

Sec/Steel/203

Dated: 04.10.2018

The Secretary  
BSE Limited  
New Trading Wing,  
Rotunda Building,  
PJ Tower, Dalal Street,  
Mumbai- 400001  
Scrip Code: 539044

The Manager  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block "G"  
5<sup>th</sup> floor, Bandra Kurla Complex,  
Bandra East,  
Mumbai- 400051  
SYMBOL: MANAKSTEEL

Sir,

Sub: Submission of Annual Report for the Financial Year 2017-18 in compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed herewith Annual Report of the Company for the Financial Year 2017-18.

This may be treated as compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,  
For Manaksia Steels Limited



Ajay Sharma  
Company Secretary  
Membership No.: A34079



Encl: a/a

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## Corporate Information

### Directors

Mr. Varun Agrawal - Managing Director  
DIN : 00441271

Mr. Vineet Agrawal - Wholetime Director  
DIN : 00441223

Mr. Suresh Kumar Agrawal  
DIN : 00520769

Mr. Ajay Kumar Chakraborty  
DIN : 00133604

Dr. Kali Kumar Chaudhuri  
DIN : 00206157

Mrs. Smita Khaitan  
DIN : 01116869

Mr. Mrinal Kanti Pal  
DIN : 00867865

### 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

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 17th (Seventeenth) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

### FINANCIAL RESULTS :

(₹ in Lacs)

Particulars	STANDALONE		CONSOLIDATED
	2017-18	2016-17	2017-18
<b>Total Revenue</b>	50249.45	<b>34768.16</b>	<b>51244.30</b>
<b>Profit Before Tax (PBT)</b>	2654.68	<b>1454.52</b>	<b>2227.29</b>
Less : Tax Expenses			
– Current	1065.00	675.00	1065.00
– Deffered Tax	(75.85)	(134.47)	(399.74)
<b>Profit for the period</b>	<b>1665.53</b>	<b>913.99</b>	<b>1562.03</b>
<b>Other Comprehensive Income / (Loss)</b>	<b>(2.89)</b>	<b>(16.30)</b>	<b>(2.89)</b>
<b>Total Comprehensive Income for the period</b>	<b>1662.64</b>	<b>897.69</b>	<b>1559.14</b>
Balance brought forward from previous year	2482.25	1584.56	2482.25
Total Amount available for appropriation	4144.89	2482.25	4041.39
<b>Appropriations:</b>			
Transfer to General Reserve	–	–	–
Surplus Carried to Balance Sheet	4144.89	2482.25	4041.39
<b>Total</b>	<b>4144.89</b>	<b>2482.25</b>	<b>4041.39</b>

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

Kindly refer to 'Management Discussion and Analysis Report' which forms part of this 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 year under review.

### 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, 2018.

### TRANSFER TO RESERVES

No amount was transferred to the General Reserve during the year under review.

### CHANGES IN SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31st March, 2018 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 34(3) read with Para F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") forms part of the Corporate Governance Report.

### DETAILS UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013 (HEREINAFTER REFERRED TO AS "ACT") IN RESPECT OF ANY SCHEME OF PROVISIONS OF MONEY FOR PURCHASE OF OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES

No such instance took place during the year under review.

## **OPERATIONS AND BUSINESS PERFORMANCE**

The details of operation and business performance of the Company has been elaborated in the 'Management Discussion and Analysis Report', forming part of this Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **DETAILS RELATING TO MATERIAL VARIATIONS**

The Company has not issued any prospectus or letter of offer during the last five years and as such the requirement for providing the details relating to material variation is not applicable upon the company for the year under review.

## **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 of the company during the period between the end of the financial year 2017-18 and the date of this report which can affect the financial position of the Company for the year under review.

## **TRANSITION TO INDIAN ACCOUNTING STANDARDS**

The Indian Accounting Standards (Ind AS) has been applicable to the Company for the first time during the Financial Year 2017-2018 and accordingly, with effect from 1st April 2016, your Company was required to align its accounting policies and disclosures in accordance with the Ind AS. Necessary adjustments in the previous year figures and in the format of presentation in compliance with the requirement of Ind AS have been made in the accounts.

## **EXTRACT OF ANNUAL RETRUN**

The extract of Annual Return as on 31st March, 2018 in the prescribed Form MGT-9, pursuant to section 92(3) of the Act, 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**

The Company follows the corporate governance guidelines and best practices sincerely and discloses timely and accurate information regarding the operations and performance of the Company.

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

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

The details of number of meetings of Board of the Directors of the Company held during the year have been provided in the Corporate Governance Report forming part of this Directors' Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls (IFC) and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's IFC were adequate and effective during Financial year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that :

- a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2017-18 and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- d) the annual accounts had been prepared on a going concern basis;
- e) 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) 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 ON 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 (EGM) 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 Act and Regulation 16 of the Listing Regulations.

#### **DIRECTORS' AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of section 152(6) of the Act and the Articles of Association of the Company, Mr. Vineet Agrawal [DIN: 00441223], Whole-time Director and Mr. Mrinal Kanti Pal [DIN: 00867865], Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

The brief resume/profile of the Directors recommended by the Board for appointment/re-appointment has been provided in the Notice convening the Seventeenth Annual General Meeting.

#### **SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India has issued Secretarial Standard -1 (SS-1) on 'Meeting of the Board of Directors' and Secretarial Standard - 2 (SS-2) on 'General Meeting' and both the Secretarial Standards have been approved by the Central Government under section 118(10) of the Companies Act, 2013. Pursuant to the provisions of section 118(10) of the Companies Act, 2013, it is mandatory for the company to observe the secretarial standards with respect to Board Meeting and General Meeting. The Company has adopted and followed the set of principles prescribed in the respective Secretarial Standards for convening and conducting Meetings of Board of Directors, General Meeting and matters related thereto. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

#### **STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s. 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 of the Company held on 10th September, 2014 for a term of 5(five) consecutive years, to hold office from the conclusion of the 13th Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company to be held for the Financial Year 2018-19, subject to the ratification by the members of the Company at every subsequent Annual General Meeting, on such remuneration as may be determined by the Board of Directors based on the recommendation of the Audit Committee and mutually agreed by the Statutory Auditors, in addition to the reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

The First Proviso of the Section 139(1) of the Companies Act, 2013 has been omitted pursuant to the Companies (Amendment) Act, 2017 and therefore the requirement of placing the matter relating to appointment of auditor for ratification by members at every Annual General Meeting has been done away. As authorized by the shareholders at the last AGM, the Board of Directors on the recommendation of the Audit Committee has approved the remuneration payable to M/s. S. K. Agrawal & Co., Chartered Accountants, for the financial year 2018-19.

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 Act 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, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2017-18.

#### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report in Form MR-3 as given by the Secretarial Auditor for the financial year ended 31st March, 2018, forms part of the Directors' Report and annexed as 'Annexure-C'.

The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

The Indian Accounting Standard (IND AS) has become applicable to the Company for the first time during the Period under Review. The Company has indentified certain parties as its related parties pursuant to the provisions of the IND AS -24 and since the IND AS has been implemented for the first time, certain related party transactions (as per the revised list of related parties in terms of IND AS 24) were not placed before the Audit Committee, Board and also the members of the Company for approval, due to late identification of the new related parties during the financial year 2017-2018. However, as on the date of this report, the Audit Committee and Board of Directors of the Company have ratified all those transactions with the related parties and the Company has also taken necessary steps to place the same before the shareholders at the ensuing Annual General Meeting for their approval. All the transaction with the related parties are on arms length and in ordinary course of business.

IND AS has become applicable to the Company for the first time during the year under review and the company has made necessary classification of parties and accordingly given effect the same in the Accounts as required under IND AS.

### **COST AUDITORS**

Pursuant to the requirement of section 148 of the Act, cost audit is applicable on your Company for manufacturing items covered under Rule 3 of Companies (Cost Records and Audit) Rules, 2014. The Board of Directors of your Company on the recommendation of Audit Committee has appointed M/s. B Mukhopadhyay & Company, Cost Accountants as Cost Auditors of the Company for the Financial Year 2017-18. As required under the Act, 2013 the remuneration payable to the Cost Auditor was ratified by the shareholders in the Annual General Meeting held on 22nd September, 2017.

The due date for filing the Cost Audit Reports for Financial Year 2017-18 is 27th September, 2018 and the Cost Auditors are expected to file the reports with the Central Government within the said period.

The Board, pursuant to the provisions of section 148 of the Act, read with Companies (Cost Records and Audit) Rules, 2014 has appointed M/s S. Chhaparia & Associates, Cost Accountants, 33/1, N.S. Road, (Marshall House) Kolkata- 700 001, as the Cost Auditors of the Company for the Financial Year 2018-19 and accordingly, a resolution for seeking Members ratification for the remuneration payable to the Cost Auditors, would be placed before the forthcoming Annual General Meeting.

### **FRAUD REPORTING**

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

### **DISCLOSURE ON EMPLOYEE STOCK OPTION/ PURCHASE SCHEME**

During the year under review, your Company has not provided any employee stock option / purchase scheme.

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

The particulars of the loans given, investments made, guarantees given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act are provided in the notes to the Financial Statements (Refer note no. 4, 5, 8, 12, 33 & 36).

### **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 that the provisions of section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 were not attracted. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company. Thus, disclosure in Form AOC-2 is not required.

The IND AS provisions has become applicable to the Company for the first time during the Period under Review and the Company has identified certain Related Parties in terms of the provisions of IND AS. Since, IND AS has been implemented for the first time during the year under review certain transactions with the newly identified related parties were not placed before the Audit Committee, Board and Members at their respective meeting for approval. The newly identified entities are not related parties in terms of the provisions of the Companies Act, 2013; however, since these entities are related parties in terms of the IND AS 24, as a practice of better corporate governance, the Company has taken necessary measure to place those related party transactions before the Audit Committee, Board and Members at their respective ensuing meetings. During the year under review, except the above stated transactions, 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.

Except the transactions with newly identified related parties as per IND AS, all other transactions with Related Parties 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 reviewed by the Audit Committee 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.

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/pdf/msl/Policy\\_on\\_Related\\_Party\\_Transactions\\_Steels\\_22316.pdf](http://www.manaksia.com/pdf/msl/Policy_on_Related_Party_Transactions_Steels_22316.pdf)

#### **PARTICULARS OF LOANS/ADVANCES/INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR AS REQUIRED UNDER SCHEDULE V OF THE LISTING REGULATIONS**

The details of related party disclosures with respect to loans/advances/ investments at the year end and maximum outstanding amount thereof during the year as required under Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company.

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

The details required pursuant to the provisions of section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings 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 realization 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**

As on 31st March, 2018, the Company, pursuant to the requirement of the provisions of section 177 of the Act read with Regulation 18 of the Listing Regulations has in place Audit Committee comprising of 4 (four) members, Mr. Ajay Kumar Chakraborty – Independent Director (Chairman) [DIN: 00133604], Dr. Kali Kumar Chaudhuri – Independent Director [DIN: 00206157], Mrs. Smita Khaitan – Independent Woman Director [DIN: 01116869] and Mr. Suresh Kumar Agrawal – Non-Executive Director [DIN: 00520769]. The Board of Directors has revised the composition of the Audit Committee at its meeting held on 8th May, 2018 and as on the date of this Report the Audit Committee is comprised of Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Varun Agrawal (Executive Director). The Committee focuses on certain specific areas and makes informed decisions in line with the delegated authority and function according to the roles and defined scope. The details of composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report.

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

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

As on 31st March, 2018, the Company pursuant to the requirement of provisions of section 178(1) of the Act read with the Regulation 19 of the Listing Regulations, has in place the Nomination & Remuneration Committee comprising of 4 (four) members, Dr. Kali Kumar Chaudhuri– Independent Director (Chairman) [DIN: 00206157], Mr. Ajay Kumar Chakraborty - Independent Director [DIN: 00133604], Mrs. Smita Khaitan – Independent Woman Director [DIN: 01116869] and Mr. Suresh Kumar Agrawal – Non-Executive Director [DIN: 00520769]. The Board of Directors at its meeting held on 8th May, 2018 has revised the composition of the Nomination and Remuneration Committee and as on the date of this report the revised composition of the Nomination and Remuneration Committee is comprised of Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Suresh Kumar Agrawal (Non-Executive Director).

The details of composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report.

The Company pursuant to provisions of section 178 of the Act and Regulation 19 read with Para A of Part D of Schedule II of

the Listing Regulations, upon recommendation of Nomination & Remuneration Committee has devised a Remuneration Policy applicable to all Executives of the Company i.e. Directors, Key Managerial Personnel and senior management. The said policy forms part of the Directors' Report and marked as 'Annexure E'.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

As on 31st March, 2018, as required by the provisions of section 178(5) of the Act 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– Independent Director (Chairman) [DIN: 00206157], Mr. Suresh Kumar Agrawal – Non-Executive Director [DIN: 00520769] and Mr. Varun Agrawal – Executive Director [DIN: 00441271]. The Board of Directors at its meeting held on 8th May, 2018 has revised the composition of the Stakeholders' Relationship Committee and as on the date of this report the Stakeholders' Relationship Committee is comprised of Mr. Suresh Kumar Agrawal (Non-Executive Director), Mr. Varun Agrawal (Executive Director) and Mr. Mrinal Kanti Pal (Non-Executive Director).

The details of composition, terms of reference and number of meetings held for 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 Act and Rules thereunder and the Committee is comprised of Mr. Suresh Kumar Agrawal (Non- Executive Director) Dr. Kali Kumar Chaudhuri (Independent Director) and Mr. Vineet Agrawal (Executive Director). The composition and the detailed terms of reference of the CSR Committee are provided in the Corporate Governance Report. The CSR activities are *inter-alia*, focused on rural development and promoting education & health care. The report on CSR activities pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this report and marked as **Annexure – 'F'**.

#### **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations read with Guidance Note on Board Evaluation of SEBI dated 5th January, 2017 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 the annual evaluation of its own performance, the performance of Board Committee and of Directors individually, by way of individual and collective feedback from Directors. Further, pursuant to Para VII of Schedule IV of the Act and provisions of the Listing Regulations, the Independent Directors of the Company, without the participation of Non-Independent Directors and members of management, convened a separate meeting on 19th May, 2017, to perform the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairman of the Company taking into account the views of executive directors and non executive directors;
- Assess 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, its Committees and of individual directors.

#### **FAMILIARIZATION PROGRAMME**

Familiarization programme undertaken for Independent Directors is provided at the following weblink: [http://www.manaksia.com/pdf/familiarization\\_programme\\_%20steels.pdf](http://www.manaksia.com/pdf/familiarization_programme_%20steels.pdf)



## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the details containing salient features of the financial statement of subsidiary companies /associate companies/ joint ventures in Form AOC-1 forms part of this Annual Report.

During the year under review the Company has formed Technomet International FZE as its wholly owned subsidiary at Jebel Ali Free Zone, Dubai and further Technomet International FZE, has also entered in to share purchase agreement with two companies i.e. Federated Steel Mills Limited and Far East Steel Industries Limited at Nigeria and acquired 99.9999% of share capital of both the companies. The Company has two layers of subsidiaries.

The details of performance of the Subsidiary Companies are as follows:

### Foreign Subsidiaries :

#### Technomet International FZE

The Revenue of the company from the date of Incorporation i.e., 3rd August, 2017 till the year ended 31st March 2018 stood at AED Nil Lacs (equivalent to Rs. Nil Lacs). During the said period, the company had a net loss of AED 10.02 Lacs (equivalent to ₹ 175.98 Lacs).

#### Federated Steel Mills Ltd

This company is subsidiary of Technomet International FZE. The Revenue of the company from the date of acquisition i.e., 17th December, 2017 till the year ended 31st March, 2018 stood at Naira 5116.75 Lacs (equivalent to ₹ 1078.07 Lacs). During the said period the company had a net profit of Naira 414.25 Lacs (equivalent to ₹ 89.81 Lacs).

#### Far East Steel Industries Ltd

This company is subsidiary of Technomet International FZE. The Revenue of the company from the date of acquisition i.e., 17th December, 2017 till the year ended 31st March, 2018 stood at Naira Nil Lacs (equivalent to ₹ Nil Lacs). During the said period the company had a net profit/ (loss) of Naira Nil Lacs (equivalent to ₹ Nil Lacs).

Except as stated hereinabove, the Company does not have any joint venture or associate company during the year under review.

## MATERIAL SUBSIDIARY COMPANIES

A subsidiary shall be considered as material if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company has formulated a policy for determining "Material" subsidiaries in the Board Meeting dated 16th May, 2018 and the same is available on the website of the Company [www.manaksia.com](http://www.manaksia.com) and the weblink thereto is [http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries\\_Steels.pdf](http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries_Steels.pdf).

## DEPOSITS

The Company has neither accepted nor renewed any deposits during the financial year under review in terms of the provisions of Chapter V of the Act.

## 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 Board based on the recommendation of Audit Committee in its meeting held on 16th May, 2018 has appointed M/s Namita Kedia & Associates, Chartered Accountants, (Firm Regn. No. 328509E) as Internal Auditors of the Company for the financial year 2018-19.

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 Act 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:

[http://www.manaksia.com/pdf/msl/Whistle\\_Blower\\_Policy\\_Steels\\_220316.pdf](http://www.manaksia.com/pdf/msl/Whistle_Blower_Policy_Steels_220316.pdf)

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

No complaint has been received by the Internal Complaints Committee of the Company during the financial 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 Act 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 year under review, no employee of the Company drew remuneration in excess of the limits specified under the provisions of section 197(12) of the Act 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.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In compliance with the provisions of the Act and the Listing Regulations the Consolidated Financial Statements of the Company and its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with the applicable Indian Accounting Standards (IND AS) issued by the Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiaries.

#### **ACKNOWLEDGEMENT**

Your Company continues its relentless focus on strengthening competition in all its businesses. It is the endeavor 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, Central Government, State Government, various Government and Local 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 team-work, professionalism and enthusiastic contribution towards the working of the Company.

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

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

Place : Kolkata  
Dated : 16th May, 2018

**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 31.03.2018**

[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 : L27101WB2001PLC138341
- (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-Government Company
- (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 : Link Intime India Private Limited  
Share Transfer Agent, if any : 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	46.98%

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

Sl. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Technomet International FZE (P.O. Box 263598, LB20112, Jebel Ali Freezone, Dubai, UAE)	NA	Subsidiary Company	100%	Section 2(87)
2	Federated Steel Mills Ltd (Subsidiary of Technomet International FZE) (Block XI, Plot 3-10, Ota Industrial Estate, Ota, Ogun State, Nigeria)	NA	Subsidiary Company	99.9999%	Section 2(87)
3	Far East Steel Industries Ltd (Subsidiary of Technomet International FZE) (Block XI, Plot 1-2, Ota Industrial Estate, Ota, Ogun State, Nigeria)	NA	Subsidiary Company	99.9999%	Section 2(87)

**IV. SHARE HOLDING 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
1.	<b>Indian</b>									
	a) Individual/ HUF	42543440	–	42543440	64.918	42543440	–	42543440	64.918	0.00
	b) Central Govt.	–	–	–	–	–	–	–	–	–
	c) State Govt.(s)	–	–	–	–	–	–	–	–	–
	d) Bodies Corp.	–	–	–	–	–	–	–	–	–
	e) Banks/FI	–	–	–	–	–	–	–	–	–
	f) Any other	–	–	–	–	–	–	–	–	–
	<b>Sub-total A(1)</b>	<b>42543440</b>	<b>0</b>	<b>42543440</b>	<b>64.918</b>	<b>42543440</b>	<b>0</b>	<b>42543440</b>	<b>64.918</b>	<b>0.00</b>
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>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total shareholding of Promoter (A) =(A)(1) + (A)(2)</b>	<b>42543440</b>	<b>0</b>	<b>42543440</b>	<b>64.918</b>	<b>42543440</b>	<b>0</b>	<b>42543440</b>	<b>64.918</b>	<b>0.00</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	<b>Institutions</b>									
	a) Mutual Funds	–	–	–	–	–	–	–	–	–
	b) Banks/FI	19208	–	19208	0.029	1257	–	1257	0.002	(0.027)
	c) Central Govt.	–	–	–	–	–	–	–	–	–
	d) State Govt.(s)	–	–	–	–	–	–	–	–	–
	e) Foreign Portfolio Investor	–	–	–	–	1233281	–	1233281	1.882	1.882
	f) Venture Capital Funds	–	–	–	–	–	–	–	–	–
	g) Insurance Companies	–	–	–	–	–	–	–	–	–
	h) FIIs	–	–	–	–	–	–	–	–	–
	i) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
	j) Others (specify)	–	–	–	–	–	–	–	–	–
	<b>Sub-total (B)(1)</b>	<b>19208</b>	<b>–</b>	<b>19208</b>	<b>0.029</b>	<b>1234538</b>	<b>–</b>	<b>1234538</b>	<b>1.884</b>	<b>1.855</b>
2.	<b>Non-Institutions</b>									
	a) Bodies Corp									
	i) Indian	15068050	–	15068050	22.993	12127537	–	12127537	18.506	(4.487)
	ii) Overseas	–	–	–	–	–	–	–	–	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to ₹ 1 lac	6140538	1406	6141944	9.372	7566023	999	7567022	11.546	2.174
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	1595648	–	1595648	2.435	1454609	–	1454609	2.219	(0.216)



