Chief Financial Officer, Company Secretary and any such other officer as may be prescribed under Applicable Law.
"Policy" or "this Policy"	:	shall mean the contents herein including any amendments made by the Board of Directors of the Company.
"Senior Management"	:	means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

All terms not defined herein shall take their meaning from the Applicable Law.

#### II. EFFECTIVE DATE

This Policy shall become effective from the date of its adoption by the Board.

#### III. SCOPE

- This Policy applies to all the "Executives" of the Company.
- In addition, this Policy also extends to the remuneration of non-executive Directors, including principles of selection of the Independent Directors of the Company.
- The Board of Directors has adopted the remuneration Policy at the recommendation of the Committee. This Policy shall be valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter.
- In order to comply with local regulations, the Company may have remuneration policies and guidelines which shall apply in addition to this policy.

The Board of Directors of the Company may deviate from this Policy if there are explicit reasons to do so in individual case(s). Any deviations on elements of this remuneration policy under extraordinary circumstances, when deemed necessary in the interests of the Company, shall be reasoned and recorded in the Board's minutes and shall be disclosed in the Annual Report or, in case of an appointment, in good time prior to the appointment of the individual.

#### IV. PURPOSE

This Policy reflects the Company's objectives for good corporate governance as well as sustained and long-term value creation for stakeholders. This Policy will also help the Company to attain optimal Board diversity and create a basis for succession planning. In addition, it is intended to ensure that –

- a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;
- c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

#### V. GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Company may attract and retain competent Executives. In determining the remuneration policy, the Committee ensures that a competitive remuneration package for all Executives is maintained and is also benchmarked with other multinational companies operating in national and global markets.

#### VI. RESPONSIBILITIES AND POWERS OF THE COMMITTEE

The Committee, in addition to the functions and powers as endued by its terms of reference, would also be responsible for –

- a) preparing the Board's decisions on issues concerning principles for remunerations (including pension and severance pay) and other terms of employment of Executives and non-executive Directors;
- b) formulating criteria of qualifications and positive attributes to assist the Company in identifying the eligible individuals for the office of Executives;
- c) monitoring and evaluating programs for variable remuneration, if any, both ongoing and those that have ended during the year, for Executives and non-executive Directors;
- d) monitoring and evaluating the application of this Policy;
- e) monitoring and evaluating current remuneration structures and levels in the Company.

#### VII. PRINCIPLES FOR SELECTION OF INDEPENDENT DIRECTORS

The nomination of the Independent Directors of the Company shall be in accordance with the principles as stated hereunder and other relevant provisions of Applicable Law :

- (a) is a person of integrity and possesses relevant expertise and experience;
- (b) is or was not a promoter of the Company or its holding, subsidiary or associate company and not related to promoters or Directors in the Company, its holding, subsidiary or associate company;
- (c) has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of (a) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (iv) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the Company;

- (f) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

#### VIII. OVERALL CRITERIA FOR SELECTION OF EXECUTIVES

The assessment for Senior Management will be done on the basis of below parameters by the concerned interview panel of the Company –

**a) Competencies :**

- Necessary skills (Leadership skills, communication skills, Managerial skills etc.)
- Experiences & education to successfully complete the tasks.
- Positive background reference check.

**b) Capabilities :**

- Suitable or fit for the task or role.
- Potential for growth and the ability and willingness to take on more responsibility.
- Intelligent & fast learner, Good Leader, Organiser & Administrator, Good Analytical skills, Creative & Innovative.

**c) Compatibility :**

- Can this person get along with colleagues, existing and potential clients and partners.
- Strong Interpersonal Skills.
- Flexible & Adaptable.

**d) Commitment :**

- Candidate's seriousness about working for the long term.
- Vision & Aim.

**e) Character :**

- Ethical, honest, team player.

**f) Culture :**

- Fits with the Company's culture. (Every business has a culture or a way that people behave and interact with each other. Culture is based on certain values, expectations, policies and procedures that influence the behavior of a leader and employees. Employees who don't reflect a company's culture tend to be disruptive and difficult).
- Presentable & should be known for good social & corporate culture.

#### IX. GENERAL POLICIES FOR REMUNERATION

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package.

1. **A fixed base salary** – set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement benefits** – contribution to Provident Fund, superannuation, gratuity etc as per Company Rules, subject to Applicable Law.
4. **Motivation / Reward** – a performance appraisal to be carried out annually and promotions / increments / rewards are to be decided by Managing Director based on the appraisal and recommendation of the concerned Head of Departments, where applicable.
5. **Severance payments** – in accordance with terms of employment, and applicable statutory requirements, if any.

Any remuneration payable to the Executives of the Company shall abide by the following norms :

- i. The base salary shall be competitive and based on the individual Executive's key responsibilities and performance;

- ii. Base salaries would be based on a function-related salary system and be in line with the market developments shown by the benchmark research and additional market studies. The annual review date for the base salary would be April 1 or any other date as may be determined by the Committee from time to time, subject to the Company's Policy;
- iii. The Executives will be entitled to customary non-monetary benefits such as Company cars, phone and such other fixed entitled benefits;
- iv. Pension contributions shall be made in accordance with applicable laws and employment agreements;
- v. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
- vi. A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
- vii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
- viii. A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's Report.

**A. Any fee/ remuneration payable to the non-executive Directors of the Company shall abide by the following norms –**

- i. If any such Director draws or receives, directly or indirectly, by way of fee/ remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
- ii. Such Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law,;
- iii. An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission, as may be permissible under the Applicable law.

**X. NOTICE OF TERMINATION AND SEVERANCE PAY POLICY**

The notice of Termination and Severance pay shall be as per the terms of appointment as mentioned in the Employment Agreement or Letter of Appointment.

**XI. DISCLOSURE AND DISSEMINATION**

- i. The Policy shall be disclosed in the Board's Report to shareholders of the Company.
- ii. The annual report of the Company would specify the details of remuneration paid to Directors.
- iii. The Company is required to publish its criteria of making payments to non-executive Directors in its annual report. Alternatively, this may also be put up on the Company's website and reference be drawn in the annual report.

**Notes :**

1. Based on the recommendation of the Nomination & Remuneration Committee at its meeting held on 15th May, 2015, the policy was approved and adopted by the Board of Directors of the Company at its meeting held on 15th May, 2015.
2. The Policy was amended in order to align the same with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Nomination & Remuneration Committee at its meeting held on 10th February, 2016 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 10th February, 2016 approved the amended policy.

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/INITIATIVES**

[Pursuant to Section 135 of the Companies Act, 2013 &amp; Rules made thereunder]

1. A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR policy and projects or programmes:

In line with the provisions of the Companies Act, 2013, the Company has framed its CSR policy towards enhancing welfare measures of the society and the same has been approved by the CSR Committee of the Board. The Company would also give preference to the local area and areas around the Company for spending the amount earmarked for CSR activities. The Company has proposed to undertake activities relating to rural development including livestock development, protecting fauna and health care. The Company's CSR policy is placed on its website and the web-link for the same is [http://www.manaksia.com/corp\\_policy\\_steels.php](http://www.manaksia.com/corp_policy_steels.php).

2. The composition of the CSR Committee as on 31st March, 2016 is as under :

Mr. Suresh Kumar Agrawal	Chairman
Dr. Kali Kumar Chaudhuri	Member
Mr. Vineet Agrawal	Member

3. Average net profit of the Company for the last three financial years:

The average net profit for the last three years is ₹ 886.09 Lacs.