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians (Rep.)	35760	–	35760	0.055	93997	–	93997	0.143	0.088
Non Resident Indians (Non-Rep.)	29556	–	29556	0.045	55069	–	55069	0.084	0.039
Clearing Members	100444	–	100444	0.153	457838	–	457838	0.699	0.546
<b>Sub-total (B)(2)</b>	<b>22969996</b>	<b>1406</b>	<b>22971402</b>	<b>35.053</b>	<b>21755073</b>	<b>999</b>	<b>21756072</b>	<b>33.198</b>	<b>(1.855)</b>
<b>Total Public Shareholding (B) = (B) (1) + (B)(2)</b>	<b>22989204</b>	<b>1406</b>	<b>22990610</b>	<b>35.082</b>	<b>22989611</b>	<b>999</b>	<b>22990610</b>	<b>35.082</b>	<b>–</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Grand Total (A+B+C)</b>	<b>65532644</b>	<b>1406</b>	<b>65534050</b>	<b>100</b>	<b>65533051</b>	<b>999</b>	<b>65534050</b>	<b>100</b>	<b>0.00</b>

**(B) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% Change in Share holding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mr. Varun Agrawal	12494810	19.066	–	12494810	19.066	–	0.000
2.	Mr. Suresh Kumar Agrawal	12350360	18.846	–	12350360	18.846	–	0.000
3.	Mrs. Chandrakala Agrawal	10750000	16.404	–	10750000	16.404	–	0.000
4.	Mrs. Payal Agrawal	6610770	10.088	–	6610770	10.088	–	0.000
5.	Suresh Kumar Agrawal (HUF)	337500	0.515	–	337500	0.515	–	0.000

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

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company
1.	Mr. Varun Agrawal	12494810	19.066	01.04.2017 31.03.2018	No Change	12494810	19.066
2.	Mr. Suresh Kumar Agrawal	12350360	18.846	01.04.2017 31.03.2018	No Change	12350360	18.846
3.	Mrs. Chandrakala Agrawal	10750000	16.404	01.04.2017 31.03.2018	No Change	10750000	16.404
4.	Mrs. Payal Agrawal	6610770	10.088	01.04.2017 31.03.2018	No Change	6610770	10.088
5.	Suresh Kumar Agrawal (HUF)	337500	0.515	01.04.2017 31.03.2018	No Change	337500	0.515

**(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 (as on 01.04.2017)		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		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	01.04.2017 23.03.2018 31.03.2018	 (500000) 420000	2764875 3184875	4.219 4.860
2.	Kalitara Glass Moulding Works Private Limited	1913658	2.920	01.04.2017 31.03.2018	 —	1913658	2.920
3.	Attractive Vinimay Private Limited	1816250	2.771	01.04.2017 16.03.2018 31.03.2018	 (800000) —	1016250 1016250	1.551 1.551
4.	Palash Machineries Private Limited	1514155	2.310	01.04.2017 02.03.2018 09.03.2018 16.03.2018 31.03.2018	 (200000) (390081) (5579) —	1314155 924074 918495 918495	2.005 1.410 1.402 1.402
5.	Aradhana Properties Private Limited	1467000	2.239	01.04.2017 31.03.2018	 —	1467000	2.239
6.	Globe Capital Market Limited	1317022	2.010	01.04.2017 14.04.2017 21.04.2017 28.04.2017 05.05.2017 12.05.2017 19.05.2017 26.05.2017 16.06.2017 23.06.2017 30.06.2017 07.07.2017 14.07.2017 21.07.2017 28.07.2017 11.08.2017 18.08.2017 25.08.2017 01.09.2017 08.09.2017 15.09.2017 22.09.2017 29.09.2017 06.10.2017 13.10.2017 03.11.2017 10.11.2017 17.11.2017 24.11.2017 01.12.2017 08.12.2017 15.12.2017 22.12.2017 29.12.2017 05.01.2018 12.01.2018 19.01.2018 02.02.2018 31.03.2018	 22230 (1625) (175) 40 (540) (39581) (1503) (3500) (12000) (1702) (105878) (19650) (5250) (450) (6436) 586 (586) (89874) (63234) (4756) (19245) (8404) 452 (185) (292448) 14833 (163) 300 200 (300) (250) (8801) (200) (23) (75020) (30562) (100) 750	1339252 1337627 1337452 1337492 1336952 1297371 1295868 1292368 1280368 1278666 1172788 1153138 1147888 1147438 1141002 1141588 1141002 1051128 987894 983138 963893 955489 955941 955756 663308 678141 677978 678278 678478 678178 677928 669127 668927 668904 593884 563322 563222 563972	2.043 2.041 2.041 2.041 2.040 1.780 1.977 1.972 1.954 1.951 1.790 1.760 1.752 1.751 1.741 1.742 1.741 1.604 1.507 1.500 1.471 1.458 1.459 1.458 1.012 1.035 1.035 1.035 1.035 1.034 1.021 1.021 1.021 0.906 0.859 0.859 0.861

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
7.	B B Constructions Limited	1026250	1.566	01.04.2017 09.03.2018 16.03.2018 23.03.2018 31.03.2018	 (85000) (314897) (145793) (82481)	 941250 626353 480560 398079	 1.436 0.956 0.733 0.607
8.	Mrs. Sudha Gupta	375000	0.572	01.04.2017 31.03.2018	 —	 375000	 0.572
9.	Linton Consultants Pvt. Ltd.	231088	0.353	01.04.2017 22.09.2017 (ceased to be in Top 10)	 — 	 231088	 0.353
10.	Jai Salasar Balaji Industries Pvt Ltd.	—	—	17.06.2017 (entered in Top 10) 16.03.2018 (ceased to be in Top 10)	225000  —	225000  225000	0.343  0.343
11.	Mr. Balkrishan Poddar	250908	0.383	01.04.2017 30.06.2017 07.07.2017 (ceased to be in Top 10)	 (150001) —	 100907 100907	 0.154 0.154
12.	Cresta Fund Ltd	—	—	01.09.2017 (entered in Top 10) 08.09.2017 15.09.2017 27.10.2017 29.12.2017 05.01.2018 09.03.2018 16.03.2018 23.03.2018 31.03.2018	215000  100000 80000 12500 (6515) (74357) 217339 414364 229950 45000	215000  315000 395000 407500 400985 326628 543967 958331 1188281 1233281	0.328  0.481 0.603 0.622 0.612 0.498 0.830 1.462 1.813 1.882
13.	Priti A Doshi	—	—	22.09.2017 (entered in Top 10) 13.10.2017 03.11.2017 (ceased to be in Top 10)	250000  250000 —	250000  500000 500000	0.381  0.763 0.763
14.	Aditya Kumar Halwasiya	—	—	29.09.2017 (entered in Top 10) 06.10.2017 03.11.2017 10.11.2017 17.11.2017 23.03.2018 31.03.2018	259831  5169 95991 (19800) (151) 65669 —	259831  265000 360991 342091 341940 407609 407609	0.396  0.404 0.551 0.522 0.522 0.622 0.622

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
15.	Payal Mohan Jani	–	–	24.11.2017 (entered in Top 10) 23.02.2018 02.03.2018 (ceased to be in Top 10)	255231 (54938) –	255231 200293 200293	0.389 0.306 0.306
16.	Skyes & Ray Equities (I) Ltd	–	–	19.01.2018 02.02.2018 23.02.2018 (ceased to be in Top 10)	276014 1 –	276014 276015 276015	0.421 0.421 0.421
17.	Sailaja Construction Pvt Ltd	–	–	02.03.2018 (entered in Top 10) 09.03.2018 (ceased to be in Top 10)	200000 –	200000 200000	0.305 0.305
18.	Ortem Securities Ltd	–	–	16.03.2018 (entered in Top 10) 23.03.2018 (ceased to be in Top 10)	4425000 –	4425000 4425000	6.752 0.343
19.	SSD Securities Pvt Ltd	–	–	23.03.2018 (entered in Top 10) 31.03.2018 (ceased to be in Top 10)	440000 –	440000 440000	0.671 0.671

**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 (as on 01.04.2017)		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
DIRECTORS							
1.	Mr. Ajay Kumar Chakraborty	–	–	01.04.2017 31.03.2018	–	–	–
2.	Dr. Kali Kumar Chaudhuri	–	–	01.04.2017 31.03.2018	–	–	–
3.	Mr. Mrinal Kanti Pal	396	0.001	01.04.2017 31.03.2018	–	396	0.001
4.	Mrs. Smita Khaitan	–	–	01.04.2017 31.03.2018	–	–	–
5.	Mr. Suresh Kumar Agrawal	12350360	18.846	01.04.2017 31.03.2018	–	12350360	18.846



Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2017)		Date	Increase / (Decrease) in Shareholding	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
6.	Mr. Varun Agrawal	12494810	19.066	01.04.2017 31.03.2018	—	12494810	19.066
7.	Mr. Vineet Agrawal	—	—	01.04.2017 31.03.2018	—	—	—
<b>KEY MANAGERIAL PERSONNEL</b>							
1.	Mr. Ajay Sharma	20	—	01.04.2017 31.03.2018	—	20	—
2.	Mr. Rajesh Singhanian	2	—	01.04.2017 31.03.2018	—	2	—

#### (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	5749.12	—	—	5749.12
ii)	Interest due but not paid	—	—	—	—
iii)	Interest accrued but not due	21.96	—	—	21.96
<b>Total (i+ii+iii)</b>		<b>5771.08</b>	<b>—</b>	<b>—</b>	<b>5771.08</b>
<b>Change in Indebtedness during the financial year</b>					
* Addition		3529.44	—	—	3529.44
* Reduction		—	—	—	—
<b>Net Change</b>		<b>3529.44</b>	<b>—</b>	<b>—</b>	<b>3529.44</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	9259.01	—	—	9259.01
ii)	Interest due but not paid	—	—	—	—
iii)	Interest accrued but not due	41.51	—	—	41.51
<b>Total (i+ii+iii)</b>		<b>9300.52</b>	<b>—</b>	<b>—</b>	<b>9300.52</b>

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Director and/or Manager**

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Managing Director	Whole Time Director	
		Varun Agrawal	Vineet Agrawal	
		(01.04.2017 - 31.03.2018)	(01.04.2017 - 31.03.2018)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	175.00	163.00	338.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	—	—	—
	(c) Profit in lieu of salary u/s 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>175.00</b>	<b>163.00</b>	<b>338.00</b>
	Ceiling as per the Act*	<b>240.00</b>	<b>240.00</b>	<b>480.00</b>

\*The Ceiling as per the Act has been calculated as per Schedule V of the Companies Act, 2013.

**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>Kali Kumar Chaudhuri</b>	<b>Smita Khaitan</b>	
	Fee for attending board / committee meetings	0.94	0.65	0.94	2.53
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	<b>Total (1)</b>	<b>0.94</b>	<b>0.65</b>	<b>0.94</b>	<b>2.53</b>
2.	<b>Other Non-Executive Directors</b>	<b>Suresh Kumar Agrawal</b>	<b>Mrinal Kanti Pal</b>		
	Fee for attending board / committee meetings	0.80	0.45		1.25
	Commission	—	—		—
	Others, please specify	—	—		—
	<b>Total (2)</b>	<b>0.80</b>	<b>0.45</b>		<b>1.25</b>
	<b>Total (B)=(1+2)</b>				<b>3.78</b>
	<b>Total Managerial Remuneration*</b>				<b>341.78</b>
	<b>Overall Ceiling as per the Act</b>				<b>550.00</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 (01.04.2017-31.03.2018)	Rajesh Singhania (01.04.2017-31.03.2018)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3.21	12.24	15.45
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–
	(c) Profit in lieu of salary u/s 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>3.21</b>	<b>12.24</b>	<b>15.45</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					

For and on behalf of the Board of Directors

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Mrinal Kanti Pal**  
Director  
DIN: 00867865

Place : Kolkata  
Dated: 16th May, 2018

## Annexure - B

### CORPORATE GOVERNANCE REPORT

Your Company has complied with the provisions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations").

A report on the implementation of Corporate Governance by the Company as per the Listing Regulations is given below.

#### 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 norms as stipulated in Part C of Schedule V of the Listing Regulations.

#### BOARD OF DIRECTORS

##### Composition of the Board

As on 31st March, 2018, the Board of Directors of the Company comprised of 7 (Seven) Directors, of whom 3 (Three) are Independent Directors including the Chairman, 2 (Two) are Executive Directors and 2 (Two) are Non-Executive Directors. The composition of the Board of Directors is in conformity with the Companies Act, 2013 (hereinafter referred to as "Act") and Listing Regulations.

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

During the financial year 2017-18, Six meetings of the Board of Directors of the Company were held and gap between any two consecutive meetings did not exceed 120 days. The dates on which the Board meetings were held are 19th May, 2017, 3rd July, 2017, 17th July, 2017, 24th August, 2017, 21st November, 2017 and 7th February, 2018. The attendance record of each of the directors at the Board Meetings held during the year ended 31st March, 2018 and of the last Annual General Meeting is as under:

Name and DIN of the Directors	Category of Director	Number of Board meetings held during FY 2017-18	Number of Board meetings attended during FY 2017-18	Whether attended AGM held on 23rd September, 2017	Number of directorship in other public limited companies* (including this Company)		Number of committee positions held in other public limited companies** (including this Company)	
					Chairman of the Board	Member of the Board	Chairman of the Committee	Member of the Committee
Mr. Ajay Kumar Chakraborty*** DIN: 00133604	NEI/ Chairman	6	6	Yes	4	5	4	5
Dr. Kali Kumar Chaudhuri DIN: 00206157	NEI	6	4	Yes	None	7	5	10
Mrs Smita Khaitan DIN: 01116869	NEI	6	6	Yes	None	6	3	8
Mr. Mrinal Kanti Pal DIN: 00867865	NE	6	6	Yes	None	2	None	None
Mr. Suresh Kumar Agrawal DIN: 00520769	PD/NE	6	5	Yes	None	3	None	3
Mr. Varun Agrawal DIN: 00441271	PD/MD	6	5	Yes	None	2	None	1
Mr. Vineet Agrawal DIN: 00441223	PD/WTD	6	5	YES	None	7	None	2

PD: Promoter Director; MD: Managing Director; NEI: Non-Executive Independent Director, NED: Non-Executive Director, WTD: Whole Time Director.

\*This excludes Directorship held in Indian Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Act.

\*\*Committee refers to Audit Committee and Stakeholders Relationship Committee.

\*\*\*Mr. Ajay Kumar Chakraborty has been ceased to be the Chairman of the Board w.e.f. 8th May, 2018.



None of the Directors holds Directorships in more than the permissible number of companies prescribed under the Act, or Directorships / Membership / Chairmanship of Board Committees as permissible under Regulations 25 and 26 of the Listing Regulations.

#### **Shares/ Convertible instruments held by the NEDs:**

The number of Shares held by Non-Executive Directors as on 31.03.2018 is as follows:

<b>Name of Non- Executive Directors</b>	<b>No of Shares Held</b>
Mr. Suresh Kumar Agrawal	1,23,50,360
Mr. Mrinal Kanti Pal	396

#### **Disclosures of relationships between Directors *inter-se*:**

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

#### **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 ensures 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 Act read with rules made thereunder and Listing Regulations, all Independent Directors have given declaration and the same have been noted in the Board meeting held on 16th May, 2018 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 of Independent Directors had been issued at the time of appointment. The terms and conditions of their appointment can be accessed at the following weblink:

[http://www.manaksia.com/pdf/Independent\\_Directors\\_Terms\\_Conditions-STEELS\\_website1.pdf](http://www.manaksia.com/pdf/Independent_Directors_Terms_Conditions-STEELS_website1.pdf)

#### **Performance Evaluation**

- Board of Directors**

As per the applicable provisions of the Act and Listing Regulations and based on the Guidance Note on Board Evaluation of SEBI dated 5th January, 2017, the Board carries out an annual evaluation of its own performance, as well as the working of its Committees. The Board works with the Committee to lay down the criteria for the performance evaluation. The contribution and impact of individual Directors is reviewed through a peer evaluation on parameters such as level of engagement and participation, flow of information, independence of judgement, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. Feedback-cum-assessment of individual Directors, the Board as a whole and its Committees is conducted. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

- Independent Directors**

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. The parameters used by Board of Directors for the performance evaluation of Independent Directors:

- Roles and responsibilities to be fulfilled as an Independent Director.
- Participation in Board Processes.

#### **Separate Meeting of the Independent Directors**

During the Financial Year 2017-18, as per the requirement of Schedule IV of the Act and the Listing Regulations, 1 (One) separate meeting of Independent Directors was held on 19th May, 2017 without the presence of the Non-Independent Directors and the members of the management to discuss the following:

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

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**

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the operation of the Company, its business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis.

During the financial year 2017-18, 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 and its subsidiaries 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).

The details of the familiarization programme for Independent Directors is provided at the following weblink:  
[http://www.manaksia.com/pdf/familiarization\\_programme\\_%20steels.pdf](http://www.manaksia.com/pdf/familiarization_programme_%20steels.pdf)

#### **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 of the meeting or Chairman of the next meeting.

#### **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:  
<http://www.manaksia.com/images/pdf/coc/code-of-conduct-business-ethics-steels.pdf>

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 this 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, at the following weblink:  
[http://www.manaksia.com/pdf/msl/Whistle\\_Blower\\_Policy\\_Steels\\_220316.pdf](http://www.manaksia.com/pdf/msl/Whistle_Blower_Policy_Steels_220316.pdf)

#### **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. The Company as on 31st March, 2018 has four Board level committees :

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

Further the Board at its meeting held on 16th May, 2018 has constituted a Committee of Directors, comprising of Mr. Suresh Kumar Agrawal (Non-Executive Director), Mr. Vineet Agrawal (Executive Director), Mr. Varun Agarwal (Executive Director) and Mr. Mrinal Kanti Pal (Non-Executive Director).

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 2017-18 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 the terms of reference of the Audit Committee includes the following:

- (a) Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Review with the management quarterly and annual financial statements before submission to the Board.
- (c) Review with the management performance of the statutory and internal auditors and adequacy of Internal Control system.
- (d) Recommending to the Board re-appointment of Statutory Auditors and the fixation of their Audit Fees.
- (e) Recommending to the Board terms and conditions for appointment of Cost Auditor.
- (f) Discussion with the internal auditor on any significant findings and follow up thereon.
- (g) Review of related party transactions and transfer pricing.
- (h) Approval or any subsequent modification of transactions of the Company with related parties.
- (i) Scrutiny of inter-corporate Loans and investments.
- (j) And generally all items listed in Part-C of Schedule-II of the Listing Regulations and Section 177 of the Act.

The Committee may carry out any other functions as is referred by the Board, from time to time, or referred by any statutory notification / amendment or modification, as may be, applicable.

The Audit Committee is also provided with the following information on the related party transactions (whenever applicable):

- (i) A statement in summary form of transactions with related parties in the ordinary course of business.
- (ii) Details of material individual transactions with related parties, which are not in the ordinary course of business. However, no such transactions have taken place during the financial year 2017-18.

#### **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, 2018, 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 as on 31st March, 2018 consists of Mr. Ajay Kumar Chakraborty (Chairman of the Committee), Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Suresh Kumar Agrawal (Non-Executive Director). Further the Board at its meeting held on 8th May, 2018 has inducted Mr. Varun Agrawal as a member in the Audit Committee whereas Mr. Ajay Kumar Chakraborty and

Mr. Suresh Kumar Agrawal have been ceased to be members of the Audit Committee. The revised composition of the Audit Committee as on the date of this report is comprised of Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Varun Agrawal (Executive Director). The Company Secretary of the Company acts as the 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

Six Audit Committee meetings were held during the financial year 2017-18. The dates on which the Audit Committee meetings were held are 19th May, 2017; 03rd July, 2017; 17th July, 2017, 24th August, 2017; 21st November, 2017 and 7th February, 2018. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2017-18	
	Held	Attended
Mr. Ajay Kumar Chakraborty*	6	6
Dr. Kali Kumar Chaudhuri	6	4
Mrs. Smita Khaitan	6	6
Mr. Suresh Kumar Agrawal*	—	NA
Mr. Varun Agrawal **	6	5

\* Mr. Ajay Kumar Chakraborty and Mr. Suresh Kumar Agrawal have ceased to be members of the Audit Committee w.e.f. 8th May, 2018.

\*\* Mr. Varun Agrawal has been inducted in to the Committee w.e.f. 8th May, 2018.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 22nd September, 2017.

### 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:

- To lay down criteria to identify person who are qualified to become Directors and may be appointed in senior management and to recommend to the Board their appointment and / removal.
- To evaluate performance of every Director.
- To formulate criteria for determining qualifications, positive attributes and independence of Director.
- To recommend remuneration policy of Director, Key Managerial Personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board and to recommend/review remuneration payable to Whole time Directors/MD/ relatives of Directors based on their performance and defined assessment criteria.
- To devise a policy on Board diversity.
- To carry out any other functions as is referred by the Board, from time to time, or referred by any statutory notification/ amendment or modification, as may be applicable.
- And generally all items listed in Part-D of Schedule-II of the Listing Regulations and Section 178 of the Act.

### Composition

As on 31st March, 2018, 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 as on 31st March, 2018 consists of Dr. Kali Kumar Chaudhuri (Chairman), Mr. Ajay Kumar Chakraborty (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Suresh Kumar Agrawal (Non-Executive Director) are members of the Committee. The Company Secretary of the Company acts as Secretary to the Committee. Further, the Board at its meeting held on 8th May, 2018, has revised the composition of the Nomination & Remuneration Committee and as on the date of this Report the Committee is comprised of Dr. Kali Kumar Chaudhuri (Independent Director), Mrs. Smita Khaitan (Independent Woman Director) and Mr. Suresh Kumar Agrawal (Non-Executive Director).

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

3 (Three) Nomination & Remuneration Committee meetings were held during the financial year. The dates on which the Nomination & Remuneration Committee meetings were held are 19th May, 2017; 17th July, 2017 and 7th February, 2018. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2017-18	
	Held	Attended
Dr. Kali Kumar Chaudhuri	3	2
Mr. Ajay Kumar Chakraborty*	3	3
Mrs. Smita Khaitan	3	3
Mr. Suresh Kumar Agrawal	3	3

\* Mr. Ajay Kumar Chakraborty has ceased to be member of the Nomination & Remuneration Committee w.e.f. 8th May, 2018.

The Chairman of the Nomination & Remuneration Committee attended the last Annual General Meeting held on 22nd September, 2017.

## Remuneration Policy

The Managing Director/Wholetime Director are paid remuneration as per their agreements with the Company. These agreements are approved by the Board and also placed before the shareholders for their approval. The remuneration structure of the Managing Director/Wholetime Director comprises salary, perquisites and other benefits which are within the overall limits prescribed under the Act. The Managing Director is not paid sitting fee for attending Meetings of the Board or Committees thereof.

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 which are within the limit prescribed under the Act. The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Audit Committees is Rs. 7,500/- per meeting and for attending other Committee meetings is Rs. 1,000/- per meeting. The remuneration paid to the Managing Director is within the overall limits approved by the Shareholders of the Company.

Details of Remuneration paid or payable to Directors for the Financial Year ended 31st March 2018 : ( ₹ in Lacs )

Name of the Director	Service contract/Notice period	Salary* (p.a.)	Sitting Fees**
Mr. Varun Agrawal DIN: 00441271	Appointed as Managing Director liable to retire by rotation, for a period of 3 years w.e.f. 11th February, 2016.	175.00	NA
Mr. Vineet Agrawal DIN: 00441223	Appointed as Whole-time Director and designated as CEO, liable to retire by rotation, for a period of 3 years w.e.f 21st July, 2016	163.00	NA
Mr. Mrinal Kanti Pal DIN: 00867865	Appointed as Non-Executive Director w.e.f 23rd November, 2014	NA	0.45
Mr. Suresh Kumar Agrawal DIN: 00520769	Appointed as Non-Executive Director w.e.f 11th February, 2016	NA	0.80
Mr. Ajay Kumar Chakraborty DIN: 00133604	Appointed as Independent Director for a period of 3 (Three) years w.e.f 17th November, 2014	NA	0.94
Dr. Kali Kumar Chaudhuri DIN: 00206157	Appointed as Independent Director for a period of 3 (Three) years w.e.f 17th November, 2014	NA	0.65
Mrs. Smita Khaitan DIN: 01116869	Appointed as Independent Director for a period of 3 (Three) years w.e.f 17th November, 2014	NA	0.94

\*No Commission, Perquisites and Other Allowances were paid to any Directors during the year under review.

\*\*The sitting fees include fees paid for committee meetings. The Company does not pay any performance incentive or severance fees. Apart from the above-mentioned remuneration, the Company had no pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2017-18.

None of the Directors hold any stock option in the Company.

The criteria for making payment to the Non-Executive Directors is as per the Remuneration Policy of the Company which forms part of the Directors' Report.

### 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 relating to the shares of our Company and functioning of the share transfer agent and other related matters.
9. To consider and approve issue of duplicate / split / consolidated share certificates;
10. To issue duplicate certificates and new certificates on split/consolidation/renewal etc.;
11. 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, 2018, 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. The Company Secretary of the Company acts as Secretary to the Committee. Further the Board at its meeting held on 8th May, 2018 has inducted Mr. Mrinal Kanti Pal as a member in the Stakeholders Relationship Committee where as Dr. Kali Kumar Chaudhuri (Independent Director), has been ceased to be member of the Stakeholders Relationship Committee. The revised composition of the Stakeholders Relationship Committee as on the date of this report is comprised of Mr. Varun Agrawal (Executive Director), Mr. Suresh Kumar Agrawal (Non-Executive Director) and Mr. Mrinal Kanti Pal (Non-Executive Director).

### Meetings and Attendance

One Stakeholders Relationship Committee meeting was held during the year on 7th February, 2018. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2017-18	
	Held	Attended
Dr. Kali Kumar Chaudhuri*	1	1
Mr. Suresh Kumar Agrawal	1	1
Mr. Varun Agrawal	1	1
Mr. Mrinal Kanti Pal**	-	N.A.

\* Dr. Kali Kumar Chaudhuri has ceased to be member of the Stakeholders Relationship Committee w.e.f. 8th May, 2018.

\*\* Mr. Mrinal Kanti Pal has been inducted into the Committee w.e.f. 8th May, 2018.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has in place the Corporate Social Responsibility Committee comprised of 1 (One) Independent Director, 1 (One) Executive Director and 1 (One) Non-Executive Director. The terms of reference of the committee are in compliance with the requirements of the Act and rules made thereunder.

Mr. Suresh Kumar Agrawal (Non-Executive Director/Chairman), Mr. Vineet Agrawal (Executive Director) and Dr. Kali Kumar Chaudhuri (Independent Director) are members of the Committee. The Company Secretary of the Company acts as Secretary to the Committee.

### Meetings and Attendance

One meeting of Corporate Social Responsibility Committee was held during the year on 19th May, 2017. The details of attendance of members are as under:

Name of the Member	No. of meetings during the year 2017-18	
	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 2017-18:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	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).

The 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 is pending under SCORES.

## GENERAL BODY MEETINGS

### (A) Annual General Meetings:

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

No.	Financial Year/Time	Date	Venue	No. of Special Resolutions passed
16th AGM	2016-17 12.30 P.M	22.09.2017	Bhasha Bhawan, Nation Library Auditorium Near Alipore Zoo, Belvedere Road, Kolkata-700 027	2
15th AGM	2015-16 10.00 A.M	24.09.2016	Bhasha Bhawan, Nation Library Auditorium Near Alipore Zoo, Belvedere Road, Kolkata-700 027	2
14th AGM	2014-15 10.00 A.M	25.09.2015	Bhasha Bhawan, Nation Library Auditorium Near Alipore Zoo, Belvedere Road, Kolkata-700 027	4

### (B) Extra-Ordinary General Meeting

During the financial year 2017-18, 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 2017-18. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution through postal ballot.

## SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the financial year 2017-18 which, *inter-alia*, includes audit of compliance with the Act and the Rules made thereunder, the Listing Regulations and Guidelines prescribed by the Securities and Exchange Board of India, Foreign Exchange Management Act, 1999 and other applicable laws, if any. Pursuant to the provisions of section 204 of the Act 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, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2017-18.

## 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 format 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 one English newspapers like Financial Express/ Business Standard and in one Bengali Newspaper i.e. Ek Din.

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)**.

As required under the Listing Regulations, the quarterly financial results are published in the press and are also uploaded 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 (RTA). To continue its support to the GREEN INITIATIVES measures of MCA, the Company 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 regularly.

## SUBSIDIARY COMPANIES

During the year under review the Company has formed Technomet International FZE as its wholly owned subsidiary at Jebel Ali Free Zone, Dubai, UAE. The Board and the Audit Committee reviews the financial statements of subsidiary companies and the minutes of the subsidiary companies are placed at the Board meetings of the Company. The statement containing all significant transactions and arrangements entered into by subsidiary companies, as and when required, is placed before the Board. The disclosure as required under Section 129(3) of the Act in Form AOC-1, forms part of this Annual Report. The Company does not have any material subsidiary.

The Company is having two step-down subsidiaries viz. Federated Steel Mills Limited and Far East Steel Industries Limited both registered at Nigeria as Technomet International FZE has acquired 99.9999% of the total share capital of both the above mentioned step-down subsidiaries of the Company.

### Policy on Material Subsidiary:

The Company has formulated a policy for determining "material" subsidiaries in the Board Meeting dated 16th May, 2018 and the same is available on the website of the Company- [www.manaksia.com](http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries_Steels.pdf) and the weblink thereto is [http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries\\_Steels.pdf](http://www.manaksia.com/pdf/Policy-for-determining-material-subsidiaries_Steels.pdf).

## 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(s)**

The transactions entered into with related parties during the financial year 2017-18 were on arm's length basis and in the ordinary course of business pursuant to the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The IND AS provisions has become applicable to the Company for the first time during the Period under Review and the Company has identified certain Related Parties in terms of the provisions of IND AS. Since, IND AS has been implemented for the first time during the year under review certain transactions with the newly identified related parties were not placed before the Audit Committee, Board and Members at their respective meeting for approval. The Company has taken necessary measure to place those related party transactions before the Audit Committee, Board and Members at their respective ensuing meetings. During the year under review, except the above stated transactions, 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.

Except the transactions with newly identified related parties as per IND AS, all other transactions with Related Parties 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 reviewed by the Audit Committee 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.

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/pdf/msl/Policy\\_on\\_Related\\_Party\\_Transactions\\_Steels\\_22316.pdf](http://www.manaksia.com/pdf/msl/Policy_on_Related_Party_Transactions_Steels_22316.pdf)

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. 36 of Financial Statements for the financial year 2017-18.

### **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 the Listing Regulations. The Company has complied with all the requirements of corporate governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has complied with all the requirement of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.

### **Accounting Treatment**

Your Company has followed all relevant Indian Accounting Standards (IND AS) while preparing the Financial Statements.

### **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**

As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given in the Notice of the ensuing Annual General Meeting of the Company

### **Resignation of Directors**

During the financial year 2017-18, none of the Directors have resigned from the post of their Directorship.

### **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.

### **Chief Executive Officer/Chief Financial Officer Certification**

The Chief Executive Officer 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 financial year ended 31st March, 2018. The said certificate forms part of this Annual Report.

Pursuant to Regulation 33 of the Listing Regulations, the Chief Executive Officer and Chief Financial Officer of the Company also provides the 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 & Co., Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this 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 of Conduct to regulate, monitor and report trading by insider. All the Directors, Designated Persons, officers and other connected persons of the Company are governed by the Code and according, the Director, Designated Person, Officer and connected persons cannot use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

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/pdf/msl/Code\\_of\\_Conduct\\_to\\_regulate\\_monitor\\_and\\_report\\_trading\\_by\\_Insiders\\_Steels\\_220316.pdf](http://www.manaksia.com/pdf/msl/Code_of_Conduct_to_regulate_monitor_and_report_trading_by_Insiders_Steels_220316.pdf)

### **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 SHAREHOLDERS' INFORMATION

- (a) **Annual General Meeting :** 
**Date:** } As mentioned in the notice convening the  
**Time:** } Annual General Meeting for the Financial  
**Venue:** } Year 2017-18
- (b) **Financial Calendar :** 1st April, 2018 to 31st March, 2019. The Financial results will be declared as per the following schedule:

Particulars	Schedule
Quarter ended 30th June 2018	On or before 14th August, 2018 (Tentative)
Quarter ending 30th September 2018	On or before 14th November, 2018 (Tentative)
Quarter ending 31st December 2018	On or before 14th February, 2019 (Tentative)
Annual Results of 2018-19	On or before 30th May, 2019 (Tentative)

- (c) **Dates of Book Closure :** As mentioned in the Notice convening the Annual General Meeting for the Financial Year 2017-18
- (d) **Dividend Payment :** Directors of the Company do not recommend any dividend on Equity Shares for the financial year 2017-18
- (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 2018-19.

- (f) **Custodial Fees to Depositories :** Annual Custody/Issuer fee for the financial year 2018-19 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 IPO 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 follows:

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, 2017.	3285	37
Number of shareholders who approached Company for transfer of shares from suspense account during the year.	136	1
Number of shareholders to whom shares were transferred from suspense account during the year.	136	1
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2018.	3149	36

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 Regulation 40(9) of the Listing Regulations for 31st March, 2018 received from Drolia and Company, Practicing Company Secretary, have been submitted to the Stock Exchanges within the stipulated time.

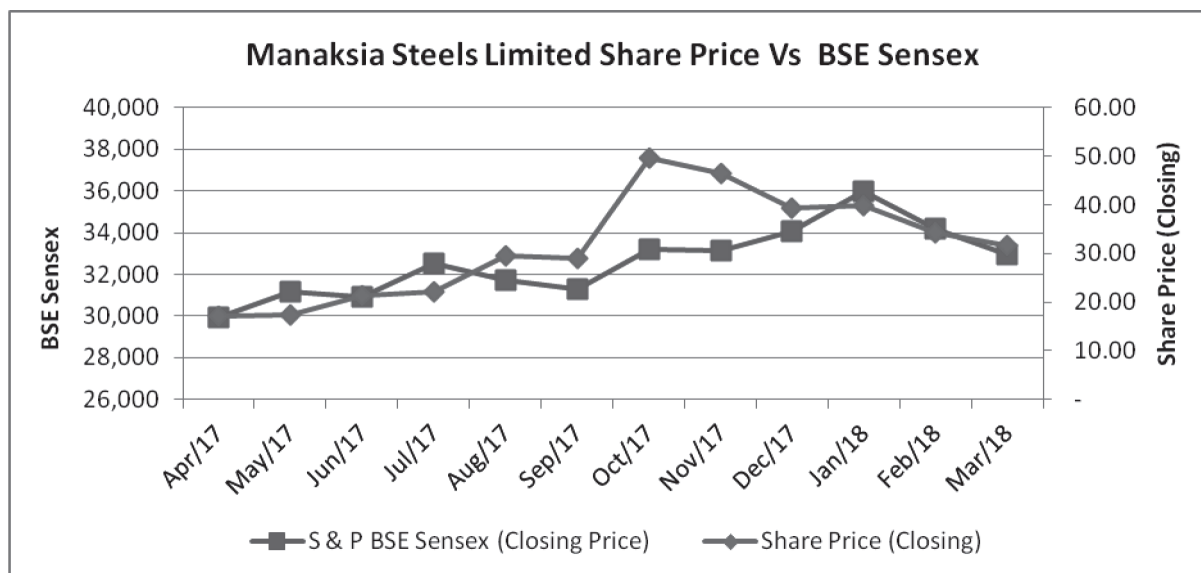
Pursuant to provisions of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 the Company has submitted Reconciliation of Share Capital Audit Report on quarterly basis to the Stock Exchanges within the stipulated time.

(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 2017-18 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, 2017	19.72	12.85	3,99,427	19.80	12.75	13,62,658
May, 2017	23.00	15.30	4,44,937	22.70	16.75	18,11,971
June, 2017	21.90	16.35	6,09,306	22.10	16.25	18,10,129
July, 2017	27.80	21.25	5,92,337	27.75	21.00	17,80,462
August, 2017	30.20	18.00	4,43,663	30.00	17.20	17,59,922
September, 2017	34.95	28.30	4,67,610	36.50	28.10	17,30,017
October, 2017	49.60	29.05	6,43,341	49.90	28.55	36,68,122
November, 2017	54.55	40.45	7,44,461	54.35	40.60	32,09,782
December, 2017	46.80	36.10	2,30,249	46.85	35.95	8,63,061
January, 2018	50.50	37.75	3,27,430	51.25	37.50	17,80,419
February, 2018	43.30	32.80	2,54,487	41.65	32.65	12,41,890
March, 2018	35.55	26.65	7,27,886	36.50	26.50	2,617,279

(k) Performance in comparison with BSE Sensex



(l) 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

Ph: +91-33-2289 0540, Fax: +91-33-2289 0539

Contact Person: Mr. S. P. Guha, Email id: kolkata@linkintime.co.in

(m) Distribution of Equity Shareholding as on March 31, 2018

No. of Equity shares held	Shareholders		Shares	
From    To	Number	% Total Holders	Number	% Total Capital
1 – 500	22,477	92.14	23,49,727	3.59
501 – 1000	904	3.71	7,34,280	1.12
1001 – 2000	459	1.88	7,06,413	1.08
2001 – 3000	153	0.63	3,90,650	0.60
3001 – 4000	71	0.29	2,53,542	0.38
4001 – 5000	68	0.28	3,21,954	0.49
5001 – 10000	105	0.43	7,84,498	1.20
10001 – And above	157	0.64	5,99,92,986	91.54
TOTAL	24,394	100	6,55,34,050	100

(n) **Categories of Equity Shareholders as on March 31, 2018**

Sl. No.	Category	No. of Shares	% of Shareholdings
1	Promoters Group	4,25,43,440	64.92
2	Mutual Funds & UTI	Nil	Nil
3	Financial Institutions / Banks	1257	0.00
4	Central Government / State Government(s)	Nil	Nil
5	Venture Capital Fund	Nil	Nil
6	Foreign Institutional Investors	Nil	Nil
7	Foreign Venture Capital Investors	Nil	Nil
8	Bodies Corporate	1,21,27,402	18.50
9	Public	85,04,632	12.98
10	NRI's / OCB's / Foreign National	1,49,066	0.23
11	Clearing Members	4,57,838	0.70
12	Hindu Undivided Family (HUF)	5,16,998	0.79
13	Trusts	136	0.00
14	Foreign Portfolio Investors (Corporate)	12,33,281	1.88
	<b>TOTAL</b>	<b>6,55,34,050</b>	<b>100</b>

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

(o) **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 2018, 6,55,33,051 equity shares representing about 99.99% of the share capital are held in dematerialized form.

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

(q) **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.

(r) **Plants Locations (Manufacturing Units as on 31st March, 2018)**

471, Birsinghapur, Barjora Bankura- 722 202	1, Bhuniaraichak, Jhikurkhali, Haldia Purva Mednipur, West Bengal
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- (s) **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 requirement specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## COMPLIANCE OFFICER

In accordance with Regulation 6 of the Listing Regulations, the Company Secretary acts as the Compliance Officer of the Company. The details of the compliance officer are:

Mr. Ajay Sharma  
Company Secretary & Compliance Officer  
Manaksia Steels Limited, Bikaner Building,  
3rd Floor, 8/1, Lalbazar Street,  
Kolkata – 700 001,  
Phone No: +91-33-2231 0050

## 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:

- **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 2017-18 does not contain any modified audit opinion.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

For and on behalf of the Board of Directors

Place: Kolkata  
Dated: 16th May, 2018

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

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

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## 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, 2018.

For Manaksia Steels Limited

Place: Kolkata  
Dated: 16th May, 2018

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

## CEO / 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, 2018 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

Place: Kolkata  
Dated: 16th May, 2018

**Vineet Agrawal**  
Chief Executive Officer  
DIN: 00441223

**Rajesh Singhania**  
Chief Financial Officer

## 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 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 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

Place : Kolkata  
Dated : 16th May, 2018

**(Hemant Kumar Lakhota)**  
Partner  
Membership No.: 068851



**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Manaksia Steels Limited  
Bikaner Building, 3rd Floor  
8/1, Lal Bazar Street  
Kolkata - 700001

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, 2017 to March 31, 2018 (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 in 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. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. 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, as the case may be;
5. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR");
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - 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;
6. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India;
7. 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.

The observations mentioned in this report are in addition to the observations and qualifications, if any, made by the statutory auditors of the Company or any other professional and the same has not been reproduced herein for the sake of repetition.

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

### **Matters of Emphasis**

#### **Observations on related parties and related party transactions**

In this regard we have the following observations :

1. We understand that the provisions of the Companies (Indian Accounting Standards) Rules, 2015, have become applicable to the Company from the financial year ended 31st March, 2018. Accordingly, IND AS 24 pertaining to Related Party Disclosures has also become applicable to the Company and the Company was required to update the list of related parties by re-identifying the parties who may get covered thereunder in terms of the said IND AS. However, we observed that the list of related parties of the Company was not updated during the year and accordingly, the transactions taken place with those parties who would have got covered under the list of related parties were not placed before and approved and/ or reviewed, by the Audit Committee as well as by the Board of Directors of the Company. Therefore, the same was not in compliance of the applicable provisions of the Companies Act, 2013 and the Listing Regulations, 2015. We were intimated by the management of the Company that all such related party transactions shall be placed before the Audit Committee, Board of Directors and the Members of the Company, as may be required for their noting and ratification in their ensuing meetings.
2. On perusal of the documents pertaining to the transactions entered into by the Company during the period under review with its related parties (including the parties covered under IND AS 24), we observed that the transactions with such related parties are primarily in the nature of sale or purchase of goods/ services for the purpose of the business of the Company and the same were appeared in the financials of the Company as trade receivables or trade payables, as the case may be, without drawing up any definitive terms for periodic payments or receipts, credit period allowed, interest for delayed payment etc. Fixing of such definitive terms was necessary for the Company to determine and justify the arms' length nature of the said transactions.

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

In 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 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.

All the changes in the composition of the Board of Directors, if any during the Audit Period were made in due compliance of the various provisions of the Act.

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 LODR.

**We further report that** based on the information provided by the Company during the conduct of the audit and also on the review of quarterly compliance reports by Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

**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 the following:

**Incorporation of Wholly Owned Subsidiary in Jebel Ali Free Zone on 3rd August, 2017**

During the financial year, the Company has incorporated a wholly owned subsidiary (WOS) namely, Technomet International FZE, in Jebel Ali Free Zone, Dubai on 3rd August, 2017 by investing 1 million AED as initial capital thereof. The Board approval was taken in this regard. Further, during the year, the Company has acquired two step down subsidiaries in Nigeria through the aforesaid WOS with the approval of the Board.