4. The prescribed CSR expenditure (2% of the amount as in item no. 3 above):

The Company was required to spend ₹ 17.72 Lacs based on the average net profit mentioned in para 3 above.

5. Details of CSR activities/projects undertaken during the Financial Year :

- Total amount to be spent for the financial year 2015-16 : ₹ 17.72 Lacs
- Amount unspent, if any : NIL
- Manner in which the amount spent during the financial year 2015-16 :

(₹ in Lacs)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) The State and district where the projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period i.e. FY 2015-2016	Amount spent: Direct or through implementing agency
1.	Improving Literacy & Health among rural tribal people	Rural Development	Various States of India	12.22	15.00	15.00	Implementing Agency- Friends of Tribal Society
2	Vulture conservation and breeding	Protecting fauna	Various States of India	3.00	3.00	3.00	Implementing Agency- Bombay Natural History Society
3	Providing Education to poor students	Promoting Education	Kolkata, West Bengal; Varanasi, Uttar Pradesh	2.50	2.50	2.50	Implementing Agency - Rotary's Total Literacy Mission and Seth Nandlal Bajoria Charitable Trust
<b>Total</b>				<b>17.72</b>	<b>20.50</b>	<b>20.50</b>	



6. **In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report :**

The Company has spent 2% of the average net profit of the last 3 financial years towards CSR expenditure.

7. **A Responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place : Kolkata

Date : 27th May, 2016

**Varun Agrawal**  
*Managing Director*  
DIN : 00441271

**Suresh Kumar Agarwal**  
*Chairman of CSR Committee*  
DIN : 00520769

## Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16	a.	Mr. Suresh Kumar Agrawal, Managing Director (ceased to be Managing Director of the Company with effect from 11th February, 2016. Remuneration annualised for the purpose of calculation of ratio)	18.49:1
		b.	Mr. Varun Agrawal, Managing Director (change in designation from Whole-time Director to Managing Director with effect from 11th February, 2016)	25.88:1
		c.	Mr. Ajay Kumar Chakraborty, Independent Director	0.08:1
		d.	Dr. Kali Kumar Chaudhuri, Independent Director	0.08:1
		e.	Mrs. Smita Khaitan, Independent Director	0.09:1
		f.	Mr. Vineet Agrawal, Non-executive Director	0.05:1
		g.	Mr. Mrinal Kanti Pal, Non-executive Director	0.03:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2015-16	a.	Mr. Suresh Kumar Agrawal, Managing Director	100
		b.	Mr. Varun Agrawal, Whole-time Director	80
		c.	Mr. Ajay Kumar Chakraborty, Independent Director	0*
		d.	Dr. Kali Kumar Chaudhuri, Independent Director	0*
		e.	Mrs. Smita Khaitan, Independent Director	0*
		f.	Mr. Vineet Agrawal, Non-executive Director	0*
		g.	Mr. Mrinal Kanti Pal, Non-executive Director	0*
		h.	Mr. Rajesh Singhanian, Chief Financial Officer	0
		i.	Mr. Ajay Sharma, Company Secretary	0
		* Independent Directors and Non-executive Directors are only entitled to sitting fees		
(iii)	The percentage increase in the median remuneration of employees in the financial year 2015-16	8.50%		
(iv)	The number of permanent employees on the rolls of the company.	136		
(v)	The explanation on the relationship between average increase in remuneration and company performance.	During the year the Company achieved a total income of ₹ 29036.46 Lacs against ₹ 33559.86 Lacs of last year. The Company made a profit of ₹ 497.82 Lacs during the year 2015-16 as against a profit of ₹ 818.01 Lacs in the year 2014-15. Managerial remuneration was increased in line with comparable market rates; the financial performance of the company is dependent on prevailing macro and industry circumstances, which is expected to be transient.		

Rule	Particulars					
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	a.	Total Revenue (₹ in Lacs)		29036.46	
		b.	Aggregate Remuneration of Key Managerial Personnel (KMP) in F.Y. 2015-16 (₹ in Lacs)		77.05	
		c.	Remuneration of KMPs (as a % of revenue)		0.26%	
(vii)	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	<b>Financial year ended</b>	<b>Name of the Stock Exchange</b>	<b>Closing share Price</b>	<b>Market capitalization</b>	<b>Price Earning Ratio</b>
		31.03.2016	NSE	₹ 6.25	₹ 4095.88 Lacs	8.22
		31.03.2015	NSE	₹ 18.90	₹ 12385.93 Lacs	15.12
		31.03.2016	BSE	₹ 6.31	₹ 17759.73 Lacs	8.3
		31.03.2015	BSE	₹ 27.10	₹ 4135.20 Lacs	21.68
<i>The Company has not come out with any Public Offer.</i>						
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is 8.50% increase in Average percentile in the salaries of employees other than managerial personnel in the last financial year as compared to an average increase of 80% in the managerial remuneration. Managerial remuneration was increased in line with comparable market rate.				
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	<b>Name of the KMP</b>		<b>Remuneration of KMP per annum (₹ in Lacs)</b>	<b>Remuneration as % of revenue (Total Revenue= ₹ 29036.46 Lacs)</b>	
		Mr. Suresh Kumar Agrawal, Managing Director		21.72	0.07	
		Mr. Varun Agrawal, Managing Director		42.00	0.14	
		Mr. Rajesh Singhania, Chief Financial Officer		9.86	0.03	
		Mr. Ajay Sharma, Company Secretary		3.47	0.01	
(x)	The key parameters for any variable component of remuneration availed by the Directors.	There is no variable component availed by any Director.				
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	None				
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.					

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economic Overview

Global recovery is facing multiple challenges, and is progressing at a weak pace. The picture emerging across the world is one of financial turbulence and uncertainty.

Among advanced economies, the US demonstrated resilience in FY 2015; and growth in the country is projected to continue at a moderate pace. The recovery in Euro Area during 2015-16 was modest and is projected to continue in the backdrop of a modest fiscal expansion, low energy prices and supportive financial conditions. However, potential growth is expected to remain weak, resulting from low investment, high private and public debt and diminishing skills due to increasing unemployment and an ageing population.

The scenario for emerging markets and developing economies is not consistent. The commodity exports of Russia and Brazil have been severely impacted by a fall in prices and owing to China's rebalancing act, which had a spill-over effect on the overall global trade. The economic performance of many African countries was also discouraging. Resource-intensive countries in Africa suffered a twin blow, caused by a decline in the commodity prices and tighter global financing conditions adversely affecting their markets.

India's GDP grew by 7.6% in FY 2015-16, making it one of the fastest growing major economies in the world. In the fourth quarter, the GDP grew at 7.9% which was a commendable performance. The policy initiatives of the government – albeit fallacious at times, declining fiscal deficit, low interest rates and moderating inflation have helped the Indian economy stay on a sustainable growth path. The growth rate is expected to touch 8% in FY 2016-17 on the back of a favourable monsoon. The government's Make in India campaign is helping India emerge as a hub for global manufacturing giants.

India's long-term growth potential continues to be strong with a focus on faster infrastructure creation, increasing urbanization, improving manufacturing and farm output, expanding the services sector and stronger regulatory framework for banking and financial services. Further, the Government of India's 'Make in India' initiative has encouraged domestic entrepreneurship and attracted more FDI into the country. The concept of Make in India is also expected to boost employment through skill development and make India a vibrant market for manufacturers.

### Industry Structure and Developments

The global steel industry is going through tough times. Global crude steel production reached 1,622.8 million tones (Mt) for the year 2015, down by 2.8% compared to that of 2014. Crude steel production declined in almost all regions in 2015. Steel demand in 2016 is likely to decline owing to slower pace of economic growth across the globe. Exports from China continue to penetrate markets all over the world, exerting downward pressure on the price of hot-rolled coils, which is pushing down prices to levels not seen since the last decade.