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

**Pammy Jaiswal**  
*Partner*

Membership No.: A48046  
C P No. : 18059

Place : Kolkata  
Dated : 16.05.2018

## ANNEXURE - A1

### LIST OF DOCUMENTS

1. Corporate Matters
  - 1.1 Minute Books of the following were provided :
    - 1.1.1 Board Meeting;
    - 1.1.2 Audit Committee;
    - 1.1.3 Nomination & 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 2017;
  - 1.4 Memorandum and Articles of Association;
  - 1.5 Disclosures under Act 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 RBI File;
  - 1.9 Documents under SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2015;
  - 1.10 Registers maintained under the Act.

## Annexure - D

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

#### A. CONSERVATION OF ENERGY

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

##### 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 program 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 ₹ 23,265.79 Lacs (Previous Year ₹ 23,437.33 Lacs) and foreign exchange outgo was ₹ 43,084.00 Lacs (Previous Year ₹ 22,845.98 Lacs).

For and on behalf of the Board of Directors

Place : Kolkata  
Dated: 16th May, 2018

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Mrinal Kanti Pal**  
Director  
DIN: 00867865

## **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:

<b>“Applicable Law”</b>	:	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.
<b>“Company”</b>	:	refers to Manaksia Steels Limited.
<b>“Board”</b>	:	refers to the Board of Directors of the Company.
<b>“Committee”</b>	:	refers to Nomination & Remuneration Committee of Board of Directors of the Company.
<b>“Directors”</b>	:	refers to the Chairperson and all Whole-time Directors.
<b>“Executives”</b>	:	refers to the Directors, Key Managerial Personnel and Senior Management.
<b>“Key Managerial Personnel”</b>	:	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.
<b>“Policy” or “this Policy”</b>	:	shall mean the contents herein including any amendments made by the Board of Directors of the Company.
<b>“Senior Management”</b>	:	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**

- (a) This Policy applies to all the “Executives” of the Company.
- (b) In addition, this Policy also extends to the remuneration of Non-Executive Directors, including principles of selection of the Independent Directors of the Company.
- (c) 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.
- (d) 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 endowed 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.

**A. 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.

**B. 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.*

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

Place : Kolkata  
Dated: 16th May, 2018

**Varun Agrawal**  
Managing Director  
DIN: 00441271

**Mrinal Kanti Pal**  
Director  
DIN: 00867865

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

[Pursuant to section 135 of the Companies Act, 2013 & Rules made thereunder]

- 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, Promoting Education 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/pdf/CSR\\_Policy\\_Steels.pdf](http://www.manaksia.com/pdf/CSR_Policy_Steels.pdf)

- The composition of CSR Committee of the Board as on 31st March, 2018 is as under:**

Mr Suresh Kumar Agrawal	Non-Executive Director
Dr. Kali Kumar Chaudhuri	Independent Director
Mr. Vineet Agrawal	Whole-Time Director

- Average net profit of the Company for the last three financial years:**

The average net profit for the last three financial years is ₹1,123.39 Lacs.

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

The Company was required to spend ₹ 22.47 Lacs based on the average net profit mentioned in para 3 above.

- Details of CSR activities/projects undertaken during the Financial Year :**

- Total amount to be spent for the financial year 2017-18 : 22.47 Lacs
- Amount unspent, if any: NIL
- Manner in which the amount spent during the financial year 2017-18:

(₹ 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 were undertaken	Amount outlay (budget) project or program 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 2017-18	Amount spent: Direct or through implementing agency
1.	Improving Literacy among rural tribal people – One Teacher School Project	Rural Development	Various States of India	12.50	12.91	12.91	Implementing Agency- Friends of Tribal Society
2.	Promotion of Education – GundalparaShastri School	Promoting Education	Kolkata, West Bengal and other state	10.00	9.71	9.71	Implementing Agency- Help them to help us, Rotary Club of Calcutta, Inner wheel Club Co, Lions Club of Juhu
<b>Total</b>				<b>22.50</b>	<b>22.62</b>	<b>22.62</b>	

6. **In case the Company has failed to spend 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 more than 2% of the average net profit of the last 3 financial years towards CSR expenditure during the financial year 2017-18.

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  
Dated: 16th May, 2018

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

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

## Annexure - G

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

#### A) As per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

Sl. No.	Particulars			
i)	The ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the Financial Year 2017-18.	Sl. No.	Name of Director and Designation	Ratio of remuneration of each Director/ to median remuneration of employees for the year^
		a)	Mr. Varun Agrawal, (Managing Director)	95.66:1
		b)	Mr. Vineet Agrawal, (Whole-Time Director)	89.10:1
		c)	Mr. Ajay Kumar Chakraborty, (Independent Director*)	0.51:1
		d)	Dr. Kali Kumar Chaudhuri, (Independent Director*)	0.36:1
		e)	Mrs. Smita Khaitan, (Independent Director*)	0.51:1
		f)	Mr. Suresh Kumar Agrawal, (Non- Executive Director*)	0.44:1
		g)	Mr. Mrinal Kanti Pal, (Non-Executive Director*)	0.25:1
ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, and Company Secretary during the Financial Year 2017-18.	Sl. No	Name of Director/ KMP and Designation	% increase in Remuneration in the year
		a)	Mr. Varun Agrawal,(Managing Director)	60.55%
		b)	Mr. Vineet Agrawal, (Whole-Time Director and Chief Executive Officer)	116.77%
		c)	Mr. Ajay Kumar Chakraborty, (Independent Director*)	–
		d)	Dr. Kali Kumar Chaudhuri, (Independent Director*)	–
		e)	Mrs. Smita Khaitan, (Independent Director*)	–
		f)	Mr. Suresh Kumar Agrawal, (Non- Executive Director*)	–
		g)	Mr. Mrinal Kanti Pal, (Non-Executive Director*)	–
		h)	Mr. Ajay Sharma, (Company Secretary)	–
		i)	Mr. Rajesh Singhania (Chief Financial Officer)	0.42%
<b>Note(s) :</b>				
* Independent Directors and Non-Executive Directors of the Company are entitled only for sitting fee as per the statutory provisions and within the limits. The details of remuneration of Non-Executive Directors are provided in the Report on Corporate Governance and are governed by the Remuneration Policy of the Company, as provided in the Annual Report. In view of this, the calculation of the ratio of remuneration and percentage increase in remuneration of Independent Directors and Non-Executive Directors would not be meaningful and hence not provided.				
^ For calculation of median remuneration of employees, remuneration paid to Key Managerial Personnel is included.				
^ The expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;				
^ If there is an even number of observations, the median shall be the average of the two middle values.				

iii)	The Percentage increase in the median remuneration of employees of the Company during the financial year 2017-18	18.61%
iv)	The number of permanent employees on the rolls of Company as on March 31, 2018	162
v)	Yes, it is hereby affirmed that the remuneration paid during the year ended 31st March, 2018 as per the Remuneration Policy of the Company	

**B) Statement as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sl. No.	Particulars									
i)	The details of the top ten Employees based on remuneration drawn during the FY 2017-18 :									
Sl. No.	Name of the Employee	Designation	Remuneration Drawn (₹)	Nature of Employment	Qualification and Experience	Date of Joining	Age	Last Employment	Percentage of Shares held in Company	Related to Director of Company, if any
1)	Mr. Varun Agrawal	Managing Director	1,75,00,000/-	Permanent	Commerce Graduate and 13 years	17.11.2014	35	Manaksia Limited	19.0661%	Suresh Kumar Agrawal – Father
2)	Mr. Vineet Agrawal	Whole-Time Director and C.E.O	1,63,00,000/-	Permanent	Commerce Graduate and 20 years	17.11.2014	42	Manaksia Aluminium Company Limited	Nil	None
3)	Mr. Santosh Agrawal	President (Export-Import)	75,35,450/-	Permanent	B.E., PGDBM and 36 years	01.01.2017	60	Manaksia Limited	0.0002%	None
4)	Mr. Lalit Kumar Modi	Sr. Vice President	75,35,450/-	Permanent	ACA, B.Com (H) and 39 years	01.01.2017	63	Manaksia Limited	0.0038%	None
5)	Mr. Santosh Kumar Agrawal	GM. Corp. Admn.	12,99,787/-	Permanent	B.Com(H) and 33 years	23.11.2014	55	Manaksia Limited	0.0002%	None
6)	Mr. Rajesh Singhania	C.F.O.	12,24,094/-	Permanent	ACA, B.Com(H) and 29 years	23.11.2014	51	Manaksia Limited	0.0000%	None
7)	Mr. M. N. Sree Kumar	General Manager	12,09,563/-	Permanent	B.Com(H) and 43 years	23.11.2014	65	Manaksia Limited	0.0006%	None
8)	Mr. Anirudha Guha	Vice-President	11,87,150/-	Permanent	M. Com and 36 years	01.01.2017	56	Manaksia Limited	0.0006%	None
9)	Mr. Indrajit Guha	Sr. Manager (Elect)	11,15,380/-	Permanent	Diploma in Electrical Engineering and 30 years	23.11.2014	52	Manaksia Limited	0.0006%	None
10)	Mr. Khagendra Kumar Saha	Senior Manager (Factory)	10,60,550/-	Permanent	Phd. in Chemistry and 39 years	01.01.2017	67	Manaksia Limited	Nil	None
ii)	There are no employees employed throughout the Financial Year 2017-18 who were in receipt of remuneration during Financial Year 2017-18, in the aggregate, was not less than the ₹ 1.02 crore.									
iii)	There are no employees employed for a part of the Financial Year 2017-18 who were in receipt of remuneration for such part during FY 2017-18 at a rate which, in the aggregate, was not less than the ₹ 8.50 lacs per month.									



iv)	There are no employees employed throughout the financial year 2017-18 or for a part thereof, who were in receipt of remuneration during the FY 2017-18 or for part thereof which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the Managing Director and holds by himself/herself or along with his/her spouse and dependent children, not less than 2 (Two) percent of the equity shares of the Company.
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**Note:** For purpose of above point no. (B)(ii)(iii) & (iv), the term employees exclude Managing Director and Whole-Time Director.

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

Place : Kolkata  
Dated: 16th May, 2018

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Economic Overview

As per the IMF, the pickup in global activity that started in 2016 gathered steam in the first half of 2017, reflecting firmer domestic demand growth in advanced economies and China and improved performance in other large emerging market economies. The continued recovery in global investment spurred stronger manufacturing activity. Among advanced economies, domestic demand and output grew faster in the first half of 2017 than in the second half of 2016. In the United States, business investment continued to strengthen. In the euro area and Japan, stronger private consumption, investment, and external demand bolstered overall growth momentum. Growth in most of the other advanced economies picked up in the first half of 2017 from its pace in the second half of 2016. Among emerging market and developing economies, higher domestic demand in China and continued recovery in key emerging market economies supported growth in the first half of 2017. In India, growth momentum slowed, reflecting the lingering impact of the authorities' currency exchange initiative as well as uncertainty related to the midyear introduction of the country-wide Goods and Services Tax. In Brazil, strong export performance and a diminished pace of contraction in domestic demand allowed the economy to return to positive growth. Recovering domestic and external demand supported rebounding growth in Russia and Turkey.

The latest IMF projection has estimated the global economy to grow at 3.9% in 2018. Chinese economy has been slated to grow at 6.6% and India's GDP is to move up by 7.4% in 2018 as compared to 6.7% in the previous year. It is gratifying to note that while Europe and USA have been projected to grow as well in 2018. The positive growth scenario in these two major markets in the current year would provide comfort for Indian exports in these traditional destinations. Russian economy is expected to grow by 1.7% in 2018. The world trade flows in 2018 is projected to grow by a healthy 4.6%.

## Industry Structure and Developments

It is generally believed that the year 2018 would give more benefits to the steel industry in terms of demand, costs of production, market realisation and exports, than what was experienced in the previous year. The projections on major raw materials of the steel industry in the coming months would imply that there is likely to be a minor downward trend in costs of steel production. It appears that the scourge of excess capacity syndrome in global steel industry would pose a lesser adverse impact in 2018.

This backdrop of a favourable market scenario of the global steel industry is likely to give India a good platform to maximise exports with a decreasing threat of cheap imports in 2018. It is possible to enhance the export share of finished steel production. The recently formed Global Steel Forum has acknowledged India's capacity expansion of steel as a function of growing consumption in the domestic market. The higher consumption is crucially dependent on infrastructure investment from public and private sources in port-led and rail and road-led development, more spending by the household and the government in real estate, affordable housing, smart cities, etc. A brighter market demand would make India's crude steel production to grow by a minimum 8% to reach 108 MT by 2018 to enable it to occupy the second position in global steel production.

India was the world's third-largest steel producer in 2017. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. India's crude steel output grew 5.87 per cent year-on-year to 101.227 million tonnes (MT) in CY 2017. Crude steel production reached 93.183 MT during April-February 2017-18.

India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2016-17. Exports and Imports of iron and steel stood at 14.6 MT and 13.1 MT during April-February 2017-18, respectively.

Total consumption of finished steel stood at 81.943 MT during April-February 2017-18.

India is expected to overtake Japan to become the world's second largest steel producer soon, and aims to achieve 300 million tonnes of annual steel production by 2025-30.

## Business

Manaksia Steels Limited continues to manufacture value added secondary steel products and is catering to the increasing global demands of the housing, Industry 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 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.

During the year, the company set up a subsidiary at Dubai under the name and style of Technomet International FZE, which acquired two companies at Nigeria namely Far East Steel Industries Limited and Federated Steel Mills Limited - manufacturing steel long products.

## **Overview of Operations**

### **Results**

During the year under review, the revenue of your Company on a standalone basis stood at ₹ 50,002.49 lacs, as compared to ₹ 34,614.47 lacs during the last financial year. During the year, the Company earned a net profit of ₹ 1,665.53 lacs as compared to a profit of ₹ 913.99 lacs during the last financial year. The increase in turnover/profit was due to improved sales and realizations. These results could have further improved, had it not been for a protectionist measure in the form of Anti Dumping Duty on imports of “Hot Rolled Steel Coils” – the principal raw material of your Company which was retained by the Central Government, during the year under review, to protect primary steel producers.

### **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. The Company has migrated to Goods & Services Tax regime implemented from 1<sup>st</sup> July, 2017.

#### **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 162 people in all its facilities.

#### **Finance Cost**

Finance Cost, during the year under review stood at ₹ 391.52 lacs, as compared to ₹ 442.94 lacs during the last financial year. The decrease in finance cost is attributable to decreased availment of cash credit and buyers' credit facilities from the banks.

#### **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.*

## Form AOC-1

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

### Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

#### Part "A" – Subsidiaries

(₹ in Lacs)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Equity Share capital	Other Equity	Total assets	Total Liabilities	Investments (excluding Investments made in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1.	Technomet International FZE	Incorporated 03.08.2017	April to March	AED (Rs.17.7232/ AED)	2,487.46	(175.98)	2,389.52	2,397.33	–	–	(175.98)	–	(175.98)	–	100%
2.	Federated Steel Mills Ltd	17.12.2017	March to February	NGN (Rs.0.2132/ NGN)	1,637.89	89.81	3,970.40	3,915.99	–	1,078.07	(234.08)	(323.89)	89.81	–	100%
3.	Far East Steel Industries Ltd	17.12.2017	November to October	NGN (Rs.0.2132/ NGN)	162.17	–	256.27	231.26	–	–	–	–	–	–	100%

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# STANDALONE FINANCIAL STATEMENTS

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## **Independent Auditors' Report**

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

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

We have audited the accompanying standalone Ind AS financial statements of **MANAKSIA STEELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

#### **Management's Responsibility for the Standalone Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cashflows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant Rules issued thereunder.

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 judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cashflows and the changes in equity 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", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 standalone Ind AS financial statements (Refer Note No. 33 & 35 to the standalone Ind AS 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*  
 ICAI Firm Registration No - 306033E

**(Hemant Kumar Lakhotia)**

*Partner*

Membership No: 068851

Place : Kolkata

Date : May 16, 2018

## 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 standalone Ind AS financial statements for the year ended on 31st March, 2018. 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 explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.
- 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 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, 2018 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, duty of customs or 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, income tax, duty of excise have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Financial year to which the Amount Relates	Amount involved (₹ in Lacs)
The Finance Act, 1994	Service Tax	Assistant Commissioner of Central Excise, Haldia-1	2010-11	1.37
Central Excise Act, 1944	Excise Duty	A.C (Audit), Circle - IV & V, Audit - II Commissionerate	2013-14	0.20
Central Excise Act, 1944	Excise Duty	A.C Haldia I Divison	2012-13	5.40
Central Excise Act, 1944	Excise Duty	Comm. (Appeal) – II	2015-16	1.33
Income Tax Act, 1961	Income Tax	C.I.T.(A)-22, KOL	2013-14	609.40

- 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 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 has been 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. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations 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 standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given 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 them. 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*  
 ICAI Firm Registration No - 306033E

**(Hemant Kumar Lakhotia)**  
*Partner*  
 Membership No: 068851

Place : Kolkata  
 Date : May 16, 2018

## **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Manaksia Steels Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **S. K. AGRAWAL & CO.**

*Chartered Accountants*

ICAI Firm Registration No - 306033E

**(Hemant Kumar Lakhotia)**

*Partner*

Membership No: 068851

Place : Kolkata

Date : May 16, 2018



## BALANCE SHEET

(₹ in Lacs)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>I. Non-Current Assets</b>				
a) Property, Plant and Equipment	3	5,012.28	5,547.85	6,179.11
b) Capital Work-in-Progress	3	291.68	150.78	141.06
c) Financial Assets				
i) Investments	4	2,540.06	—	—
ii) Loans	5	0.70	0.70	4.57
iii) Other Financial Assets	6	9.85	—	—
		<b>7,854.57</b>	<b>5,699.33</b>	<b>6,324.74</b>
<b>II. Current Assets</b>				
a) Inventories	7	12,308.22	4,895.87	4,903.05
b) Financial Assets				
i) Investments	8	623.80	—	—
ii) Trade Receivables	9	9,275.66	9,362.21	9,114.36
iii) Cash and Cash Equivalents	10	1,163.18	2,073.16	2,342.96
iv) Other Bank Balances	11	1,285.28	777.11	601.63
v) Loans	12	550.00	1,200.00	—
vi) Other Financial Assets	13	85.86	27.77	47.00
c) Other Current Assets	14	2,574.05	1,319.50	1,332.27
		<b>27,866.05</b>	<b>19,655.62</b>	<b>18,341.27</b>
<b>TOTAL ASSETS</b>		<b>35,720.62</b>	<b>25,354.95</b>	<b>24,666.01</b>
<b>EQUITY AND LIABILITIES</b>				
<b>III. Equity</b>				
a) Equity Share Capital	15	655.34	655.34	655.34
b) Other Equity	16	16,962.14	15,299.50	14,401.81
		<b>17,617.48</b>	<b>15,954.84</b>	<b>15,057.15</b>
<b>IV. Non-Current Liabilities</b>				
a) Provisions	17	95.16	87.64	68.40
b) Deferred Tax Liabilities	18	365.17	442.54	585.64
		<b>460.33</b>	<b>530.18</b>	<b>654.04</b>
<b>V. Current Liabilities</b>				
a) Financial Liabilities				
i) Borrowings	19	9,259.01	5,749.12	5,386.91
ii) Trade Payables	20	7,404.35	1,588.83	2,448.29
iii) Other Financial Liabilities	21	751.46	674.22	694.71
b) Other Current Liabilities	22	105.08	424.29	283.47
c) Provisions	23	33.77	20.35	2.97
b) Current Tax Liabilities (Net)	24	89.14	413.12	138.47
		<b>17,642.81</b>	<b>8,869.93</b>	<b>8,954.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,720.62</b>	<b>25,354.95</b>	<b>24,666.01</b>
Significant Accounting Policies	2			
Notes to Financial Statements	3-42			

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

16th day of May, 2018

For and on Behalf of the Board of Directors

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

**Vineet Agrawal**  
(CEO/Director)  
DIN : 00441223

**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, 2018	For the year ended March 31, 2017
<b>I. Income</b>			
Revenue from Operations	25	50,002.49	34,614.47
Other Income	26	246.96	153.69
<b>Total Revenue</b>		<b>50,249.45</b>	<b>34,768.16</b>
<b>II. Expenses</b>			
Cost of Materials Consumed (including Trading Goods)	27	40,332.31	26,157.72
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(74.54)	417.12
Excise Duty on Sale of Goods		652.43	1,213.82
Employee Benefits Expense	29	1,107.64	668.97
Finance Costs	30	391.52	442.94
Depreciation and Amortization Expense	3	651.58	758.81
Other Expenses	31	4,533.83	3,654.26
<b>Total Expenses</b>		<b>47,594.77</b>	<b>33,313.64</b>
<b>III. Profit before Tax</b>		<b>2,654.68</b>	<b>1,454.52</b>
<b>IV. Tax Expenses</b>			
Current Tax		1,065.00	675.00
Deferred Tax		(75.85)	(134.47)
<b>Total Tax Expenses</b>		<b>989.15</b>	<b>540.53</b>
<b>V. Profit for the Period</b>		<b>1,665.53</b>	<b>913.99</b>
<b>VI. Other Comprehensive Income / (Loss)</b>			
<b>A. (i) Items that will not be reclassified subsequently to Profit and Loss</b>			
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		(4.42)	(24.93)
(ii) Tax on Items that will not be reclassified subsequently to Profit and Loss		1.53	8.63
<b>VII. Other Comprehensive Income / (Loss)</b>		<b>1,662.64</b>	<b>897.69</b>
<b>VIII. Basic and diluted Earnings per Equity Share of Face Value of Rs. 1/- each</b>	34	<b>Rs. 2.54</b>	<b>Rs. 1.39</b>
Summary of Significant Accounting Policies	1		
Notes to the Financial Statements	3-42		