Although, global steel demand is expected to decline by 0.8% to 1,488 Mt in 2016, following a contraction of 3.0% in 2015, it is expected to return to growth in 2017, the world steel demand is likely to return to a growth of 0.4% and reach 1,494 Mt.

Steel demand in developed economies is expected to grow by 1.7% in 2016 and 1.1% in 2017 owing to economic volatilities. Steel demand in the US, though dampened by the fall in oil prices and a strong dollar, is expected to brighten due to an improving job market and a robust housing sector. Steel demand in the US is expected to grow by 3.2% in 2016 and 2.7% in 2017. The EU saw a mild recovery in steel demand with generally improving economic sentiments and investment conditions. However, uncertainties in the political landscape related to the refugee crisis and Brexit raises risks to the improving economic condition. Steel demand in the EU is forecasted to grow by 1.4% in 2016 and a further 1.7% in 2017.

Weak exports, low commodity prices, capital outflows and China's rebalancing have worsened the macro scenario for emerging economies. Steel demand for Russia and Brazil are expected to contract strongly in future. In Turkey, steel demand is expected to grow by 3.3% in 2016 and 3.2% in 2017. Steel demand in the ASEAN 5 (Thailand, Malaysia, Vietnam, Indonesia and the Philippines) is also expected to sustain a growth rate of around 6% due to their infrastructure building activities; and will reach 74.6 Mt in 2017.

Steel demand in the emerging and developing economies excluding China is forecasted to grow by 1.8% and 4.8% in 2016 and 2017, respectively. Steel demand in these economies will touch 457.1 Mt in 2017, about 30% of world steel demand.

During 2015-16, India emerged as the world's third-largest producer of crude steel, producing 89.6 MT crude steel in FY 2015-16 - an increase of 7.7% since last year, up from eighth position in 2003. The country witnessed an unprecedented inflow of cheap imports, which saw a significant increase in the last fiscal.

The industry growth is driven by an availability of raw materials such as iron ore and cost-effective labour. India's prospects are now brightening due to low oil prices, the reform momentum and policies to strengthen infrastructure and manufacturing output. The country's steel demand is projected to increase by 5.4% in both 2016 and 2017, reaching 88.3 Mt in 2017.

Steel demand in India is showing signs of a rebound, after the slowdown of the last two years. India is expected to become the world's second largest producer of crude steel in the next few years, moving up from the third position. Growing investments for infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural steel market can raise the country's per capita steel consumption considerably.

## Business

Manaksia Steels Limited is a manufacturer of value added secondary steel products and is poised to cater to the increasing global demands of the housing and infrastructure sectors.

The Company manufactures and sells value added steel products comprising Cold Rolled Sheets used in interior and exterior panels of automobiles, buses and commercial vehicles, Galvanised Corrugated Sheets which find use in the rural housing sector and factory buildings and Galvanised Plain Sheets, used in the manufacture of containers and water tanks and Colour Coated (Pre-painted) Coils and Sheets for sale to construction, housing, consumer durable and other industries. The principal and ultimate raw material for the products of the Company is Hot Rolled Steel Coils.

The Company has a 120,000 MTPA Steel Cold Rolling Plant at Haldia for manufacture of Cold Rolled Coils and Sheets and continuous Galvanizing plants at Bankura (30,000 MTPA) and Haldia (60,000 MTPA). Both the plants have a strong Quality Management System with in-house testing facilities and are ISO 9001:2008 certified. The Company has facilities at Haldia for further value addition of Steel and Aluminium Products, where Galvanized Steel Sheets and Cold Rolled Aluminium Sheets are pre-painted /colour coated in a 48,000 MTPA colour coating line. The Company has also facilities for Roll Forming/ Profiling for direct supply to projects for industrial roofing as a part of such value addition.

## Overview of Operations

### Results

During the year under review, the revenue of your Company stood at ₹ 29,036.46 Lacs, as compared to ₹ 33,559.86 Lacs during the last financial year. During the year, the Company earned a net profit of ₹ 497.82 Lacs as compared to a profit of ₹ 818.01 Lacs during the last financial year. The decrease in revenue can be attributed to availability of imported substitutes of the products of the Company at lower prices, resulting in decreased sales & decreased realization rates of Company products and fallacious government policies. Export sales dwindled as Nigeria - one of the principal export markets for the Company substantially increased custom duties on Cold Rolled Steel Coils from August 2015, resulting in complete suspension of exports of Cold Rolled Steel Coils to that country. The net profit also decreased as a result of substantially high costs of input raw materials coupled with increased fixed expenses.

In September 2015, to protect the local primary steel producers, the Government imposed safeguard duty on imports of "Hot Rolled Steel Coils" – the principal raw material of your Company, while imports of finished products like Cold Rolled, Galvanized and Pre-painted Galvanized Steel produced by secondary manufacturers, were overlooked. Such products (Cold Rolled, Galvanized and Pre-painted Galvanized Steel) continue to be imported at the same rate of basic duty as Hot Rolled Steel Coils, but without any safeguard duty. This was a fallacy on the part of the Government and resulted in a substantial increase in the input cost of raw materials for your Company.

With a view to further protect the local primary steel producers from cheap imports, the Government notified imposition of Minimum Import Price on 173 steel products in February 2016. This led to a further increase in the price of Hot Rolled Steel Coils – the primary raw/ input material of your Company.

An anti-dumping investigation concerning "Hot Rolled Steel Coils" - a final death knell for industries such as ours, was initiated in April 2016 soon after the imposition of Safeguard Duty on "Hot Rolled Steel Coils" and introduction of Minimum Import Price on steel products – both of which have already severely jeopardized our business.

Such protectionist measures initiated by the Government to safeguard the interests of domestic primary steel producers would have further adverse effect on the health of secondary steel manufacturers such as our Company.

### **Risks and Concerns**

Your Company is actively, albeit cautiously, looking for growth opportunities and new markets for its products. The Company is exposed to a number of market risks arising from its normal business activities. These risks include changes in raw material prices caused due to market fluctuations and imposition of various government duties – as in the recent times, foreign currency exchange rate, interest rate which may adversely impact the Company's financial assets, liabilities and/or future cash flows. The Company continues to mitigate these risks by careful planning of optimum sales mix, active treasury management, product diversification, innovation and penetration in different markets, both domestic and international. Further cost saving measures across all segments of the Company, would help in improving the margins in an otherwise difficult market.

### **Opportunities and Threats**

A diversified product portfolio and considerably wide geographical reach, both domestic and international, have helped the Company to significantly de-risk its business and meet the risks with suitable precaution. The Company is focused on enhancing value added products. Improvement in safety performance is of utmost priority, for which the Company has constantly been initiating measures to avert accidents. The Company has sales and technical servicing offices at Mumbai, Delhi and Bangalore.

### **Internal Control Systems**

The Company has an effective system of internal controls which helps it to maintain both internal controls and procedures to ensure all transactions are authorised, recorded and reported correctly and also ensure disclosure and protection of physical and intellectual property. The Company appointed a firm of Chartered Accountants as Internal Auditors who independently evaluate the adequacy of the internal controls on a regular basis. For transparency and effectiveness, the management duly considers and takes appropriate action on the recommendations made by Statutory Auditors, Internal Auditors and by Management Committee / Audit Committee of the Board of Directors. The company is running on SAP Platform in order to have proper internal control procedure with the required authorization and "maker and checker" concept. This helps in correct recording of transactions and elimination and timely rectification of errors. The Company has appointed consultants/ professionals to conduct Cost Audit and Secretarial Audit and observations made, if any, are reviewed by the Management periodically and corrective actions taken.

### **Human Resources**

Employee relations continued to be cordial throughout the year and recruitments were made commensurate with the needs of business. The Company employs about 140 people in all its facilities.

### **Finance Cost**

Finance Cost, during the year under review stood at ₹ 231.64 Lacs, as compared to ₹ 306.56 Lacs during the last financial year. The decrease in finance cost is attributable to optimum utilisation of loan funds and better management of interest cost.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis, describing the company's objectives, outlook and expectation, may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations, projections etc. Several factors make a significant difference to the company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and other such factors over which the company does not have any direct control.

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# FINANCIAL STATEMENTS

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## **Independent Auditors' Report**

### **TO THE MEMBERS OF MANAKSIA STEELS LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of MANAKSIA STEELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the 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 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 financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cashflows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

- I. 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 "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



II. 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 accounts 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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";
- 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 23 & 32 to the financial statements).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, S. K. AGRAWAL & CO.  
Chartered Accountants  
Firms Registration No- 306033E

**(Hemant Lakhotia)**

*Partner*

Membership No: 068851

Place : Kolkata

Date : May 27, 2016

## Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **MANAKSIA STEELS LIMITED** (the Company') on the financial statements for the year ended on 31st March 2016. We report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us and on the basis of our examination of the records of produced before us, the title deeds of immovable properties are held in the name of the Company except for 1 plot of leasehold land. The gross value and net value of the said plot amounts to Rs. 192.50 lacs and Rs. 166.83 lacs respectively.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 in respect of investment made by it and guarantees given by it.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory and other dues :
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 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 material dues of duty of income tax, sales tax, value added tax, duty of customs and excise which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax have not been deposited by the Company on account of disputes :

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs in Lacs)	Financial year to which the amount relates	Forum where the dispute is pending
The Finance Act 1994	Service Tax	4.53	2007-08	Assistant Commissioner of Central Excise, Haldia-1

- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of debt dues to financial institution, banks, government and debenture holders.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us no term loans were availed by the Company. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

- 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 has been noticed or reported during the course of our audit.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, managerial remunerations has been paid/provided in accordance with the requisite approvals mandated by the provisions of Sec 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. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 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 where applicable and 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, 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 examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, S. K. AGRAWAL & CO.  
Chartered Accountants  
Firms Registration No- 306033E

**(Hemant Lakhotia)**

*Partner*

Membership No: 068851

Place : Kolkata

Date : May 27, 2016

## **Annexure – B to the Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of MANAKSIA STEELS LIMITED (“the Company”), to the extent records available with us in conjunction with our audit of the financial statements of the company as of and for the year ended 31st March 2016.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls. 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.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 2016, based on the internal control over financial reporting criteria established by the Company.

For, S. K. AGRAWAL & CO.  
Chartered Accountants  
Firms Registration No- 306033E

**(Hemant Lakhotia)**

*Partner*

Membership No: 068851

Place : Kolkata

Date : May 27, 2016

**BALANCE SHEET**

(₹ in Lacs)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	655.34	655.34
(b) Reserves and Surplus	3	14,681.22	14,183.40
		15,336.56	14,838.74
<b>2. Non-current liabilities</b>			
(a) Deferred Tax Liabilities (net)	4	585.64	652.00
(b) Long Term Provisions	5	68.40	84.23
		654.04	736.23
<b>3. Current liabilities</b>			
(a) Short Term Borrowings	6	5,386.91	4,465.78
(b) Trade Payables	7	2,448.29	2,099.74
(c) Other Current Liabilities	8	957.24	618.42
(d) Short Term Provisions	9	161.42	117.32
		8,953.86	7,301.26
<b>TOTAL</b>		24,944.46	22,876.23
<b>II. ASSETS</b>			
<b>1. Non current assets</b>			
(a) Fixed Assets			
Tangible Assets	10	6,179.11	6,759.91
Capital Work-in-Progress	10	141.06	138.41
(b) Long term Loans and Advances	11	4.57	31.81
		6,324.74	6,930.13
<b>2. Current assets</b>			
(a) Inventories	12	4,903.04	6,035.29
(b) Trade Receivables	13	9,114.36	5,702.83
(c) Cash and Bank Balances	14	2,942.96	2,235.22
(d) Short Term Loans and Advances	15	1,659.36	1,972.76
		18,619.72	15,946.10
<b>TOTAL</b>		24,944.46	22,876.23
Summary of Significant Accounting Policies	1		
Notes to the Financial Statements	2-32		

As per our Report attached of even date

For **S K Agrawal & Co.**  
Chartered Accountants  
Firm Regn. No. 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Kolkata  
27th day of May, 2016

For and on Behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN : 00441271

**Mrinal Kanti Pal**  
(Director)  
DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## STATEMENT OF PROFIT AND LOSS

(₹ in Lacs)

Particulars	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I. Income</b>			
Revenue from Operations	16	28,933.18	32,927.87
Other Income	17	103.28	631.99
<b>Total Revenue</b>		<b>29,036.46</b>	<b>33,559.86</b>
<b>II. Expenses</b>			
Cost of Materials Consumed (including Trading Goods)	18	22,058.26	24,267.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	242.62	1,029.25
Employee Benefits Expense	20	494.98	689.25
Finance Costs	21	231.64	306.56
Depreciation and Amortization Expense	10 & 26	748.83	799.00
Other Expenses	22	4,438.67	5,356.06
<b>Total Expenses</b>		<b>28,215.00</b>	<b>32,447.23</b>
<b>III. Profit before Tax</b>		<b>821.46</b>	<b>1,112.63</b>
<b>IV. Tax Expenses</b>			
Current Tax		390.00	505.00
Deferred Tax		(66.36)	(210.38)
<b>Total Tax Expenses</b>		<b>323.64</b>	<b>294.62</b>
<b>V. Profit for the Period</b>		<b>497.82</b>	<b>818.01</b>
<b>VI. Basic and diluted Earnings per Equity Share of Face Value of Rs. 1/- each</b>	24	<b>Rs. 0.76</b>	<b>Rs. 1.25</b>
Summary of Significant Accounting Policies	1		
Notes to the Financial Statements	2-32		