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  
16th day of May, 2018

For and on Behalf of the Board of Directors

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

**Vineet Agrawal**  
(CEO/Director)  
DIN : 00441223

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

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

### A. EQUITY SHARE CAPITAL

	Amount in ₹ Lacs
<b>Balance as at April 01, 2016</b>	<b>655.34</b>
Changes in Equity Share Capital during the year 2016–17	—
<b>Balance as at March 31, 2017</b>	<b>655.34</b>
Changes in Equity Share Capital during the year 2017–18	—
<b>Balance as at March 31, 2018</b>	<b>655.34</b>

### B. OTHER EQUITY

	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2016</b>	5.00	4,673.93	8,138.32	1,563.45	21.11	14,401.81
Profit for the period	—	—	—	913.99	—	913.99
Other Comprehensive Income	—	—	—	—	(16.30)	(16.30)
<b>Balance as at March 31, 2017</b>	<b>5.00</b>	<b>4,673.93</b>	<b>8,138.32</b>	<b>2,477.44</b>	<b>4.81</b>	<b>15,299.50</b>
<b>Balance as at April 01, 2017</b>	5.00	4,673.93	8,138.32	2,477.44	4.81	15,299.50
Profit for the period	—	—	—	1,665.53	—	1,665.53
Other Comprehensive Income	—	—	—	—	(2.89)	(2.89)
<b>Balance as at March 31, 2018</b>	<b>5.00</b>	<b>4,673.93</b>	<b>8,138.32</b>	<b>4,142.97</b>	<b>1.92</b>	<b>16,962.14</b>

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

16th day of May, 2018

For and on Behalf of the Board of Directors

**Varun Agrawal**  
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DIN : 00441271

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(Director)  
DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## STATEMENT OF CASH FLOWS for the year ended 31st March, 2018

(₹ in Lacs)

PARTICULARS		March 31, 2018	March 31, 2017
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit before Tax :	2,654.68	1,454.52
	Adjustment for:		
	Depreciation/ Amortisation	651.58	758.81
	Finance Cost (Net)	102.07	300.97
	Loss on Fixed Assets Sold / Discarded (Net)	—	3.54
	Dividend Received on Equity Shares	(1.04)	—
	(Gain)/Loss from Non-Current Investments	(0.27)	—
	(Gain)/Loss from Current Investments	(39.82)	(5.49)
	Fair Value changes of Investments in Equity Shares	84.78	—
	Operating Profit before Working Capital Changes	3,451.97	2,512.34
	Adjustments for:		
	(Increase)/Decrease in Non-Current/Current Financial and other Assets	(1,718.92)	(387.46)
	(Increase)/Decrease in Inventories	(7,412.35)	7.17
	Increase/(Decrease) in Non-Current/Current Financial and other Liabilities/Provisions	5,570.54	(735.21)
	Cash Generated from Operations	(108.76)	1,396.85
	Direct Taxes Paid	(1,388.98)	(400.35)
	Net Cash Flow from Operating Activities	(1,497.75)	996.50
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Property, Plant & Equipment and change in Capital work in progress	(256.92)	(151.54)
	Sale of Fixed Assets	—	10.73
	Investment in Subsidiaries	(2,487.46)	—
	Purchase of other Non-Current Investments	(158.85)	—
	Sale of other Non-Current Investments	106.52	—
	Purchase of Current Investments	(7,416.06)	(2,690.10)
	Sale of Current Investments	6,747.31	2,695.59
	Loans given	(2,000.00)	(1,200.00)
	Refund of Loans given	2,650.00	—
	Interest Received	264.27	141.97
	Dividend Received on Equity Shares	1.04	—
	Net Cash Flow from/(Used in) Investing Activities	(2,550.15)	(1,193.35)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	(Repayment of )/ Proceeds from Short Term Borrowings (Net)	3,509.89	362.22
	Interest Paid	(371.98)	(435.17)
	Net Cash Flow From/(Used in ) Financing Activities	3,137.91	(72.96)
<b>D.</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(909.99)</b>	<b>(269.79)</b>
	Cash and Cash Equivalents at the beginning of the period	2,073.16	2,342.96
	Cash and Cash Equivalents at the end of the period	1,163.18	2,073.16

Note : 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  
16th day of May, 2018

For and on Behalf of the Board of Directors

**Varun Agrawal**  
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(Director)  
DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 1. Company Overview

Manaksia Steels Limited ("the Company") is a public limited company incorporated in India having its registered office situated at 8/1, Lal Bazar Street, Bikaner Building, Kolkata - 700 001. The Company has its shares listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is primarily engaged in the manufacture of value-added secondary steel products like Cold Rolled Sheets, Galvanised Corrugated Sheets, Galvanised Plain Sheets, Colour Coated (Pre-painted) Sheets, etc. The manufacturing units of the Company are located at Haldia & Bankura (West Bengal).

### 2. Significant Accounting Policies

#### I) Basis of Preparation

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are prepared under the historical cost convention on the accrual basis except for certain items of assets and liabilities which have been measured at their fair values.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with relevant Rules which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 40.

#### II) Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all the significant risks and rewards of ownership are transferred to the buyer 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. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates, value added tax and goods and service tax.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognized using the effective interest method. Effective Interest Rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. All other income are recognized on accrual basis.

#### III) Property, Plant & Equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows :

Building	30 Years
Plant & Equipment	10 - 20 Years
Computers	3 Years
Office Equipment	3 - 5 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	8 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other 'Non-Current Assets' Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### IV) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on Intangible Assets with finite lives is recognized in the Statement of Profit & Loss. The Company amortizes intangible assets over their estimated useful lives using the straight line method.

Intangible Assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is derecognized.

### V) Inventories

Inventories are valued at cost or net realisable value whichever is lower except for saleable scraps, whose cost is not identifiable, which are valued at estimated net realisable value. Closing stock has been valued on Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

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

### VI) Financial Instruments

#### Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

#### i. Non derivative financial instruments

##### a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments

## Notes to Financial Statements as at and for the year ended 31st March, 2018

of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

**c) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**d) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**e) Investment in subsidiaries**

Investment in subsidiaries is carried at cost in the separate financial statements.

**ii. Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

**Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**VII) Fair Value Measurement**

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**VIII) Impairment**

Impairment is recognized based on the following principles:

**Financial Assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured



## Notes to Financial Statements as at and for the year ended 31st March, 2018

at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

### Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash- generating unit) Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

### IX) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### X) Foreign Currency Transactions & Translations

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee (rounded off to the nearest Lacs).

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realization are accounted for in the Statement of Profit & Loss.

Monetary Assets & Liabilities in foreign currency that are outstanding at the yearend are translated at the yearend exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

### XI) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### XII) Employee Benefits

#### Defined Contribution Plan

The Company makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

#### Defined Benefit Plan

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of the defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs,

## Notes to Financial Statements as at and for the year ended 31st March, 2018

past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.

### **XIII) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **XIV) Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit & Loss over the lease term.

### **XV) Government Grants**

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

### **XVI) Income Taxes**

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **XVII) Earnings per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share

## Notes to Financial Statements as at and for the year ended 31st March, 2018

split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### **XVIII) Current and Non-current classification**

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

An asset is classified as current when it is:

- i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period, or
- iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is:

- i) it is expected to be settled in the normal operating cycle,
- ii) it is due to be settled within twelve months after the reporting period, or
- iii) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

### **XIX) Dividend**

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

### **XX) Rounding of Amounts**

All amounts disclosed in the standalone Financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

### **XXI) Recent Accounting Pronouncements**

#### **Ind AS 115 – Revenue from Contracts with Customers**

The Company is currently evaluating the impact of implementation of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact.

#### **Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 3. PROPERTY, PLANT & EQUIPMENT (Current Year)

(₹ in Lacs)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2017	Addition	Deletion/ Adjustment	As at 1st April 2017	Deductions/ Adjustments	For the Year	Up to 31st March 2018	As at 31st March 2018	As at 31st March 2017
<b>Tangible Assets :</b>									
a) Land	6.20	-	-	-	-	-	-	6.20	6.20
b) Leasehold Land*	166.83	-	-	2.14	-	2.14	4.28	162.56	164.69
c) Building	1,905.91	-	-	83.54	-	83.54	167.07	1,738.84	1,822.38
d) Plant & Equipment	3,880.35	53.46	-	615.54	-	507.32	1,122.86	2,810.95	3,264.81
e) Computers	3.78	1.87	-	1.19	-	0.98	2.17	3.48	2.59
f) Office Equipment	6.29	4.85	-	2.13	-	2.22	4.35	6.79	4.16
g) Furniture & Fixtures	14.07	0.17	-	3.43	-	2.72	6.16	8.09	10.64
h) Vehicles	306.57	55.66	-	34.18	-	52.66	86.84	275.39	272.39
<b>Total :</b>	<b>6,290.01</b>	<b>116.01</b>	<b>-</b>	<b>742.16</b>	<b>-</b>	<b>651.58</b>	<b>1,393.74</b>	<b>5,012.28</b>	<b>5,547.85</b>
<b>Capital Work in Progress</b>	<b>150.78</b>	<b>156.30</b>	<b>15.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291.68</b>	<b>150.78</b>

### 3. PROPERTY, PLANT & EQUIPMENT (Previous Year)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2016	Addition	Deletion/ Adjustment	As at 1st April 2016	Deductions/ Adjustments	For the Year	Up to 31st March 2017	As at 31st March 2017	As at 31st March 2016
<b>Tangible Assets :</b>									
a) Land	6.20	-	-	-	-	-	-	6.20	6.20
b) Leasehold Land*	166.83	-	-	-	-	2.14	2.14	164.69	166.83
c) Building	1,905.91	-	-	-	-	83.54	83.54	1,822.38	1,905.91
d) Plant & Equipment	3,830.13	50.22	-	-	-	615.54	615.54	3,264.81	3,830.13
e) Computers	3.13	0.65	-	-	-	1.19	1.19	2.59	3.13
f) Office Equipment	6.29	-	-	-	-	2.13	2.13	4.16	6.29
g) Furniture & Fixtures	14.07	-	-	-	-	3.43	3.43	10.64	14.07
h) Vehicles	246.54	90.95	30.92	-	16.65	50.83	34.18	272.39	246.54
<b>Total :</b>	<b>6,179.11</b>	<b>141.82</b>	<b>30.92</b>	<b>-</b>	<b>16.65</b>	<b>758.81</b>	<b>742.16</b>	<b>5,547.85</b>	<b>6,179.11</b>
<b>Capital Work in Progress</b>	<b>141.06</b>	<b>9.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150.78</b>	<b>141.06</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 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>4. Investments (Non-Current)</b>			
<b>Investments carried at Cost (Unquoted)</b>			
Investment in Equity Instruments in Subsidiary Technomet International FZE, Dubai (14 Nos. Equity Shares of AED 1 Million each)	2,487.46	—	—
<b>Investments carried at Amortised Cost (Unquoted)</b>			
Investment in Bonds 9.70% UPPCL 2031 - UP Power Corporation Limited (50 Nos. Bonds of Face Value ₹ 1,00,000/- each)	52.60	—	—
<b>Total</b>	<b>2,540.06</b>	<b>—</b>	<b>—</b>
<b>Aggregate Amount of Investments :</b>			
Quoted	—	—	—
Unquoted	2,540.06	—	—

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>5. Loans (Non-Current)</b>			
<b>Financial Assets carried at Amortised Cost (Unsecured, Considered Good)</b>			
Security Deposits	0.70	0.70	4.57
<b>Total</b>	<b>0.70</b>	<b>0.70</b>	<b>4.57</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>6. Other Financial Assets (Non-Current)</b>			
<b>Financial Assets carried at Amortised Cost (Unsecured, Considered Good)</b>			
Fixed Deposits with Banks with original maturity of More than 12 months	9.85	—	—
<b>Total</b>	<b>9.85</b>	<b>—</b>	<b>—</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>7. Inventories</b>			
<b>At Lower of Cost or Net Realisable Value</b>			
Raw Materials*	10,348.87	3,034.27	2,458.59
Packing Material	14.11	31.96	40.66
Work-in-Process	1,378.24	1,327.50	1,389.18
Finished Goods	177.03	135.30	445.20
Stores & Spares	386.89	345.83	502.87
<b>At Estimated Realisable Value</b>			
Scraps	3.08	21.01	66.55
<b>Total</b>	<b>12,308.22</b>	<b>4,895.87</b>	<b>4,903.05</b>

\* Included above, Goods-in-Transit

4,031.10

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## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>8. Investments (Current)</b>				
Investments carried at Fair Value through Profit & Loss				
<b>Investments in Equity Shares (Quoted)</b>	<b>No. of Shares</b>			
Aditya Birla Capital Ltd. (Rs. 10)	5400 Shares	7.88	—	—
Ajanta Pharma Ltd. (Rs. 2)	385 Shares	5.35	—	—
Amtek Auto Ltd. (Rs. 2)	17000 Shares	3.55	—	—
AXISCADES Engineering Technologies Ltd. (Rs. 5)	3100 Shares	4.27	—	—
Bharat Heavy Electricals Ltd. (Rs. 2)	27200 Shares	22.13	—	—
BSE Ltd. (Rs. 2)	1100 Shares	8.32	—	—
CESC (Rs. 10)	500 Shares	4.83	—	—
Clariant Chemicals India Ltd. (Rs. 10)	4325 Shares	23.16	—	—
CMI Ltd. (Rs. 10)	4650 Shares	9.99	—	—
Coal India Limited (Rs. 10)	875 Shares	2.48	—	—
Cochin Shipyard Ltd. (Rs. 10)	1800 Shares	9.04	—	—
Dhanuka Agritech Ltd. (Rs. 2)	715 Shares	3.94	—	—
Dr Reddys Laboratories Ltd. (Rs. 5)	100 Shares	2.08	—	—
Dynamic Technologies Ltd. (Rs. 10)	475 Shares	8.09	—	—
eClerx Services Ltd. (Rs. 10)	103 Shares	1.24	—	—
Firstsource Solutions Ltd. (Rs. 10)	6400 Shares	3.39	—	—
Ganesh Housing Corporation Ltd. (Rs. 10)	7500 Shares	8.91	—	—
Gujarat Heavy Chemicals Ltd. (Rs. 10)	2150 Shares	5.56	—	—
Glenmark Pharma Ltd. (Rs. 1)	925 Shares	4.87	—	—
GMR Infrastructure Ltd. (Rs. 1)	86000 Shares	14.49	—	—
Godrej Agrovet Ltd. (Rs. 10)	880 Shares	5.61	—	—
Greaves Cotton Ltd. (Rs. 2)	6300 Shares	7.17	—	—
Gujarat Hotels Ltd. (Rs. 10)	7450 Shares	8.90	—	—
Gujarat Fluorochemicals Ltd. (Rs. 1)	7500 Shares	59.74	—	—
Hawkins Cooker Ltd. (Rs. 10)	345 Shares	9.66	—	—
Hindustan Media Ventures Ltd. (Rs. 10)	4103 Shares	9.04	—	—
Honda Sael Power Products Ltd. (Rs. 10)	370 Shares	4.96	—	—
Idea Cellular Ltd. (Rs. 10)	23900 Shares	18.14	—	—
International Travel House Ltd. (Rs. 10)	4350 Shares	7.99	—	—
ITC Ltd. (Rs. 1)	7125 Shares	18.20	—	—
ITD Cementation India Ltd. (Rs. 1)	3200 Shares	5.03	—	—
Karur Vysya Bank Ltd. (Rs. 2)	10000 Shares	10.05	—	—
LIC Housing Finance Ltd. (Rs. 2)	1950 Shares	10.42	—	—
Lupin Ltd. (Rs. 2)	1490 Shares	10.96	—	—
Mahindra and Mahindra Ltd. (Rs. 5)	2640 Shares	19.51	—	—
Madhucon Projects Ltd. (Rs. 1)	27000 Shares	5.12	—	—
Manpasand Beverages Ltd. (Rs. 10)	2540 Shares	9.39	—	—
Meghmani Organics Ltd. (Rs. 1)	6000 Shares	5.06	—	—
Munjal Showa Ltd. (Rs. 2)	2250 Shares	4.60	—	—
Oil India Ltd. (Rs. 10)	1400 Shares	3.03	—	—
Pearl Global Industries Ltd. (Rs. 10)	750 Shares	0.80	—	—
Pennar Engineered Building Systems Ltd. (Rs. 10)	8400 Shares	6.63	—	—
Pearl Global Industries Ltd. (Rs. 10)	2050 Shares	2.18	—	—
Pokarna Limited (Rs. 2)	1500 Shares	2.67	—	—
Reliance Capital Ltd. (Rs. 10)	970 Shares	4.11	—	—

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Repco Home Finance Ltd. (Rs. 10)	1680 Shares	9.45	–	–
Reliance Nippon Life Asset Management Ltd. (Rs. 10)	4000 Shares	9.90	–	–
Strides Shasun Ltd. (Rs. 10)	1200 Shares	8.03	–	–
Star Cement Ltd. (Rs. 1)	116600 Shares	135.37	–	–
Sun Pharmaceutical Industries Ltd. (Rs. 1)	875 Shares	4.33	–	–
Tata Motors Ltd. (Rs. 2)	4500 Shares	14.71	–	–
Texmaco Rail and Engineering Ltd. (Rs. 1)	11650 Shares	9.72	–	–
Titagarh Wagons Ltd. (Rs. 2)	4200 Shares	4.61	–	–
UFO Moviez India Ltd. (Rs. 10)	1225 Shares	4.57	–	–
Unitech Ltd. (Rs. 2)	60000 Shares	3.33	–	–
United Bank of India (Rs. 10)	24500 Shares	3.10	–	–
UPL Ltd. (Rs. 2)	1380 Shares	10.08	–	–
ZF Steering Gear (India) Ltd. (Rs. 10)	400 Shares	4.08	–	–
<b>Total</b>		<b>623.80</b>	<b>–</b>	<b>–</b>
<b>Aggregate Amount of Investments :</b>				
Quoted		623.80	–	–
Unquoted		–	–	–

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>9. Trade Receivables</b>			
<b>Financial Assets carried at Amortised Cost (Unsecured, Considered Good)</b>			
Trade Receivables	9,275.66	9,362.21	9,114.36
<b>Total</b>	<b>9,275.66</b>	<b>9,362.21</b>	<b>9,114.36</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>10. Cash and Cash Equivalents</b>			
<b>Financial Assets carried at Amortised Cost</b>			
Balances with Banks	129.64	142.60	48.86
Cheques on Hand	1,025.00	1,911.96	2,285.96
Cash on Hand	8.54	18.60	8.14
<b>Total</b>	<b>1,163.18</b>	<b>2,073.16</b>	<b>2,342.96</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>11. Other Bank Balances</b>			
<b>Financial Assets carried at Amortised Cost</b>			
Earmarked Deposits with Banks *	10.09	–	–
Fixed Deposits with Banks with original maturity of			
More than 3 months but less than 12 months	883.90	–	–
More than 3 months but less than 12 months #	25.81	–	–
3 months or less #	365.48	777.11	601.63
<b>Total</b>	<b>1,285.28</b>	<b>777.11</b>	<b>601.63</b>

\* Assigned against Tender

# Pledged with Banks



## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>12. Loans (Current)</b>			
Financial Assets carried at Amortised Cost (Unsecured, Considered Good)			
Loans to Body Corporates	550.00	1,200.00	—
<b>Total</b>	<b>550.00</b>	<b>1,200.00</b>	<b>—</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>13. Other Financial Assets (Current)</b>			
Financial Assets carried at Amortised Cost (Unsecured, Considered Good)			
Interest Accrued on Inter Corporate Loans	24.04	—	—
Interest Accrued on Investment in Bonds	1.14	—	—
Advances to Employees	60.68	27.77	47.00
<b>Total</b>	<b>85.86</b>	<b>27.77</b>	<b>47.00</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>14. Other Current Assets</b>			
(Unsecured, Considered Good)			
Balances with Statutory Authorities	1,827.58	635.40	267.32
Export Incentives Receivable	158.86	221.18	277.71
Advances to Vendors	566.20	446.09	770.53
Prepaid Expenses	21.41	16.83	16.71
<b>Total</b>	<b>2,574.05</b>	<b>1,319.50</b>	<b>1,332.27</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016			
<b>15. Other Current Assets</b>						
a) <b>Authorised :</b> 7,50,00,000 Equity Shares of ₹ 1/- each	750.00	750.00	750.00			
<b>Total</b>	750.00	750.00	750.00			
b) <b>Issued, Subscribed and Paid-up Capital :</b> 6,55,34,050 Equity Shares of ₹ 1/- each fully paid up	655.34	655.34	655.34			
<b>Total</b>	655.34	655.34	655.34			
c) <b>Details of shareholders holding more than 5% shares in the Company</b>						
	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Name of Shareholders	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Varun Agrawal	1,24,94,810	19.07	1,24,94,810	19.07	1,26,10,770	19.24
Suresh Kumar Agrawal	1,23,50,360	18.85	1,23,50,360	18.85	1,23,50,360	18.85
Chandrakala Agrawal	1,07,50,000	16.40	1,07,50,000	16.40	1,07,44,810	16.40
Payal Agrawal	66,10,770	10.09	66,10,770	10.09	65,00,000	9.92

# Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

## d) Terms/rights attached to each class of shares

### Equity Shares:

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.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
<b>16. Other Equity</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		4,673.93
<b>B. General Reserve</b>						
As per last Balance Sheet	8,138.32		8,138.32			
Add: Addition during the period	—		—			
Balance as at the end of the period		8,138.32		8,138.32		8,138.32
<b>C. Capital Reserve</b>						
As per last Balance Sheet	5.00		5.00			
Add: Addition during the period	—		—			
Balance as at the end of the period		5.00		5.00		5.00
<b>D. Surplus in the statement of profit and loss</b>						
As per last Balance Sheet	2,477.44		1,563.45			
Add : Profit for the period	1,665.53		913.99			
Less : Transferred to General Reserve	—		—			
Balance as at the end of the period		4,142.97		2,477.44		1,563.45
<b>E. Other Comprehensive Income</b>						
As per last Balance Sheet	4.81		21.11			
Add: Addition during the period	(2.89)		(16.30)			
Balance as at the end of the period		1.92		4.81		21.11
		16,962.14		15,299.50		14,401.81

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>17. Provisions (Non-Current)</b>			
Provisions for Employee Benefits			
Gratuity	95.16	87.64	68.40
<b>Total</b>	95.16	87.64	68.40

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>18. Deferred Tax Liability (Net)</b>			
<b>Deferred Tax Liability</b>			
Timing difference in depreciable assets	640.09	682.60	783.21
<b>Deferred Tax Asset</b>			
Expenses allowable against taxable income in future years	(274.92)	(240.06)	(197.57)
<b>Net Deferred tax Liability</b>	<b>365.17</b>	<b>442.54</b>	<b>585.64</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>19. Borrowings (Current)</b>			
<b>Financial Liabilities carried at amortised cost</b>			
Secured			
From Banks			
Loans Repayable on Demand			
Foreign Currency Loan	—	0.07	337.21
Rupee Loan	276.25	771.17	3,662.65
Buyers' Credit	8,982.76	4,977.88	1,387.05
<b>Total</b>	<b>9,259.01</b>	<b>5,749.12</b>	<b>5,386.91</b>

### Notes :

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.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>20. Trade Payables</b>			
<b>Financial Liabilities carried at amortised cost</b>			
Micro, Small and Medium Enterprises*	—	—	—
Others	7,404.35	1,588.83	2,448.29
<b>Total</b>	<b>7,404.35</b>	<b>1,588.83</b>	<b>2,448.29</b>

### Notes :

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.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>21. Other Financial Liabilities (Current)</b>			
<b>Financial Liabilities carried at amortised cost</b>			
Interest accrued but not due on borrowings	41.51	21.96	14.20
Liabilities for Expenses	706.74	651.22	679.56
<b>Financial Liabilities carried at Fair Value through Profit &amp; Loss</b>			
(Gain)/Loss on Fair Valuation of Forward Contracts	3.21	1.04	0.95
<b>Total</b>	<b>751.46</b>	<b>674.22</b>	<b>694.71</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>22. Other Current Liabilities</b>			
Advances from Customers	68.78	137.84	21.04
Statutory Dues	36.30	286.45	262.43
<b>Total</b>	<b>105.08</b>	<b>424.29</b>	<b>283.47</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>23. Provisions (Current)</b>			
Provisions for Employee Benefits			
Gratuity	33.77	20.35	2.97
<b>Total</b>	<b>33.77</b>	<b>20.35</b>	<b>2.97</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>24. Current Tax Liabilities (Net)</b>			
Provision for Income Tax (Net of Advance Tax)	89.14	413.12	138.47
<b>Total</b>	<b>89.14</b>	<b>413.12</b>	<b>138.47</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>25. Revenue from Operations</b>		
Sale of Products (including Excise Duty)	49,836.53	34,307.44
Sale of Services	88.91	163.82
Other Operating Income	77.05	143.21
<b>Total</b>	<b>50,002.49</b>	<b>34,614.47</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>26. Other Income</b>		
Dividend Income	1.04	—
Interest Income	289.45	141.97
Gain/(Loss) from Sale of Non-Current Investments	0.27	—
Income from Investments carried at Fair Value through Profit and Loss		
Fair Value changes of Investments in Equity Shares	(84.78)	—
Gain/(Loss) on Sale of Equity Shares	(0.02)	—
Gain/(Loss) on Redemption of Mutual Funds	39.85	5.49
Other Miscellaneous Income	1.15	6.23
<b>Total</b>	<b>246.96</b>	<b>153.69</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>27. Cost of Materials Consumed</b>		
Opening Stock	3,034.27	2,458.59
Add : Purchases including Traded Goods	47,646.91	26,733.40
Less : Closing Stock	10,348.87	3,034.27
<b>Total</b>	<b>40,332.31</b>	<b>26,157.72</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>28. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>		
<b>Opening Stock</b>		
Finished Goods	135.30	445.20
Work in Progress	1,327.50	1,389.18
Scrap	21.01	66.55
	<b>1,483.81</b>	<b>1,900.93</b>
<b>Closing Stock</b>		
Finished Goods	177.03	135.30
Work in Progress	1,378.24	1,327.50
Scrap	3.08	21.01
	<b>1,558.35</b>	<b>1,483.81</b>
<b>Total</b>	<b>(74.54)</b>	<b>417.12</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>29. Employee Benefits Expense</b>		
Salaries, Wages and Bonus	835.76	520.36
Contribution to Provident & other funds	51.90	32.62
Staff Welfare Expenses	219.98	115.99
<b>Total</b>	<b>1,107.64</b>	<b>668.97</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>30. Finance Costs</b>		
Interest Expenses	168.95	243.31
Other Borrowing Cost	222.57	199.63
<b>Total</b>	<b>391.52</b>	<b>442.94</b>

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>31. Other Expenses</b>		
Consumption of Stores and Consumables		
Indigenous	531.08	234.95
Imported	136.05	74.55
Power & Fuel	1,423.24	986.11
Processing Charges	—	4.38
Clearing Charges	—	0.48
Carriage Inward	46.91	45.77
Repairs to:		
Building	79.72	55.23
Machinery	346.51	286.87
Others	0.69	0.28
Other Manufacturing Expenses	302.43	248.08
Rent	6.60	6.60
Insurance	26.59	17.68
Rates & Taxes	53.35	105.46
Excise Duty on Stocks *	—	(13.03)
Packing Expenses	159.40	139.22
Freight, Forwarding and Handling Expenses	208.43	280.90
Communication Expenses	18.98	20.19
Travelling & Conveyance	228.72	289.89
Exchange Fluctuation	269.99	183.81
Provision For Doubtful Debt	—	19.96
Auditors' Remuneration		
As Auditors	6.00	6.00
For taxation matters	1.00	2.00
For other services	1.00	0.42
Donations #	77.43	35.50
Commission	0.63	5.21
Loss on sale of Fixed Assets	—	3.54
Other Miscellaneous Expenses	609.08	614.21
<b>Total</b>	<b>4,533.83</b>	<b>3,654.26</b>

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

# Includes an amount of Rs. 22.62 Lacs (2016-17 : Rs. 26.00 Lacs) towards Corporate Social Responsibility as per Section 135 of Companies Act, 2013.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(Amount ₹ in Lacs)

### 32. Effective Tax Reconciliation

The reconciliation of Estimated Income Tax to Income Tax Expense is as below :

Particulars	March 31, 2018	March 31, 2017
Profit before Income Taxes	2,654.68	1,454.52
Statutory Income Tax rate	34.608%	34.608%
<b>Expected Income Tax Expense at Statutory Income Tax rate</b>	<b>918.73</b>	503.38
i) Income Exempt from Tax / Items not deductible	17.32	8.03
ii) Others	53.10	29.12
<b>Income Tax Expense as reported</b>	<b>989.15</b>	540.53

### 33. Contingencies and Commitments

#### I) Contingent Liabilities

Claims against the company/disputed liabilities not acknowledged as Debts

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Service Tax & Excise Duty	8.31	3.15	4.53
Income Tax	609.40	—	—
Demand by Haldia Development Authority towards Land Premium	332.50	332.50	332.50
Stamp Duty for Registration of Land	49.45	49.45	49.45
<b>Total</b>	<b>999.65</b>	385.10	386.48

#### II) Guarantees given

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Guarantees given by the Company not acknowledged as debt	262.85	252.38	249.95
<b>Total</b>	<b>262.85</b>	252.38	249.95

### 34. Earnings per share

Particulars	March 31, 2018	March 31, 2017
Profit as per Statement of Profit and Loss (₹ in lacs)	1,665.53	913.99
Weighted average number of equity shares	6,55,34,050	6,55,34,050
Nominal value per equity share (₹)	1.00	1.00
<b>Earnings per share - Basic and Diluted (₹)</b>	<b>2.54</b>	1.39

### 35. Entry Tax

The Company has made a provision of ₹ 14.98 Lakhs (Previous Year ₹ 66.20 Lakhs) towards Entry Tax in relation to matter under litigation/dispute as shown below :

Particulars	March 31, 2018	March 31, 2017
Opening Balance	565.71	499.51
Provisions made during the year	14.98	66.20
<b>Closing Balance</b>	<b>580.69</b>	565.71



## Notes to Financial Statements as at and for the year ended 31st March, 2018

(Amount ₹ in Lacs)

### 36. Related Party Disclosures

#### List of Related Parties :

	Relation	Country of Incorporation	Extent of Holding
<b>1. Subsidiary &amp; Step-down Subsidiaries</b>			
Technomet International FZE	Subsidiary	United Arab Emirates	100%
Federated Steel Mills Limited	Step-down Subsidiary	Nigeria	100%
Far East Steel Industries Limited	Step-down Subsidiary	Nigeria	100%
<b>2. Key Managerial Personnel</b>			
Sri Varun Agrawal	Managing Director		
Sri Vineet Agrawal (since 21.07.2016)	Executive Director & CEO		
Sri Rajesh Singhania	Chief Financial Officer		
Sri Ajay Sharma	Company Secretary		
<b>3. Other Directors</b>			
Sri Suresh Kumar Agrawal	Non-Executive Director		
Sri Ajay Kumar Chakraborty	Independent Director		
Sri Kali Kumar Chaudhury	Independent Director		
Smt. Smita Khaitan	Independent Director		
Sri Mrinal Kanti Pal	Non-Executive Director		
<b>4. Entities over which KMPs and their relatives have significant influence as identified pursuant to adoption of Ind AS 24, "Related Party Disclosures" applicable w.e.f. 01.04.2017</b>			
Manaksia Limited			
Manaksia Aluminium Company Limited			
MINL Limited			
Dynatech Industries Ghana Limited			
Jebba Paper Mills Limited			
Vajra Machineries Private Limited			
Sumo Steels Limited			

The following table summarises Related-Party Transactions and Balances included in the Financial Statements as at and for the year ended March 31, 2018, March 31, 2017 and April 1, 2016

Amount in ₹ Lacs

Nature of Transactions	Subsidiary & Step-down Subsidiaries (1)	Key Managerial Personnel & Other Directors (2+3)	Entities where KMP and relatives have significant influence (4)	Total
Salary and Other Benefits	—	353.45	—	353.45
	—	200.78	—	200.78
Meeting Fees	—	3.78	—	3.78
	—	1.21	—	1.21
Sale of Goods	83.23	—	22,397.29	22,480.52
	—	—	23,065.37	23,065.37
Purchase of Goods	—	—	28.58	28.58
	—	—	4.25	4.25
Service rendered	—	—	95.79	95.79
	—	—	163.82	163.82

## Notes to Financial Statements as at and for the year ended 31st March, 2018

(Amount ₹ in Lacs)

Service received	—	—	<b>134.90</b>	<b>134.90</b>
	—	—	<i>145.51</i>	<i>145.51</i>
Interest Income recognised	—	—	<b>57.47</b>	<b>57.47</b>
	—	—	<i>35.05</i>	<i>35.05</i>
Investment made	<b>2,487.46</b>	—	—	<b>2,487.46</b>
	—	—	—	—
Outstanding Receivables	<b>83.23</b>	—	<b>4,605.02</b>	<b>4,688.25</b>
	—	—	<i>7,739.25</i>	<i>7,739.25</i>
	—	—	<i>6,524.34</i>	<i>6,524.34</i>
Outstanding Payable	—	—	<b>2.59</b>	<b>2.59</b>
	—	—	—	—
	—	—	—	—
Outstanding Investment	<b>2,487.46</b>	—	—	<b>2,487.46</b>
	—	—	—	—
	—	—	—	—
Guarantee Given *	—	—	—	—
	—	—	<i>775.00</i>	<i>775.00</i>
	—	—	<i>600.00</i>	<i>600.00</i>

\* Guarantee given to Bank by pledging of Fixed Deposit of the Company, for the purpose of bank finance to be availed by Manaksia Limited

*Note : Figures in italics represent comparative figures of previous years.*

### 37. Employee Benefits

#### I) Defined Contribution Plan

Contribution to defined contribution plan, recognized are charged off during the year as follows :

Particulars	March 31, 2018	March 31, 2017
Employers' Contribution to Provident Fund	<b>43.23</b>	26.94

#### II) Defined Benefit Plan

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.

##### a) Change in Defined Benefit Obligations :

Particulars	March 31, 2018	March 31, 2017
Present Value of Defined Benefit Obligations at beginning of year	<b>107.99</b>	71.37
Current Service cost	<b>12.58</b>	9.65
Interest cost	<b>7.94</b>	5.53
Past Service Cost	<b>(2.68)</b>	—
Re-measurement (or Actuarial (gains)/ losses) arising from :		
Change in financial assumptions	<b>(1.83)</b>	2.55
Experience Variance (i.e. Actual experience vs assumptions)	<b>6.25</b>	22.38
Benefits paid	<b>(1.33)</b>	(3.49)
<b>Present Value of Defined Benefit Obligations at the end of year</b>	<b>128.93</b>	107.99

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 37. Employee Benefits (contd.)

(Amount ₹ in Lacs)

#### b) Net Liability recognised in Balance Sheet :

Particulars	March 31, 2018	March 31, 2017
Net Liability recognised in Balance Sheet at beginning of year	107.99	71.37
Expense recognised in Statement of Profit and Loss	17.85	15.18
Expense recognised in Other Comprehensive Income	4.42	24.93
Employer contributions	(1.33)	(3.49)
<b>Net Liability recognised in Balance Sheet at end of year</b>	<b>128.93</b>	<b>107.99</b>

#### c) Expenses recognised in the Statement of Profit and Loss consist of :

Particulars	March 31, 2018	March 31, 2017
Current Service Cost	12.58	9.65
Past Service Cost	(2.68)	—
Loss / (Gain) on settlement	—	—
Net Interest Expense on the Net Defined Benefit Liability	7.94	5.53
<b>Net Amounts recognised</b>	<b>17.85</b>	<b>15.18</b>

#### d) Expenses recognised in the Other Comprehensive Income consist of :

Particulars	March 31, 2018	March 31, 2017
Actuarial (gains) / losses due to :		
Change in financial assumptions	(1.83)	2.55
Experience Variance (i.e. Actual experience vs assumptions)	6.25	22.38
<b>Net Amounts recognised</b>	<b>4.42</b>	<b>24.93</b>

#### e) Actuarial Assumptions

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial Assumptions</b>			
Discount Rate p.a.	7.60%	7.35%	7.75%
Rate of increase in salaries p.a.	5.00%	5.00%	5.00%
<b>Demographic Assumptions</b>			
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%
Normal Retirement Age	Years 58	58 Years	Years 58
Attrition Rates, based on age (% p.a.)			
For all ages	2.00	2.00	2.00

#### f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	March 31, 2018	March 31, 2017
Defined Benefit Obligation (Base)	128.93	107.99

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 37. Employee Benefits (contd.)

(Amount ₹ in Lacs)

Particulars	March 31, 2018		March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	136.61	122.17	114.98	101.85
% change compared to base due to sensitivity	5.96%	-5.24%	6.48%	-5.68%
Salary Growth Rate (- / + 1%)	121.74	136.98	101.84	114.88
% change compared to base due to sensitivity	-5.58%	6.25%	-5.69%	6.38%
Attrition Rate (- / + 50%)	127.52	130.19	106.70	109.14
% change compared to base due to sensitivity	-1.09%	0.98%	-1.20%	1.07%
Mortality Rate (- / + 10%)	128.64	129.22	107.72	108.25
% change compared to base due to sensitivity	-0.23%	0.22%	-0.25%	0.24%

#### g) Maturity Profile of Defined Benefit Obligation

Particulars	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cashflow)	Years 6	Years 7
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	33.77	20.35
2 to 5 years	54.81	50.25
6 to 10 years	47.55	35.62
More than 10 years	93.60	89.80

#### h) Summary of Assets and Liability (Balance Sheet Position)

	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Present value of Obligation	128.93	107.99	71.37	90.86
Fair Value of Plan Assets	—	—	—	—
Unrecognized Past Service Cost	—	—	—	—
Effects of Asset Celling	—	—	—	—
<b>Net Asset / (Liability)</b>	<b>128.64</b>	<b>(107.99)</b>	<b>(71.37)</b>	<b>(90.86)</b>

#### i) Windup Liability / Discontinuance Liability

Particulars	March 31, 2018	March 31, 2017
Discontinuance Liability *	153.14	127.73
Present Value of Obligation	128.93	107.99
Ratio (PV of Obligation / Discontinuance Liability)	84%	85%

\* Discontinuance Liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 38. Disclosures on Financial Instruments

(Amount ₹ in Lacs)

#### I) Financial Instruments by Category

As at March 31, 2018

	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	52.60	623.80	676.40	676.40
Trade Receivables	9,275.66	—	9,275.66	9,275.66
Cash and Cash Equivalents	1,163.18	—	1,163.18	1,163.18
Other Bank Balances	1,285.28	—	1,285.28	1,285.28
Loans	550.70	—	550.70	550.70
Other Financial Assets	95.71	—	95.71	95.71
<b>Total Financial Assets</b>	<b>12,423.13</b>	<b>623.80</b>	<b>13,046.93</b>	<b>13,046.93</b>
<b>Financial Liabilities</b>				
Borrowings	9,259.01	—	9,259.01	9,259.01
Trade Payables	7,404.35	—	7,404.35	7,404.35
Other Financial Liabilities	748.25	3.21	751.46	751.46
<b>Total Financial Liabilities</b>	<b>17,411.62</b>	<b>3.21</b>	<b>17,414.83</b>	<b>17,414.83</b>

As at March 31, 2017

	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	—	—	—	—
Trade Receivables	9,362.21	—	9,362.21	9,362.21
Cash and Cash Equivalents	2,073.16	—	2,073.16	2,073.16
Other Bank Balances	777.11	—	777.11	777.11
Loans	1,200.70	—	1,200.70	1,200.70
Other Financial Assets	27.77	—	27.77	27.77
<b>Total Financial Assets</b>	<b>13,440.95</b>	<b>—</b>	<b>13,440.95</b>	<b>13,440.95</b>
<b>Financial Liabilities</b>				
Borrowings	5,749.12	—	5,749.12	5,749.12
Trade Payables	1,588.83	—	1,588.83	1,588.83
Other Financial Liabilities	673.18	1.04	674.22	674.22
<b>Total Financial Liabilities</b>	<b>8,011.13</b>	<b>1.04</b>	<b>8,012.17</b>	<b>8,012.17</b>

As at April 01, 2016

	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	—	—	—	—
Trade Receivables	9,114.36	—	9,114.36	9,114.36
Cash and Cash Equivalents	2,342.96	—	2,342.96	2,342.96
Other Bank Balances	601.63	—	601.63	601.63
Loans	4.57	—	4.57	4.57
Other Financial Assets	47.00	—	47.00	47.00
<b>Total Financial Assets</b>	<b>12,110.53</b>	<b>—</b>	<b>12,110.53</b>	<b>12,110.53</b>
<b>Financial Liabilities</b>				
Borrowings	5,386.91	—	5,386.91	5,386.91
Trade Payables	2,448.29	—	2,448.29	2,448.29
Other Financial Liabilities	693.76	0.95	694.71	694.71
<b>Total Financial Liabilities</b>	<b>8,528.96</b>	<b>0.95</b>	<b>8,529.91</b>	<b>8,529.91</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 38. Disclosures on Financial Instruments (contd.)

(Amount ₹ in Lacs)

#### II) Fair Value Hierarchy

All Financial Assets & Financial Liabilities are carried at amortised cost except Current Investments and Foreign Currency Forward Contracts, which have been fair valued using Level 1 & Level 2 Hierarchy respectively.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis :

	Fair Value Hierarchy Level	March 31, 2018	March 31, 2017	April 01, 2016
Financial Assets				
Investments (Current)	Level 1	623.80	—	—
"Derivative financial instruments - Foreign Currency Forward Contracts"	Level 2	3.21	1.04	0.95

#### III) Financial Risk Management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company's focus is on foreseeing the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

##### a) Market Risk -

Market Risk Comprises of Foreign Currency Exchange Rate Risk, Interest Rate Risk & Equity Price Risk.

##### i) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the Statement of Profit and Loss and Equity, where any transactions are denominated in a currency other than the functional currency of the Company.

The Company's Exchange Rate Risk exposure is primarily due to Trade Payables, Trade Receivables and Borrowings in the form of Buyers' Credit denominated in foreign currencies. The Company uses foreign exchange and forward contracts primarily to hedge foreign exchange exposure.

An appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an decrease/increase in the Company's Net Profit before Tax by approximately ₹ 81.66 lacs for the year ended March 31, 2018 (March 31, 2017 : - ₹ 10.12 lacs)

##### ii) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. The Company does not have any interest bearing liabilities having floating rate of interest. Hence, the Company does not have any material exposure to Interest Rate Risk.

##### iii) Equity Price Risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are held for trading purposes.

The fair value of quoted investments in equity, classified as Fair Value through Profit & Loss as at March 31, 2018, March 31, 2017 and April 1, 2016, was ₹ 623.80 lacs, ₹ Nil lacs and ₹ Nil lacs respectively.

A 10% change in equity prices of such securities held as at March 31, 2018, March 31, 2017 and April 1, 2016, would result in an impact of ₹ 62.38 lacs, ₹ Nil lacs and ₹ Nil lacs respectively on equity before tax impact.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 38. Disclosures on Financial Instruments (contd.)

(Amount ₹ in Lacs)

#### b) Liquidity Risk -

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital facilities from various banks. The Company invests its surplus funds in bank fixed deposit, equity instruments and mutual funds, which carry no or low market risk.

The following table shows a maturity analysis of the Company's Financial Liabilities on the basis of undiscounted contractual payments :

	March 31, 2018	March 31, 2017	April 01, 2016
One Year or less			
Borrowings	9,259.01	5,749.12	5,386.91
Trade Payables	7,404.35	1,588.83	2,448.29
Other Financial Liabilities	751.46	674.22	694.71
More than One Year			
Borrowings	—	—	—
Trade Payables	—	—	—
Other Financial Liabilities	—	—	—

#### c) Credit Risk -

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

### 39. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the Company.

	March 31, 2018	March 31, 2017	April 01, 2016
Equity Share Capital	655.34	655.34	655.34
Other Equity	16,962.14	15,299.50	14,401.81
<b>Total Equity (A)</b>	<b>17,617.48</b>	<b>15,954.84</b>	<b>15,057.15</b>
Short Term Borrowings (Gross Debt) (B)	9,259.01	5,749.12	5,386.91
Less: Current Investments	623.80	—	—
Less: Cash and Cash Equivalents	1,163.18	2,073.16	2,342.96
Less: Other Bank Balances	1,285.28	777.11	601.63
<b>Net Debt (C)</b>	<b>6,186.76</b>	<b>2,898.85</b>	<b>2,442.32</b>
<b>Net Debt to Equity (C/A)</b>	<b>0.35</b>	<b>0.18</b>	<b>0.16</b>



## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 40. First Time Adoption of Indian Accounting Standards (Ind AS) (Amount ₹ in Lacs)

These Standalone Financial Statements of Company for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS). For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101-First Time Adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended March 31, 2018 and the comparative information. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 40.1 below. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 40.2 and 40.3.

#### 40.1 Exemptions availed on First Time Adoption of Indian Accounting Standards (Ind AS)

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions :

##### I. Business Combination

In accordance with Ind AS 101, the Company has elected not to restate business combinations that occurred before the date of transition i.e. 1st April 2016. In view of the same, the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

##### II. Property, Plant & Equipment

In accordance with Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost at the transition date i.e. 1st April 2016 for all the items of property, plant and equipment.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 40.2 Reconciliation of Total Equity as at Date of Transition

(Amount ₹ in Lacs)

Particulars	Note	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>							
<b>I. Non-Current Assets</b>							
a) Property, Plant and Equipment		5,547.85	—	5,547.85	6,179.11	—	6,179.11
b) Capital Work-in-Progress		150.78	—	150.78	141.06	—	141.06
c) Financial Assets							
i) Investments		—	—	—	—	—	—
ii) Loans		0.70	—	0.70	4.57	—	4.57
iii) Other Financial Assets		—	—	—	—	—	—
		<b>5,699.33</b>	<b>—</b>	<b>5,699.33</b>	<b>6,324.74</b>	<b>—</b>	<b>6,324.74</b>
<b>II. Current Assets</b>							
a) Inventories		4,895.87	—	4,895.87	4,903.05	—	4,903.05
b) Financial Assets							
i) Investments		—	—	—	—	—	—
ii) Trade Receivables		9,362.21	—	9,362.21	9,114.36	—	9,114.36
iii) Cash and Cash Equivalents		2,073.16	—	2,073.16	2,342.96	—	2,342.96
iv) Other Bank Balances		777.11	—	777.11	601.63	—	601.63
v) Loans		1,200.00	—	1,200.00	—	—	—
vi) Other Financial Assets	1	306.22	(278.45)	27.77	325.45	(278.45)	47.00
c) Other Current Assets		1,319.50	—	1,319.50	1,332.27	—	1,332.27
		<b>19,934.07</b>	<b>(278.45)</b>	<b>19,655.62</b>	<b>18,619.72</b>	<b>(278.45)</b>	<b>18,341.27</b>
<b>TOTAL ASSETS</b>		<b>25,633.40</b>	<b>(278.45)</b>	<b>25,354.95</b>	<b>24,944.46</b>	<b>(278.45)</b>	<b>24,666.01</b>
<b>EQUITY AND LIABILITIES</b>							
<b>III. Equity</b>							
a) Equity Share Capital		655.34	—	655.34	655.34	—	655.34
b) Other Equity		15,578.99	(279.49)	15,299.50	14,681.21	(279.40)	14,401.81
		<b>16,234.33</b>	<b>(279.49)</b>	<b>15,954.84</b>	<b>15,336.55</b>	<b>(279.40)</b>	<b>15,057.15</b>
<b>IV. Non-Current Liabilities</b>							
a) Provisions		87.64	—	87.64	68.40	—	68.40
b) Deferred Tax Liabilities		442.54	—	442.54	585.64	—	585.64
		<b>530.18</b>	<b>—</b>	<b>530.18</b>	<b>654.04</b>	<b>—</b>	<b>654.04</b>
<b>V. Current Liabilities</b>							
a) Financial Liabilities							
i) Borrowings		5,749.12	—	5,749.12	5,386.91	—	5,386.91
ii) Trade Payables		1,588.83	—	1,588.83	2,448.29	—	2,448.29
iii) Other Financial Liabilities	2	673.18	1.04	674.22	693.76	0.95	694.71
b) Other Current Liabilities		424.29	—	424.29	283.47	—	283.47
c) Provisions		20.35	—	20.35	2.97	—	2.97
d) Current Tax Liabilities (Net)		413.12	—	413.12	138.47	—	138.47
		<b>8,868.89</b>	<b>1.04</b>	<b>8,869.93</b>	<b>8,953.87</b>	<b>0.95</b>	<b>8,954.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,633.40</b>	<b>(278.45)</b>	<b>25,354.95</b>	<b>24,944.46</b>	<b>(278.45)</b>	<b>24,666.01</b>

#### Notes :

- Ind AS 109 requires to recognise loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.
- Under previous GAAP, the premium or discount on derivative instruments were expensed over the period of the contract. Under Ind AS, the net mark to market loss/gain on fair valuation of such instruments are recognised in profit or loss.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 40.3 Reconciliation of Total Comprehensive Income

(Amount ₹ in Lacs)

Particulars	Note	For the Year ended March 31, 2017		
		Previous GAAP	Adjustments	Ind AS
<b>I. INCOME</b>				
Revenue from Operations	1	33,400.65	1,213.82	34,614.47
Other Income		153.69	–	153.69
<b>Total Income</b>		<b>33,554.34</b>	<b>1,213.82</b>	<b>34,768.16</b>
<b>II. EXPENSES</b>				
Cost of Materials Consumed (including Trading Goods)		26,157.72	–	26,157.72
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		417.12	–	417.12
Excise Duty on Sale of Goods	1	–	1,213.82	1,213.82
Employee Benefits Expense	2	693.90	(24.93)	668.97
Finance Costs		442.94	–	442.94
Depreciation and Amortization Expense		758.81	–	758.81
Other Expenses	3	3,654.17	0.09	3,654.26
<b>Total Expenses</b>		<b>32,124.66</b>	<b>1,188.98</b>	<b>33,313.64</b>
<b>III. Profit before Tax</b>		<b>1,429.68</b>	<b>24.84</b>	<b>1,454.52</b>
<b>IV. Tax Expenses</b>				
Current Tax		675.00	–	675.00
Deferred Tax	2	(143.10)	8.63	(134.47)
<b>Total Tax Expenses</b>		<b>531.90</b>	<b>8.63</b>	<b>540.53</b>
<b>V. Profit for the period</b>		<b>897.78</b>	<b>16.21</b>	<b>913.99</b>
<b>VI. Other Comprehensive Income</b>				
<b>A. (i) Items that will not be reclassified subsequently to Profit and Loss</b>				
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans	2	–	(24.93)	(24.93)
(ii) Tax on Items that will not be reclassified subsequently to Profit and Loss	2	–	8.63	8.63
<b>VII. Total Comprehensive Income for the period</b>		<b>897.78</b>	<b>(0.09)</b>	<b>897.69</b>

#### Notes :

- Under Ind AS, revenue from sales of goods is inclusive of excise duty and are net of sales tax, discounts and secondary trade promotions. Under previous GAAP, sales included sales tax but were shown net of excise duty.
- Under Ind AS, Actuarial Gains/Losses on Gratuity and Deferred Tax effect thereon are routed through Other Comprehensive Income instead of profit or loss.
- Under previous GAAP, the premium or discount on derivative instruments were expensed over the period of the contract. Under Ind AS, the net mark to market loss/gain on fair valuation of such instruments are recognised in profit or loss.

**40.4** There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

**41.** The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

**42.** 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 Lakhotia**

(Partner)

Membership No. 068851

Kolkata

16th day of May, 2018

For and on Behalf of the Board of Directors

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

**Vineet Agrawal**  
(CEO/Director)  
DIN : 00441223

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

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

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# CONSOLIDATED FINANCIAL STATEMENTS

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## **Independent Auditors' Report**

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

#### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **MANAKSIA STEELS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting 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 thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

#### **Other Matters**

We did not audit the financial statements and financial information of a subsidiary whose financial statements include total assets of Rs.2389.52 lakhs as at 31st March 2018 and total revenue of Nil for the year then ended. These financial statements

and other financial information have been audited by other auditor whose reports have been furnished to us, and our opinion on the Statement to the extent they have been derived from such financial statements is based solely on the report of such other auditor.

The accompanying consolidated Ind AS financial results include unaudited financial statements and other unaudited financial information in respect of two subsidiaries whose financial statements include total assets of Rs.4226.67 lakhs as at 31st March, 2018 and total revenue of Rs.1078.07 lakhs for the year then ended. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of these subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanation given to us by the management, these financial statements and other financial information are not material to the Group. Our opinion is not modified in respect of this matter.

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

- I. 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 of the aforesaid consolidated Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. The Holding Company does not have any subsidiary incorporated in India and accordingly separate report on the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls have not been annexed to this report;
  - 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 34 & 36 to the consolidated Ind AS financial statements);
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - 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 Kumar Lakhotia)**  
*Partner*  
 Membership No: 068851

Place : Kolkata  
 Date : May 16, 2018

## CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

	Notes	As at March 31, 2018
<b>ASSETS</b>		
<b>I. Non-Current Assets</b>		
a) Property, Plant and Equipment	3	6,853.97
b) Capital Work-in-Progress	3	554.58
c) Financial Assets		
i) Investments	4	52.60
ii) Loans	5	0.70
iii) Other Financial Assets	6	9.85
		<b>7,471.70</b>
<b>II. Current Assets</b>		
a) Inventories	7	13,165.02
b) Financial Assets		
i) Investments	8	623.80
ii) Trade Receivables	9	9,483.00
iii) Cash and Cash Equivalents	10	2,271.34
iv) Other Bank Balances	11	1,285.28
v) Loans	12	550.00
vi) Other Financial Assets	13	88.56
c) Other Current Assets	14	2,607.44
		<b>30,074.44</b>
<b>TOTAL ASSETS</b>		<b>37,546.14</b>
<b>EQUITY AND LIABILITIES</b>		
<b>III. Equity</b>		
a) Equity Share Capital	15	655.34
b) Other Equity	16	16,930.26
		<b>17,585.60</b>
<b>IV. Non-Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	17	191.84
b) Provisions	18	95.16
c) Deferred Tax Liabilities	19	31.66
		<b>318.66</b>
<b>V. Current Liabilities</b>		
a) Financial Liabilities		
i) Borrowings	20	9,386.90
ii) Trade Payables	21	8,418.38
iii) Other Financial Liabilities	22	837.31
b) Other Current Liabilities	23	873.96
c) Provisions	24	33.77
b) Current Tax Liabilities (Net)	25	91.56
		<b>19,641.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,546.14</b>
Significant Accounting Policies	2	
Notes to Financial Statements	3-44	

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

16th day of May, 2018

For and on Behalf of the Board of Directors

**Varun Agrawal**

(Managing Director)

DIN : 00441271

**Vineet Agrawal**

(CEO/Director)

DIN : 00441223

**Mrinal Kanti Pal**

(Director)

DIN : 00867865

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lacs)

	Notes	For the year ended March 31, 2018
<b>I. Income</b>		
Revenue from Operations	26	50,997.34
Other Income	27	246.96
<b>Total Income</b>		<b>51,244.30</b>
<b>II. Expenses</b>		
Cost of Materials Consumed (including Trading Goods)	28	40,340.83
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	736.10
Excise Duty on Sale of Goods		652.43
Employee Benefits Expense	30	1,253.15
Finance Costs	31	416.79
Depreciation and Amortization Expense	3	756.81
Other Expenses	32	4,860.90
<b>Total Expenses</b>		<b>49,017.01</b>
<b>III. Profit before Tax</b>		<b>2,227.29</b>
<b>IV. Tax Expenses</b>		
Current Tax		1,065.00
Deferred Tax		(399.74)
<b>Total Tax Expenses</b>		<b>665.26</b>
<b>V. Profit for the Period</b>		<b>1,562.03</b>
<b>VI. Other Comprehensive Income / (Loss)</b>		
<b>A. (i) Items that will not be reclassified subsequently to Profit and Loss</b>		
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		(4.42)
(ii) Tax on Items that will not be reclassified subsequently to Profit and Loss		1.53
<b>VII. Total Comprehensive Income for the period</b>		<b>1,559.14</b>
<b>VIII. Basic and Diluted Earnings per Equity Share of Face Value of ₹ 1/- each</b>	35	<b>Rs. 2.38</b>
Significant Accounting Policies	2	
Notes to Financial Statements	3-44	

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  
16th day of May, 2018

For and on Behalf of the Board of Directors

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(Managing Director)  
DIN : 00441271

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

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

### A. EQUITY SHARE CAPITAL

	Amount in ₹ Lacs
<b>Balance as at March 31, 2017</b>	<b>655.34</b>
Changes in Equity Share Capital during the year 2017–18	—
<b>Balance as at March 31, 2018</b>	<b>655.34</b>

### B. OTHER EQUITY

	Reserves and Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Foreign Currency Translation Reserve	Retained Earnings		
<b>Balance as at April 01, 2017</b>	5.00	4,673.93	8,138.32	—	2,477.44	4.81	15,299.50
Profit for the period	—	—	—	—	1,562.03	—	1,562.03
Additions during the year	—	—	—	71.62	—	—	71.62
Other Comprehensive Income	—	—	—	—	—	(2.89)	(2.89)
<b>Balance as at March 31, 2018</b>	<b>5.00</b>	<b>4,673.93</b>	<b>8,138.32</b>	<b>71.62</b>	<b>4,039.47</b>	<b>1.92</b>	<b>16,930.25</b>

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

16th day of May, 2018

For and on Behalf of the Board of Directors

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

**Vineet Agrawal**  
(CEO/Director)  
DIN : 00441223

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

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31st March, 2018

(₹ in Lacs)

PARTICULARS		March 31, 2018
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	
	Net Profit before Tax :	2,227.29
	Adjustment for:	
	Depreciation/ Amortisation	756.81
	Finance Cost (Net)	127.34
	Loss on Fixed Assets Sold / Discarded (Net)	-
	Dividend Received on Equity Shares	(1.04)
	Gain/Loss from Non-Current Investments	(0.27)
	Gain/Loss from Current Investments	(39.82)
	Fair Value changes of Investments in Equity Shares	84.78
	Operating Profit before Working Capital Changes	3,155.07
	Adjustments for:	
	(Increase)/Decrease in Non-Current/Current Financial and other Assets	(1,971.97)
	(Increase)/Decrease in Inventories	(8,269.15)
	Increase/(Decrease) in Non-Current/Current Financial and other Liabilities/Provisions	7,439.29
	Cash Generated from Operations	353.24
	Direct Taxes Paid	(1,386.56)
	Net Cash Flow from Operating Activities	(1,033.32)
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
	Purchase of Property, Plant & Equipment and change in Capital work in progress	(2,466.73)
	Purchase of other Non-Current Investments	(158.85)
	Sale of other Non-Current Investments	106.52
	Purchase of Current Investments	(7,416.06)
	Sale of Current Investments	6,747.31
	Loans given	(2,000.00)
	Refund of Loans given	2,650.00
	Interest Received	264.27
	Dividend Received on Equity Shares	1.04
	Net Cash Flow from/(Used in) Investing Activities	(2,272.51)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>	
	(Repayment of )/ Proceeds from Short Term Borrowings (Net)	3,637.78
	(Repayment of )/ Proceeds from Long Term Borrowings (Net)	191.84
	Interest Paid	(397.25)
	Net Cash Flow From/(Used in ) Financing Activities	3,432.37
<b>D.</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	126.54
	Cash and Cash Equivalents at the beginning of the period	2,073.16
	Effect of Foreign Currency Translation during the year	71.62
	Cash and Cash Equivalents at the end of the period	2,271.32

Note: 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

16th day of May, 2018

For and on Behalf of the Board of Directors

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

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 1. Company Overview

The consolidated financial statements comprise financial statements of Manaksia Steels Limited ("the Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2018.

The Company is a public limited company incorporated in India having its registered office situated at 8/1, Lal Bazar Street, Bikaner Building, Kolkata - 700 001. The Company has its shares listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is primarily engaged in the manufacture of value-added secondary steel products like Cold Rolled Sheets, Galvanised Corrugated Sheets, Galvanised Plain Sheets, Colour Coated (Pre-painted) Sheets, etc. The manufacturing units of the Company are located at Haldia & Bankura (West Bengal).

List of Subsidiaries included in the Consolidated Financial Statements are as under:

Name of Subsidiary Company	Country of Incorporation	Extent of Holding
Technomet International FZE	United Arab Emirates	100%
Federated Steel Mills Limited	Nigeria	100%
Far East Steel Industries Limited	Nigeria	100%

### 2. Significant Accounting Policies

#### I) Basis of Preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are prepared under the historical cost convention on the accrual basis except for certain items of assets and liabilities which have been measured at their fair values.

The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with relevant Rules which was the previous GAAP.

#### II) Basis of Consolidation

The consolidated financial statements comprise financial statements of the Company and its Subsidiaries and have been prepared in accordance with Indian Accounting Standard for Consolidated Financial Statements (IND AS 110), prescribed under section 133 of the Companies Act, 2013 ('Act'). Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.
- ii) The difference between the cost of investment in the Subsidiaries over its proportionate share in the net assets value at the time of acquisition of stake in subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation is adjusted against Goodwill. Changes in parents ownership interest in subsidiary that do not result in the parent losing control of the subsidiary are recognised directly in equity.
- iii) Non controlling interest in net profit/loss of the Subsidiaries for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders' of the company. Non controlling interest in net assets of the subsidiaries is identified and presented separately in Consolidated Financial Statements.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

- iv) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.
- v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.
- vi) Foreign Exchange fluctuations on conversion of the accounts of foreign subsidiaries have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

### III) Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### IV) Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all the significant risks and rewards of ownership are transferred to the buyer 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. Revenue is measured at

## Notes to Financial Statements as at and for the year ended 31st March, 2018

the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates, value added tax and goods and service tax.

Dividend income is recognised when the Group's right to receive dividend is established. Interest income is recognized using the effective interest method. Effective Interest Rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. All other income are recognized on accrual basis.

### V) Property, Plant & Equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows :

Building	30 Years
Plant & Equipment	10 - 20 Years
Computers	3 Years
Office Equipment	3 - 5 Years
Furniture & Fixtures	5 - 10 Years
Vehicles	8 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other 'Non-Current Assets'. Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### VI) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on Intangible Assets with finite lives is recognized in the Statement of Profit & Loss. The Group amortizes intangible assets over their estimated useful lives using the straight line method.

Intangible Assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is derecognized.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### VII) Inventories

Inventories are valued at cost or net realisable value whichever is lower except for saleable scraps, whose cost is not identifiable, which are valued at estimated net realisable value. Closing stock has been valued on Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

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

### VIII) Financial Instruments

#### Initial recognition and measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

#### i. Non derivative financial instruments

##### a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

##### c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### ii. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.



## Notes to Financial Statements as at and for the year ended 31st March, 2018

### Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### IX) Fair Value Measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- i) **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### X) Impairment

Impairment is recognized based on the following principles :

#### Financial Assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

#### Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash- generating unit). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

### XI) Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### XII) Foreign Currency Transactions & Translations

#### Functional and presentation currency

The standalone financial statements are presented in INR, the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

#### Transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### XIII) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### XIV) Employee Benefits

#### Defined Contribution Plan

The Group makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

#### Defined Benefit Plan

The Group operates a Defined Benefit Gratuity Plan in India. Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Group recognizes the net obligation of the defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered

### XV) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### XVI) Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit & Loss over the lease term.