As per our Report attached of even date

For **S K Agrawal & Co.**  
Chartered Accountants  
Firm Regn. No. 306033E

**Hemant Kumar Lakhota**  
(Partner)  
Membership No. 068851  
Kolkata  
27th day of May, 2016

For and on Behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN : 00441271

**Mrinal Kanti Pal**  
(Director)  
DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

**CASH FLOW STATEMENT** For the year ended 31st March, 2016

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax :	821.46	1,112.63
Adjustment for :		
Depreciation/ Amortisation	748.83	799.00
Finance Cost & Interest (Net)	195.50	201.40
Loss on Fixed Assets Sold / Discarded (Net)	–	2.85
Dividend received from Mutual Fund	(2.15)	(20.37)
Profit on Redemption of Mutual Funds	(6.41)	–
<b>Operating Profit before Working Capital Changes</b>	<b>1,757.23</b>	<b>2,095.51</b>
Adjustment for :		
(Increase)/Decrease in Trade Receivables	(3,411.53)	1,843.70
(Increase)/Decrease in Other Receivables	(254.07)	2,117.94
(Increase)/Decrease in Inventories	1,132.25	7,255.35
Increase/(Decrease) in Trade Payables	348.55	(2,867.55)
Increase/(Decrease) in Other Payables	319.19	(411.30)
<b>Cash Generated from Operations</b>	<b>(108.38)</b>	<b>10,033.65</b>
Direct Taxes Paid	(350.54)	(578.72)
<b>Net Cash Flow from Operating Activities</b>	<b>(458.92)</b>	<b>9,454.93</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets and change in Capital work in progress (Including Capital Work in Progress and capital advances)	(170.68)	(204.41)
Sale of Fixed Assets	–	1.96
Interest Received	36.14	105.17
Dividend Received from Mutual Fund	2.15	20.37
Profit on Redemption of Mutual Funds	6.41	–
<b>Net Cash Flow from/(Used in) Investing Activities</b>	<b>(125.98)</b>	<b>(76.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Repayment of )/ Proceeds from Short Term Borrowings (Net)	921.13	(8,337.11)
Interest Paid	(223.20)	(315.58)
<b>Net Cash Flow From/(Used in ) Financing Activities</b>	<b>697.93</b>	<b>(8,652.69)</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>113.03</b>	<b>725.34</b>
<b>Cash and Cash Equivalents as at 1st April</b>	<b>2,229.93</b>	<b>1,504.59</b>
<b>Cash and Cash Equivalents as at 31st March</b>	<b>2,342.96</b>	<b>2,229.93</b>
<b>Note :</b> Previous year's figures have been rearranged and regrouped wherever necessary.		

As per our Report attached of even date

For **S K Agrawal & Co.**  
Chartered Accountants  
Firm Regn. No. 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Kolkata  
27th day of May, 2016

For and on Behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN : 00441271

**Mrinal Kanti Pal**  
(Director)  
DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)



## Note 1 : SIGNIFICANT ACCOUNTING POLICIES

(Annexed to and forming part of the Financial Statements for the year ended 31st March, 2016)

### I) Basis of preparation of Financial Statement

The financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable.

### II) Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all significant risks and rewards of their ownership are transferred to the customer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Sales are net of trade discounts and other rebates. Revenue from services are recognised on rendering of services to customers. Dividend income is recognised when the right to receive payment is established. All other income are recognised on accrual basis.

### III) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of CENVAT/VAT), taxes, borrowing costs directly attributable to acquisition, incidental expenses and erection/ commissioning etc., upto the date, the asset is ready for its intended use.

### IV) Depreciation

- a) Depreciation on tangible assets is provided on the straight line method over the estimated useful lives of assets and is in line with requirements of Part C of Schedule II of the Companies Act, 2013.
- b) Depreciation includes amortisation of leasehold land over the period of lease.
- c) The residual value of assets has been considered as five percent of the original cost of the assets as per Schedule II of the Act.
- d) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- e) Software costs are amortized using the Straight Line Method over estimated useful life of 3 years.

### V) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factor. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital.

### VI) Foreign currency transaction

#### a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### c) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

#### d) Forward Contract

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the

year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

**VII) Investments**

Long term Investments are stated at Cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition. Current investments are carried at lower of cost or fair value of each investment. Short term Investments in liquid fund scheme of mutual funds have been stated at their NAV on year end date or purchase price whichever is less.

**VIII) Inventories**

Inventories are valued as follows :

- a) Raw materials, finished goods, Stock in trade, Work in process, Packing materials and stores & spares are valued at lower of cost and net realisable value. Closing stock has been valued on Weighted Average basis.
- b) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.

**IX) Research & Development**

Research and development expenditure of revenue nature are charged to Statement of Profit and Loss Account, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

**X) Employee Benefits**

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

**XI) Earnings Per Share**

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**XII) Excise Duty and Custom Duty**

Excise duty on finished goods stock lying at factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods as on the Balance Sheet date. Custom duty on imported material in transit / lying in bonded warehouse is accounted for at the time, the same are released from Customs/ Bonded warehouse.

**XIII) Financial Derivatives and Commodity Hedging Transactions**

In respect of derivative contracts, premium paid, gains/losses on settlement and provision for losses for cash flow hedges and restatement on Balance Sheet date are recognised in the Statement of Profit and Loss, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

**XIV) Borrowing Costs**

Borrowing Costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**XV) Taxation**

Tax expenses comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

**XVI) Segment Reporting**

As the Company's business activity falls within a single primary business segment, viz. "Metals", the disclosure requirements of Accounting Standard-17 "Segment Reporting" are not applicable. The analysis of geographical segments is based on the areas in which the customers of the company are located.

**XVII) Prior Period Expenses/Income**

Material items of prior period expenses/income are disclosed separately.

**XVIII) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016

(₹ in Lacs)

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>2. Share capital</b>				
<b>a) Authorised:</b>				
7,50,00,000 (7,50,00,000) Equity Shares of Rs. 1/- each	750.00		750.00	
	750.00		750.00	
<b>b) Issued, Subscribed and fully paid-up Shares:</b>				
6,55,34,050 (6,55,34,050) Equity Shares of Rs. 1/- each fully paid up (Refer Note No. 29)	655.34		655.34	
	655.34		655.34	
<b>c) Details of shareholders holding more than 5% shares in the Company</b>				
	As at March 31, 2016		As at March 31, 2015	
Name of Shareholders	No. of shares	% holding	No. of shares	% holding
Varun Agrawal	1,26,10,770	19.24	27,66,930	4.22
Suresh Kumar Agrawal	1,23,50,360	18.85	94,02,740	14.35
Chandrakala Agrawal	1,07,44,810	16.40	12,44,810	1.90
Payal Agrawal	65,00,000	9.92	-	-
Basudeo Agarwal	-	-	95,00,115	14.50
Mahabir Prasad Agarwal	-	-	54,48,245	8.31
<b>d) Reconciliation of the shares outstanding is set out below : (Refer Note No. 29)</b>				
	March 31, 2016		March 31, 2015	
	No. of shares		No. of shares	
<b>Equity Shares</b>				
At the beginning of the period		6,55,34,050		500,000
Add: Shares Issued pursuant to the Scheme of Demerger		-		65,534,050
Less: Shares Cancelled pursuant to the Scheme of Demerger		-		500,000
<b>Outstanding at the end of the period</b>		6,55,34,050		65,534,050
<b>e) Terms/rights attached to each class of shares</b>				
<b>Equity Shares:</b>				
The Company has only one class of equity shares having a par value of Rs.1/-. Each holder of equity share 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 any of the 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.				

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016

(₹ in Lacs)

Particulars		As at March 31, 2016		As at March 31, 2015	
<b>3. Reserves and Surplus</b>					
<b>A. Securities Premium</b>					
As per last Balance Sheet		4,673.93		4,673.93	
Add : Addition during the period		-		-	
Balance as at the end of the period			4,673.93		4,673.93
<b>B. General Reserve</b>					
As per last Balance Sheet		7,638.32		7,668.21	
Add : Addition during the period		500.00		-	
Less : Depreciation (Refer Note No. 26)		-		29.89	
Balance as at the end of the period			8,138.32		7,638.32
<b>C. Capital Reserve</b>					
As per last Balance Sheet		5.00		-	
Add : Shares Cancelled pursuant to Scheme of Demerger (Refer Note No. 29)		-		5.00	
Balance as at the end of the period			5.00		5.00
<b>D. Surplus/(Deficit) in the Statement of Profit and Loss</b>					
As per last Balance Sheet		1,866.15		1,048.14	
Add : Profit for the period		497.82		818.01	
Less : Transferred to General Reserve		500.00		-	
Balance as at the end of the period			1,863.97		1,866.15
			14,681.22		14,183.40

Particulars		As at March 31, 2016		As at March 31, 2015	
<b>4. Deferred tax liabilities (net)</b>					
<b>a) Deferred Tax Liability</b>					
Timing difference in depreciable assets		783.21		822.75	
<b>b) Deferred Tax Assets</b>					
Expenses allowable against taxable income in future years		(197.57)		(170.75)	
<b>Net Deferred tax Liability</b>		585.64		652.00	

Particulars		As at March 31, 2016		As at March 31, 2015	
<b>5. Long term provisions</b>					
Provision for Employee benefits (Refer Note No. 30)		68.40		84.23	
<b>Total</b>		68.40		84.23	

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>6. Short term borrowings</b>		
<b>Secured</b>		
a) Loans repayable on Demand		
From Banks		
Foreign Currency Loan	337.21	—
Rupee Loan	3,662.65	787.78
b) Buyers Credit	1,387.05	3,678.00
<b>Total</b>	<b>5,386.91</b>	<b>4,465.78</b>

**Note :**

The Company's Working Capital facilities are secured by First Charge on the current assets of the Company ranking pari passu with the respective Working Capital Bankers.

The amount is further secured on second charge basis on fixed assets of the Company ranking pari passu with the respective Working Capital Bankers.

Particulars	As at March 31, 2016	As at March 31, 2015
<b>7. Trade Payables</b>		
Micro, Small and Medium Enterprises*	—	—
Others	2,448.29	2,099.74
<b>Total</b>	<b>2,448.29</b>	<b>2,099.74</b>

Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Particulars	As at March 31, 2016	As at March 31, 2015
<b>8. Other current liabilities</b>		
Interest accrued but not due on borrowings	14.19	5.75
Other Payables *	943.05	612.67
<b>Total</b>	<b>957.24</b>	<b>618.42</b>

\* Other Payables include Outstanding Expenses, Statutory Dues & Advances from Customers.

Particulars	As at March 31, 2016	As at March 31, 2015
<b>9. Short term provisions</b>		
Provision for Employee Benefits (Refer Note 30)	2.97	6.63
Provision for Income Tax (Net of Advance Tax)	138.47	99.01
Others *	19.98	11.68
<b>Total</b>	<b>161.42</b>	<b>117.32</b>

\* Indicates Liabilities for Excise Duty on Closing Stock of Finished Goods.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016**10. FIXED ASSETS**

₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April 2015	Addition	Deletion/ Adjustment	As at 31st March 2016	As at 1st April 2015	Deductions/ Adjustments	For the Year	Up to 31st March 2016	As at 31st March 2016	As at 31st March 2015
<b>Tangible Assets :</b>										
a) Land	6.20	-	-	6.20	-	-	-	-	6.20	6.20
b) Leasehold Land*	192.50	-	-	192.50	23.53	-	2.14	25.67	166.83	168.97
c) Building	2,685.14	-	-	2,685.14	695.68	-	83.54	779.22	1,905.92	1,989.46
d) Plant & Equipment	6,739.33	81.06	-	6,820.39	2,376.27	-	613.99	2,990.26	3,830.13	4,363.06
e) Computers	23.94	1.35	-	25.29	20.93	-	1.23	22.16	3.13	3.01
f) Office Equipment	11.64	1.78	-	13.42	4.35	-	2.78	7.13	6.29	7.29
g) Furniture & Fixtures	34.95	-	-	34.95	17.17	-	3.71	20.88	14.07	17.78
h) Vehicles	301.44	83.84	-	385.28	97.30	-	41.44	138.74	246.54	204.14
<b>Total :</b>	<b>9,995.14</b>	<b>168.03</b>	-	<b>10,163.17</b>	<b>3,235.23</b>	-	<b>748.83</b>	<b>3,984.06</b>	<b>6,179.11</b>	<b>6,759.91</b>
<b>Capital Work in Progress</b>	<b>138.41</b>	2.65	-	141.06	-	-	-	-	141.06	138.41

\* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2015**10. FIXED ASSETS**

(₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK			
	As at 1st April 2014	Addition	Deletion/ Adjustment	As at 31st March 2015	As at 1st April 2014	Deductions/ Adjustments	For the Year	Short/(Excess) Depreciation Provision for earlier years	Up to 31st March 2015	As at 31st March 2015	As at 31st March 2014
<b>Tangible Assets :</b>											
a) Land	6.20	-	-	6.20	-	-	-	-	-	6.20	6.20
b) Leasehold Land*	192.50	-	-	192.50	21.39	-	2.14	-	23.53	168.97	171.11
c) Building	2,659.68	25.46	-	2,685.14	612.75	-	82.93	-	695.68	1,989.46	2,046.93
d) Plant & Equipment	6,511.20	228.14	-	6,739.33	1,678.38	-	672.39	25.50	2,376.27	4,363.06	4,832.81
e) Computers	22.75	1.19	-	23.94	15.80	-	2.50	2.62	20.93	3.01	6.95
f) Office Equipment	9.38	2.26	-	11.64	0.86	-	2.26	1.24	4.35	7.29	8.52
g) Furniture & Fixtures	34.95	-	-	34.95	11.00	-	5.91	0.26	17.17	17.78	23.94
h) Vehicles	260.29	49.69	8.53	301.44	69.87	(3.71)	30.87	0.28	97.30	204.14	190.42
<b>Total :</b>	<b>9,696.94</b>	<b>306.73</b>	<b>8.53</b>	<b>9,995.14</b>	<b>2,410.06</b>	<b>(3.71)</b>	<b>799.00</b>	<b>29.89</b>	<b>3,235.23</b>	<b>6,759.91</b>	<b>7,286.89</b>
<b>Capital Work in Progress</b>	<b>240.73</b>	<b>14.03</b>	<b>116.35</b>	<b>138.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.41</b>	<b>240.73</b>

\* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.



**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>11. Long term loans and advances</b> (Unsecured, considered good)		
Security Deposit	4.57	31.81
<b>Total</b>	<b>4.57</b>	<b>31.81</b>
<b>12. Inventories</b>		
At Lower of Cost or Net Realisable Value		
Raw Materials	2,458.59	3,324.35
Packing Material	40.65	33.41
Work-in-Process	1,389.18	1,919.95
Finished Goods	445.20	174.00
Stores & Spares	502.87	533.98
At Estimated Realisable Value		
Scraps	66.55	49.60
<b>Total</b>	<b>4,903.04</b>	<b>6,035.29</b>
<b>13. Trade receivables</b>		
Considered Good :		
Outstanding over six months	1,787.51	295.12
Other Debts	7,326.85	5,407.71
<b>Total</b>	<b>9,114.36</b>	<b>5,702.83</b>
<b>14. Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with Banks	48.86	17.93
Cheque in Hand	2,285.96	2,205.23
Cash in Hand	8.14	6.77
Other Bank Balances		
Fixed Deposits with Banks with original maturity of		
3 months or more	-	5.29
3 months or less *	600.00	-
<b>Total</b>	<b>2,942.96</b>	<b>2,235.22</b>
* Pledged with Bank		
<b>15. Short term loans and advances</b> (Unsecured, considered good)		
Balances with Statutory Authorities	246.85	256.34
Others*	1,412.51	1,716.42
<b>Total</b>	<b>1,659.36</b>	<b>1,972.76</b>
* Includes Prepaid Expenses, Advance to Creditors & Advance to Staff		

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>16. Revenue from operations</b>		
Sale of products	29,866.83	32,955.51
Other Operating Income	405.61	576.29
	<b>30,272.44</b>	33,531.80
Less : Excise Duty	1,339.26	603.93
<b>Total</b>	<b>28,933.18</b>	32,927.87
<b>16.1 Particulars of Sale of Products</b>		
Metal Products	29,749.07	32,810.27
Others	117.76	145.24
	<b>29,866.83</b>	32,955.51
<b>17. Other Income</b>		
Income from Current Investment :		
Tax Free Dividends From Mutual Funds	2.15	20.37
Profit on Redemption of Mutual Funds	6.41	-
Interest Income	36.14	105.17
Exchange Fluctuation	50.06	483.37
Miscellaneous Income	8.52	23.08
<b>Total</b>	<b>103.28</b>	631.99
<b>18. Cost of Materials Consumed</b>		
Opening Stock	3,324.35	9,511.21
Add : Purchases including Procurement Expenses	21,192.50	18,080.25
Less : Closing Stock	2,458.59	3,324.35
	<b>22,058.26</b>	24,267.11
<b>18.1 Particulars of Materials Consumed</b>		
Metals	21,970.39	24,210.77
Others	87.87	56.33
	<b>22,058.26</b>	24,267.11
<b>19. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>Opening Stock</b>		
Finished Goods	174.00	404.52
Work-in-Progress	1,919.95	2,730.15
Scrap	49.60	38.13
	<b>2,143.55</b>	3,172.80
<b>Closing Stock</b>		
Finished Goods	445.20	174.00
Work-in-Progress	1,389.18	1,919.95
Scrap	66.55	49.60
	<b>1,900.93</b>	2,143.55
	<b>242.62</b>	1,029.25
<b>19.1 Particulars of Closing Stock of Finished Goods</b>		
Metal Products	445.20	172.62
Others	-	1.38
	<b>445.20</b>	174.00

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2016

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>19.2 Particulars of Closing Stock of WIP</b>		
Metal Products	1,385.82	1,919.95
Others	3.36	-
	<b>1,389.18</b>	<b>1,919.95</b>
<b>20. Employee Benefits Expense</b>		
Salaries, Wages and Bonus	373.85	540.88
Contribution to Provident & other funds	34.02	24.83
Staff Welfare Expenses	87.11	123.54
<b>Total</b>	<b>494.98</b>	<b>689.25</b>
<b>21. Finance Costs</b>		
Interest Expenses	146.47	238.66
Other Borrowing Cost	85.17	67.90
<b>Total</b>	<b>231.64</b>	<b>306.56</b>
<b>22. Other Expenses</b>		
Consumption of Stores and Consumables		
Indigenous	364.09	208.70
Imported	12.49	96.88
Power & Fuel	1,070.16	1,296.64
Processing Charges	11.93	8.97
Clearing Charges	1.35	2.55
Carriage Inward	257.55	102.24
Repairs to :		
Building	77.63	150.00
Machinery	157.30	126.82
Others	0.66	1.66
Other Manufacturing Expenses	335.29	252.81
Rent	7.65	6.60
Insurance	18.73	18.88
Rates & Taxes	119.31	153.77
Excise Duty on Stocks *	8.30	(4.98)
Packing Expenses	263.34	321.74
Freight, Forwarding and Handling Expenses	679.27	1,925.12
Communication Expenses	20.64	17.84
Travelling & Conveyance	328.75	159.20
Auditors' Remuneration		
Audit Fees	6.00	6.00
Tax Audit Fees	0.50	1.00
Certification Fees	0.11	4.26
Donations #	23.05	69.72
Commission	4.62	15.24
Loss on sale of Fixed Assets	-	2.85
Other Miscellaneous Expenses	669.95	411.55
	<b>4,438.67</b>	<b>5,356.06</b>

\* Excise duty on stocks represents differential excise duty on opening and closing stock of Finished Goods.

# Includes an amount of Rs 20.50 Lacs (FY 2015-16) towards Corporate Social Responsibility as per Section 135 of Companies Act, 2013.

## ADDITIONAL NOTES ON FINANCIAL STATEMENTS

### 23. Contingent Liabilities & Commitments :

#### I) Contingent Liability

Claims against the company/disputed liabilities not acknowledged as Debts

(₹ in Lacs)

Particulars	31st March, 2016	31st March, 2015
Service Tax	4.53	6.99
Demand by Haldia Development Authority towards Land Premium	332.50	332.50
Stamp Duty for Registration of Land	49.45	49.45

#### II) Guarantees Given

(₹ in Lacs)

Particulars	31st March, 2016	31st March, 2015
Guarantees given by the Company not acknowledged as debt	249.95	271.10

### 24. Earnings per share (EPS)

(₹ in Lacs)

Particulars	31st March, 2016	31st March, 2015
Profit as per Statement of Profit and Loss (Rs in lacs)	497.82	818.01
Weighted average number of equity shares	6,55,34,050	6,55,34,050
Nominal value per equity share (Rs.)	1	1
Basic and diluted earnings per share (EPS)	0.76	1.25

### 25. Information pursuant to the provisions of Clause 5(viii) of the General Instructions for preparation of statement of profit and loss of the Schedule III to the Companies Act, 2013.

#### a. CIF Value of Import :

(₹ in Lacs)

Particulars	31st March, 2016	31st March, 2015
Capital goods	17.03	NIL
Raw materials and other purchases	15,905.91	14,380.79
Spares parts and chemicals	37.32	85.43

#### b. Expenditure in Foreign Currencies :

(₹ in Lacs)

Particulars	31st March, 2016	31st March, 2015
Interest on Loans From Banks & Financial Institutions	44.04	128.32
Others	61.34	34.52

## c. Value of Raw Materials and Spare Parts Consumed :

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Amount	%	Amount	%
<b>Raw Materials :</b>				
Indigenous	5,519.13	25.02	7,662.09	31.57
Imported	16,539.13	74.98	16,605.02	68.43
<b>Total</b>	<b>22,058.26</b>	<b>100.00</b>	<b>24,267.11</b>	<b>100.00</b>
<b>Stores &amp; Spares :</b>				
Indigenous	364.09	96.68	208.70	68.30
Imported	12.49	3.32	96.88	31.70
<b>Total</b>	<b>376.58</b>	<b>100.00</b>	<b>305.58</b>	<b>100.00</b>

## d. Earnings in Foreign Exchange :

(₹ in Lacs)

Particulars	31st March, 2016	31st March, 2015
Export of Goods & Services (F.O.B. Value Including Freight Realised)	17,401.50	27,202.12

26. Effective from 1st April 2014, the company had charged depreciation based on the revised remaining useful lives of the assets as per the requirement of Schedule II to the Companies Act 2013. An amount of Rs 29.89 lacs (net of deferred tax) had been recognized in the opening balance of retained earnings for the financial year 2014-15 for the assets where remaining useful life as per Schedule II is Nil.

## 27. Related Party Disclosure :

## a. Name &amp; Relationship of the Related Parties

Particulars	Relationship
Manaksia Limited	Entities where KMP and Relatives have significant influence
Manaksia Aluminium Company Ltd. (till 21.7.2015)	
Key Management Personnel –	
Mr. Varun Agrawal	Managing Director
Mr. Suresh Kumar Agrawal	Director
Mr. Rajesh Singhania	Chief Financial Officer
Mr. Ajay Sharma	Company Secretary
Mr. Ajay Kumar Chakraborty	Director
Mr. Kali Kumar Chaudhury	Director
Mrs. Smita Khaitan	Director
Mr. Vineet Agrawal	Director
Mr. Mrinal Kanti Pal	Director

## b. Transactions during the year with related parties

(₹ in Lacs)

Sl. No.	Nature of Transactions	2015-16	2014-15
1.	<b>Purchase of Goods</b>		
	Manaksia Limited	145.07	Nil
	Manaksia Aluminium Co. Limited	14.36	21.82
2.	<b>Sale of Goods</b>		
	Manaksia Limited	192.53	Nil
	Manaksia Aluminium Co. Limited	4.78	101.19

(₹ in Lacs)

Sl. No.	Nature of Transactions	2015-16	2014-15
3.	<b>Purchase of Services</b>		
	Manaksia Limited	103.56	Nil
	Manaksia Aluminium Co. Limited	Nil	8.97
4.	<b>Sale of Services</b>		
	Manaksia Aluminium Co. Limited	33.21	152.36
5.	<b>Interest Income</b>		
	Manaksia Aluminium Co. Limited	5.44	Nil
6.	<b>Interest Expense</b>		
	Manaksia Aluminium Co. Limited	Nil	9.95
7.	<b>Remuneration of KMP</b>		
	Mr. Varun Agrawal	42.00	11.24
	Mr. Suresh Kumar Agrawal	21.72	Nil
	Mr. Rajesh Singhania	10.25	4.49
	Mr. Ajay Sharma	3.79	1.23
8.	<b>Meeting Fees</b>		
	Mr. Ajay Kumar Chakraborty	0.13	0.02
	Mr. Kali Kumar Chaudhury	0.14	0.02
	Mrs. Smita Khaitan	0.15	0.02
	Mr. Vineet Agrawal	0.08	Nil
	Mr. Mrinal Kanti Pal	0.05	0.02
9.	<b>Bank Guarantee Given</b>		
	Manaksia Limited	600.00	Nil
	Guarantee given to Bank by pledging of Fixed Deposit of the Company, for the purpose of bank finance to be availed by Manaksia Limited		

## 28. Segment Reporting

- a) Business Segment - As the Company's business activity falls within a single primary business segment, viz. "Metal", the disclosure requirements of Accounting Standard-17 "Segment Reporting", notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Amendment Rules, 2014 are not applicable.
- b) Geographical Segment - The company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under :

(₹ in Lacs)

REVENUE FROM OPERATIONS	2015-16	2014-15
India	11,473.00	5,725.75
Overseas	17,460.19	27,202.12
<b>Total</b>	<b>28,933.19</b>	<b>32,927.87</b>

The carrying amount of segment assets and additions to segment fixed assets by geographical area to which the assets are attributable.

(₹ in Lacs)

	Carrying amount of Segment Assets		Additions to Fixed Assets including CWIP	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
India	17,599.64	18,299.97	170.68	320.76
Overseas	7,344.82	4,576.26	Nil	Nil
<b>Total</b>	<b>24,944.46</b>	<b>22,876.23</b>	<b>170.68</b>	<b>320.76</b>

29. In terms of the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956 (“the Scheme”) between Manaksia Limited, Manaksia Steels Limited (“the Company”) and other three transferee Companies, Manaksia Limited had demerged its business and undertakings namely; Aluminium Undertaking, Steel Undertaking, CMMC Undertaking and Packaging Undertaking to four separate transferee Companies. Pursuant to the Scheme, as approved by Hon’ble High Court of Calcutta vide order dated 24th March 2014, received on 19th November 2014, the Steel undertaking of Manaksia Limited has been demerged into the company on a going concern basis with effect from 1st October, 2013 being the appointed date.

In terms of the Scheme, 65,534,050 equity shares of Rs. 1/- each, fully paid-up, of the Company had been issued to the holders of equity shares of Manaksia Limited, whose names were registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity share of Rs. 1/- each of the Company for every equity share held in Manaksia Limited. Further, in terms of the Scheme, Share Capital of Rs 5 lacs prior to allotment of the above shares, has been transferred to Capital Reserve Account.

30. Disclosure as per Accounting Standard 15 “Employee Benefits”

(₹ in Lacs)

PARTICULARS	2015-16	2014-15
<b>Employee Benefits :</b>		
<b>i) Defined contribution Plan</b> Contribution to defined contribution plan, recognized are charged off during the year as follows : Employers’ Contribution to Provident Fund	34.02	24.83
<b>ii) Defined benefit plan</b> Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes 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.		
<b>a) Reconciliation of opening and closing balances of defined obligation :</b>		
1) Defined benefit obligation at the beginning of the period	90.86	0.00
2) Current service cost	6.75	16.58
3) Interest cost	7.04	0.00
4) Acquisitions	0.00	66.49
5) Actuarial (gain) / loss	(32.29)	9.04
6) Benefit paid	(1.00)	(1.25)
7) Defined benefit obligation at the end of the period	71.36	90.86
<b>b) Reconciliation of fair value assets and obligations :</b>		
1) Fair value of plan assets as at the end of the period	0.00	0.00
2) Present value of obligations as at end of the period	71.36	90.86
3) Amount recognized in balance sheet	(71.36)	(90.86)
<b>c) Expenses recognized during the year (under the Note “Employee Benefits Expense”)</b>		
1) Current service cost	6.75	16.58
2) Interest cost	7.04	0.00
3) Actuarial (gain) / Loss	(32.29)	9.04
4) Net amount	(18.49)	25.62

PARTICULARS	2015-16	2014-15
<b>d) Actuarial assumptions</b>		
1) Mortality table	<b>IALM 06-08 ultimate</b>	<b>IALM 06-08 ultimate</b>
2) Discount rate (per annum)	<b>7.75 %</b>	7.75 %
3) Rate of escalation in salary (per annum)	<b>5.00 %</b>	5.00 %
4) Expected average remaining working lives of employees (years)	<b>18.38</b>	18.77
The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above information has been certified by the actuaries.		

**Assets & Liabilities (Balance Sheet Position)**

(₹ in Lacs)

Particulars	As on		
	31/03/2016	31/03/2015	31/03/2014
Present value of Obligations	<b>71.37</b>	90.86	66.49
Fair Value of Plan Assets	<b>0</b>	0	0
Unrecognised Past Service Cost	<b>0</b>	0	0
Effects of Asset Selling	<b>0</b>	0	0
Net Asset / (Liability)	<b>(71.37)</b>	(90.86)	(66.49)

**Experience adjustments on Present Value of Benefit Obligation and Plan Assets**

(₹ in Lacs)

Particulars	As on		
	31/03/2016	31/03/2015	31/03/2014
(Gain) / Loss on Plan Liabilities	<b>(32.29)</b>	(5.61)	0
(Gain) / Loss on Plan Assets	<b>0</b>	0	0

31. The Company has made a provision of Rs. 88.01 Lakhs (Previous Year Rs. 124.17 Lakhs) towards Entry Tax in relation to matter under litigation/dispute as shown below :

(₹ in Lacs)

	31st March, 2016	31st March, 2015
Opening Balance	<b>411.50</b>	<b>287.33</b>
Provisions made during the Year	<b>88.01</b>	124.17
<b>Closing Balance</b>	<b>499.51</b>	411.50

32. Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform to the current year presentation.

As per our Report attached of even date

For **S K Agrawal & Co.**  
Chartered Accountants  
Firm Regn. No. 306033E

**Hemant Kumar Lakhota**  
(Partner)  
Membership No. 068851  
Kolkata  
27th day of May, 2016

For and on Behalf of the Board of Directors

**Varun Agrawal**  
(Managing Director)  
DIN : 00441271

**Mrinal Kanti Pal**  
(Director)  
DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)