### XVII) Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

### XVIII) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### XIX) Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

### XX) Current and Non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is :

- i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period, or
- iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## Notes to Financial Statements as at and for the year ended 31st March, 2018

A liability is classified as current when it is:

- i) it is expected to be settled in the normal operating cycle,
- ii) it is due to be settled within twelve months after the reporting period, or
- iii) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

### **XXI) Dividend**

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

### **XXII) Rounding of Amounts**

All amounts disclosed in the consolidated Financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

### **XXIII) Recent Accounting Pronouncements**

#### **Ind AS 115 – Revenue from Contracts with Customers**

The Company is currently evaluating the impact of implementation of Ind AS 115 “Revenue from Contracts with Customers” which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact.

#### **Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 3. PROPERTY, PLANT & EQUIPMENT (Current Year)

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April 2017	Addition	Assets Acquired in Business Combination	Deletion/ Adjust- ment	As at 31st March 2018	As at 1st April 2017	Deductions/ Adjustments	For the Year	Up to 31st March 2018	As at 31st March 2018	As at 31st March 2017
<b>Tangible Assets :</b>											
a) Land	6.20	–	149.21	–	155.41	–	–	–	–	155.41	6.20
b) Leasehold Land*	166.83	–	1,119.06	–	1,285.89	2.14	–	2.50	4.64	1,281.25	164.69
c) Building	1,905.91	–	103.12	–	2,009.03	83.54	–	83.54	167.07	1,841.96	1,822.38
d) Plant & Equipment	3,880.35	89.27	336.14	–	4,305.76	615.54	–	563.91	1,179.45	3,126.32	3,264.81
e) Computers	3.78	1.87	–	–	5.65	1.19	–	0.98	2.17	3.48	2.59
f) Office Equipment	6.29	4.85	14.02	–	25.17	2.13	–	4.64	6.78	18.39	4.16
g) Furniture & Fixtures	14.07	1.59	4.20	–	19.86	3.43	–	3.60	7.04	12.82	10.64
h) Vehicles	306.57	62.48	175.64	–	544.69	34.18	–	97.64	131.83	412.86	272.39
<b>Intangible Assets :</b>											
a) Computer Software	–	1.47	–	–	1.47	–	–	–	–	1.47	–
<b>Total :</b>	<b>6,290.01</b>	<b>161.53</b>	<b>1,901.40</b>	<b>–</b>	<b>8,352.94</b>	<b>742.16</b>	<b>–</b>	<b>756.81</b>	<b>1,498.97</b>	<b>6,853.97</b>	<b>5,547.85</b>
<b>Capital Work in Progress</b>	<b>150.78</b>	<b>418.97</b>	<b>0.23</b>	<b>15.40</b>	<b>554.58</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>554.58</b>	<b>150.78</b>

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

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018
<b>4. Investments (Non-Current)</b>	
<b>Investments carried at Amortised Cost (Unquoted)</b>	
Investment in Bonds	
9.70% UPPCL 2031 - UP Power Corporation Limited (50 Nos. Bonds of Face Value ₹ 1,00,000/- each)	52.60
<b>Total</b>	52.60
<b>Aggregate Amount of Investments :</b>	
Quoted	—
Unquoted	52.60

	As at March 31, 2018
<b>5. Loans (Non-Current)</b>	
<b>Financial Assets carried at Amortised Cost (Unsecured, Considered Good)</b>	
Security Deposits	0.70
<b>Total</b>	0.70

	As at March 31, 2018
<b>6. Other Financial Assets (Non-Current)</b>	
<b>Financial Assets carried at Amortised Cost (Unsecured, Considered Good)</b>	
Fixed Deposits with Banks with original maturity of More than 12 months	9.85
<b>Total</b>	9.85

	As at March 31, 2018
<b>7. Inventories</b>	
<b>At Lower of Cost or Net Realisable Value</b>	
Raw Materials*	11,150.17
Packing Material	14.11
Work-in-Process	1,395.83
Finished Goods	214.94
Stores & Spares	386.89
<b>At Estimated Realisable Value</b>	
Scraps	3.08
<b>Total</b>	13,165.02

\* Included above, Goods-in-Transit

4,031.10

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

		As at March 31, 2018
<b>8. Investments (Current)</b>		
<b>Investments carried at Fair Value through Profit &amp; Loss</b>		
<b>Investments in Equity Shares (Quoted)</b>	<b>No. of Shares</b>	
Aditya Birla Capital Ltd. (Rs. 10)	5400 Shares	7.88
Ajanta Pharma Ltd. (Rs. 2)	385 Shares	5.35
Amtek Auto Ltd. (Rs. 2)	17000 Shares	3.55
AXISCADES Engineering Technologies Ltd. (Rs. 5)	3100 Shares	4.27
Bharat Heavy Electricals Ltd. (Rs. 2)	27200 Shares	22.13
BSE Ltd. (Rs. 2)	1100 Shares	8.32
CESC (Rs. 10)	500 Shares	4.83
Clariant Chemicals India Ltd. (Rs. 10)	4325 Shares	23.16
CMI Ltd. (Rs. 10)	4650 Shares	9.99
Coal India Limited (Rs. 10)	875 Shares	2.48
Cochin Shipyard Ltd. (Rs. 10)	1800 Shares	9.04
Dhanuka Agritech Ltd. (Rs. 2)	715 Shares	3.94
Dr Reddys Laboratories Ltd. (Rs. 5)	100 Shares	2.08
Dynamatic Technologies Ltd. (Rs. 10)	475 Shares	8.09
eClerx Services Ltd. (Rs. 10)	103 Shares	1.24
Firstsource Solutions Ltd. (Rs. 10)	6400 Shares	3.39
Ganesh Housing Corporation Ltd. (Rs. 10)	7500 Shares	8.91
Gujarat Heavy Chemicals Ltd. (Rs. 10)	2150 Shares	5.56
Glenmark Pharma Ltd. (Rs. 1)	925 Shares	4.87
GMR Infrastructure Ltd. (Rs. 1)	86000 Shares	14.49
Godrej Agrovvet Ltd. (Rs. 10)	880 Shares	5.61
Greaves Cotton Ltd. (Rs. 2)	6300 Shares	7.17
Gujarat Hotels Ltd. (Rs. 10)	7450 Shares	8.90
Gujarat Fluorochemicals Ltd. (Rs. 1)	7500 Shares	59.74
Hawkins Cooker Ltd. (Rs. 10)	345 Shares	9.66
Hindustan Media Ventures Ltd. (Rs. 10)	4103 Shares	9.04
Honda Suel Power Products Ltd. (Rs. 10)	370 Shares	4.96
Idea Cellular Ltd. (Rs. 10)	23900 Shares	18.14
International Travel House Ltd. (Rs. 10)	4350 Shares	7.99
ITC Ltd. (Rs. 1)	7125 Shares	18.20
ITD Cementation India Ltd. (Rs. 1)	3200 Shares	5.03
Karur Vysya Bank Ltd. (Rs. 2)	10000 Shares	10.05
LIC Housing Finance Ltd. (Rs. 2)	1950 Shares	10.42
Lupin Ltd. (Rs. 2)	1490 Shares	10.96
Mahindra and Mahindra Ltd. (Rs. 5)	2640 Shares	19.51
Madhucon Projects Ltd. (Rs. 1)	27000 Shares	5.12
Manpasand Beverages Ltd. (Rs. 10)	2540 Shares	9.39
Meghmani Organics Ltd. (Rs. 1)	6000 Shares	5.06
Munjjal Showa Ltd. (Rs. 2)	2250 Shares	4.60
Oil India Ltd. (Rs. 10)	1400 Shares	3.03
Pearl Global Industries Ltd. (Rs. 10)	750 Shares	0.80
Pennar Engineered Building Systems Ltd. (Rs. 10)	8400 Shares	6.63
Pearl Global Industries Ltd. (Rs. 10)	2050 Shares	2.18
Pokarna Limited (Rs. 2)	1500 Shares	2.67
Reliance Capital Ltd. (Rs. 10)	970 Shares	4.11
Repco Home Finance Ltd. (Rs. 10)	1680 Shares	9.45



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

		As at March 31, 2018
Reliance Nippon Life Asset Management Ltd. (Rs. 10)	4000 Shares	9.90
Strides Shasun Ltd. (Rs. 10)	1200 Shares	8.03
Star Cement Ltd. (Rs. 1)	116600 Shares	135.37
Sun Pharmaceutical Industries Ltd. (Rs. 1)	875 Shares	4.33
Tata Motors Ltd. (Rs. 2)	4500 Shares	14.71
Texmaco Rail and Engineering Ltd. (Rs. 1)	11650 Shares	9.72
Titagarh Wagons Ltd. (Rs. 2)	4200 Shares	4.61
UFO Moviez India Ltd. (Rs. 10)	1225 Shares	4.57
Unitech Ltd. (Rs. 2)	60000 Shares	3.33
United Bank of India (Rs. 10)	24500 Shares	3.10
UPL Ltd. (Rs. 2)	1380 Shares	10.08
ZF Steering Gear (India) Ltd. (Rs. 10)	400 Shares	4.08
<b>Total</b>		<b>623.80</b>
<b>Aggregate Amount of Investments :</b>		
Quoted		623.80
Unquoted		—

	As at March 31, 2018
<b>9. Trade Receivables</b>	
<b>Financial Assets carried at Amortised Cost (Unsecured, Considered Good)</b>	
Trade Receivables	9,483.00
<b>Total</b>	<b>9,483.00</b>

	As at March 31, 2018
<b>10. Cash and Cash Equivalents</b>	
<b>Financial Assets carried at Amortised Cost</b>	
Balances with Banks	1,227.14
Cheques on Hand	1,025.00
Cash on Hand	19.20
<b>Total</b>	<b>2,271.34</b>

	As at March 31, 2018
<b>11. Other Bank Balances</b>	
<b>Financial Assets carried at Amortised Cost</b>	
Earmarked Deposits with Banks *	10.09
Fixed Deposits with Banks with original maturity of	
More than 3 months but less than 12 months	883.90
More than 3 months but less than 12 months #	25.81
3 months or less #	365.48
<b>Total</b>	<b>1,285.28</b>

\* Assigned against Tender

# Pledged with Banks

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018
<b>12. Loans (Current)</b>	
Financial Assets carried at Amortised Cost (Unsecured, Considered Good)	
Loans to Body Corporates	550.00
<b>Total</b>	<b>550.00</b>

	As at March 31, 2018
<b>13. Other Financial Assets (Current)</b>	
Financial Assets carried at Amortised Cost (Unsecured, Considered Good)	
Security Deposits	2.70
Interest Accrued on Inter Corporate Loans	24.04
Interest Accrued on Investment in Bonds	1.14
Advances to Employees	60.68
<b>Total</b>	<b>88.56</b>

	As at March 31, 2018
<b>14. Other Current Assets</b>	
(Unsecured, Considered Good)	
Balances with Statutory Authorities	1,841.56
Export Incentives Receivable	158.86
Advances to Vendors	576.67
Prepaid Expenses	30.35
<b>Total</b>	<b>2,607.44</b>

	As at March 31, 2018
<b>15. Equity Share Capital</b>	
a) <b>Authorised :</b>	
7,50,00,000 Equity Shares of ₹ 1/- each	750.00
<b>Total</b>	<b>750.00</b>
b) <b>Issued, Subscribed and Paid-up Capital :</b>	
6,55,34,050 Equity Shares of ₹ 1/- each fully paid up	655.34
<b>Total</b>	<b>655.34</b>

c) **Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2018	
Name of Shareholders	No. of shares	% Holding
Varun Agrawal	1,24,94,810	19.07
Suresh Kumar Agrawal	1,23,50,360	18.85
Chandrakala Agrawal	1,07,50,000	16.40
Payal Agrawal	66,10,770	10.09

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

d) **Terms/rights attached to each class of shares**

**Equity Shares:**

The Company has only one class of equity shares having a par value of ₹ 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.

		<b>As at March 31, 2018</b>	
<b>16. Other Equity</b>			
<b>A. Securities Premium</b>			
Opening Balance	4,673.93		
Add: Addition during the period	—		
Balance as at the end of the period		4,673.93	
<b>B. General Reserve</b>			
Opening Balance	8,138.32		
Add: Addition during the period	—		
Balance as at the end of the period		8,138.32	
<b>C. Capital Reserve</b>			
Opening Balance	5.00		
Add: Addition during the period	—		
Balance as at the end of the period		5.00	
<b>D. Foreign Currency Translation Reserve</b>			
Opening Balance	—		
Add: Addition during the period	71.62		
Balance as at the end of the period		71.62	
<b>E. Surplus in the statement of profit and loss</b>			
Opening Balance	2,477.44		
Add : Profit for the period	1,562.03		
Less : Transferred to General Reserve	—		
Balance as at the end of the period		4,039.47	
<b>F. Other Comprehensive Income</b>			
As per last Balance Sheet	4.81		
Add: Addition during the period	(2.89)		
Balance as at the end of the period		1.92	
			<b>16,930.26</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018
<b>17. Borrowings (Non-Current)</b>	
<b>Financial Liabilities carried at amortised cost</b>	
Unsecured	
From Banks	
Foreign Currency Term Loan*	191.84
<b>Total</b>	<b>191.84</b>

\* The Loan is repayable in forty quarterly installments with effect from 19th January, 2011.

	As at March 31, 2018
<b>18. Provisions (Non-Current)</b>	
Provisions for Employee Benefits	
Gratuity	95.16
<b>Total</b>	<b>95.16</b>

	As at March 31, 2018
<b>19. Deferred Tax Liability (Net)</b>	
<b>Deferred Tax Liability</b>	
Timing difference in depreciable assets	640.09
<b>Deferred Tax Asset</b>	
Expenses allowable against taxable income in future years	(608.43)
<b>Net Deferred tax Liability</b>	<b>31.66</b>

	As at March 31, 2018
<b>20. Borrowings (Current)</b>	
<b>Financial Liabilities carried at amortised cost</b>	
<b>From Banks</b>	
<b>Secured #</b>	
Loans Repayable on Demand	
Foreign Currency Loan	-
Rupee Loan	276.25
Buyers' Credit	8,982.76
<b>Unsecured</b>	
Foreign Currency Term Loan*	127.89
<b>Total</b>	<b>9,386.90</b>

### # Notes :

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.

\* The Loan is repayable in forty quarterly installments with effect from 19th January, 2011.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	As at March 31, 2018
<b>21. Trade Payables</b>	
<b>Financial Liabilities carried at amortised cost</b>	
Micro, Small and Medium Enterprises*	—
Others	8,418.38
<b>Total</b>	<b>8,418.38</b>

### Notes :

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.

	As at March 31, 2018
<b>22. Other Financial Liabilities (Current)</b>	
<b>Financial Liabilities carried at amortised cost</b>	
Interest accrued but not due on borrowings	41.51
Liabilities for Expenses	792.59
<b>Financial Liabilities carried at Fair Value through Profit &amp; Loss</b>	
(Gain)/Loss on Fair Valuation of Forward Contracts	3.21
<b>Total</b>	<b>837.31</b>

	As at March 31, 2018
<b>23. Other Current Liabilities</b>	
Advances from Customers	837.66
Statutory Dues	36.30
<b>Total</b>	<b>873.96</b>

	As at March 31, 2018
<b>24. Provisions (Current)</b>	
Provisions for Employee Benefits	
Gratuity	33.77
<b>Total</b>	<b>33.77</b>

	As at March 31, 2018
<b>25. Current Tax Liabilities (Net)</b>	
Provision for Income Tax (Net of Advance Tax)	91.56
<b>Total</b>	<b>91.56</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	For the year ended March 31, 2018
<b>26. Revenue from Operations</b>	
Sale of Products (including Excise Duty)	50,828.09
Sale of Services	88.91
Other Operating Income	80.34
<b>Total</b>	<b>50,997.34</b>

	For the year ended March 31, 2018
<b>27. Other Income</b>	
Dividend Income	1.04
Interest Income	289.45
Gain/(Loss) from Sale of Non-Current Investments	0.27
Income from Investments carried at Fair Value through Profit and Loss	
Fair Value changes of Investments in Equity Shares	(84.78)
Gain/(Loss) on Sale of Equity Shares	(0.02)
Gain/(Loss) on Redemption of Mutual Funds	39.85
Other Miscellaneous Income	1.15
<b>Total</b>	<b>246.96</b>

	For the year ended March 31, 2018
<b>28. Cost of Materials Consumed</b>	
Opening Stock	3,898.77
Add : Purchases including Traded Goods	48,098.38
Less : Closing Stock	11,656.32
<b>Total</b>	<b>40,340.83</b>

	For the year ended March 31, 2018
<b>29. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>	
<b>Opening Stock</b>	
Finished Goods	629.28
Work in Progress	1,699.03
Scrap	21.01
	<b>2,349.32</b>
<b>Closing Stock</b>	
Finished Goods	214.51
Work in Progress	1,395.63
Scrap	3.08
	<b>1,613.22</b>
<b>Total</b>	<b>736.10</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in Lacs)

	For the year ended March 31, 2018
<b>30. Employee Benefits Expense</b>	
Salaries, Wages and Bonus	979.56
Contribution to Provident & other funds	52.32
Staff Welfare Expenses	221.27
<b>Total</b>	<b>1,253.15</b>

	For the year ended March 31, 2018
<b>31. Finance Costs</b>	
Interest Expenses	190.91
Other Borrowing Cost	225.88
<b>Total</b>	<b>416.79</b>

	For the year ended March 31, 2018
<b>32. Other Expenses</b>	
Consumption of Stores and Consumables	
Indigenous	538.29
Imported	136.05
Power & Fuel	1,534.88
Processing Charges	—
Clearing Charges	—
Carriage Inward	46.91
Repairs to:	
Building	80.03
Machinery	351.59
Others	2.42
Other Manufacturing Expenses	304.45
Rent	16.73
Insurance	39.65
Rates & Taxes	68.72
Excise Duty on Stocks *	—
Packing Expenses	159.40
Freight, Forwarding and Handling Expenses	208.58
Communication Expenses	19.53
Travelling & Conveyance	235.31
Exchange Fluctuation	267.69
Provision For Doubtful Debt	—
Auditors' Remuneration	
As Auditors	15.48
For taxation matters	1.00
For other services	1.00
Donations #	77.43
Commission	0.63
Loss on sale of Fixed Assets	—
Other Miscellaneous Expenses	755.13
<b>Total</b>	<b>4,860.90</b>

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

# Includes an amount of ₹ 22.62 Lacs (2016-17 : ₹ 26.00 Lacs) towards Corporate Social Responsibility as per Section 135 of Companies Act, 2013.



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(Amount ₹ in Lacs)

### 33. Effective Tax Reconciliation

The reconciliation of Estimated Income Tax to Income Tax Expense is as below :

Particulars	March 31, 2018
Profit before Income Taxes	2,227.29
Statutory Income Tax rate	34.608%
<b>Expected Income Tax Expense at Statutory Income Tax rate</b>	<b>770.82</b>
i) Income Exempt from Tax / Items not deductible	17.32
ii) Others	53.10
iii) Recognition of unrecognised tax losses in subsidiaries	(175.99)
<b>Income Tax Expense as reported</b>	<b>665.26</b>

### 34. Contingencies and Commitments

#### I) Contingent Liabilities

Claims against the company/disputed liabilities not acknowledged as Debts

Particulars	March 31, 2018
Service Tax & Excise Duty	8.31
Income Tax	609.40
Demand by Haldia Development Authority towards Land Premium	332.50
Stamp Duty for Registration of Land	49.45
<b>Total</b>	<b>999.65</b>

#### II) Guarantees given

Particulars	March 31, 2018
Guarantees given by the Company not acknowledged as debt	262.85
<b>Total</b>	<b>262.85</b>

### 35. Earnings per share

Particulars	March 31, 2018
Profit as per Statement of Profit and Loss (₹ in lacs)	1,562.03
Weighted average number of equity shares	6,55,34,050
Nominal value per equity share (₹)	1.00
<b>Earnings per share - Basic and Diluted (₹)</b>	<b>2.38</b>

### 36. Entry Tax

The Company has made a provision of ₹ **14.98 Lakhs** (Previous Year ₹ 66.20 Lakhs) towards Entry Tax in relation to matter under litigation/dispute as shown below :

Particulars	March 31, 2018
Opening Balance	565.71
Provisions made during the year	14.98
<b>Closing Balance</b>	<b>580.69</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2018

### 37. Related Party Disclosures

#### List of Related Parties :

#### 1. Key Managerial Personnel

Sri Varun Agrawal	Managing Director
Sri Vineet Agrawal (since 21.07.2016)	Executive Director & CEO
Sri Rajesh Singhania	Chief Financial Officer
Sri Ajay Sharma	Company Secretary

#### 2. Other Directors

Sri Suresh Kumar Agrawal	Non-Executive Director
Sri Ajay Kumar Chakraborty	Independent Director
Sri Kali Kumar Chaudhury	Independent Director
Smt. Smita Khaitan	Independent Director
Sri Mrinal Kanti Pal	Non-Executive Director

#### 3. Entities over which KMPs and their relatives have significant influence as identified pursuant to adoption of Ind AS 24, "Related Party Disclosures" applicable w.e.f. 01.04.2017

Manaksia Limited  
 Manaksia Aluminium Company Limited  
 MINL Limited  
 Dynatech Industries Ghana Limited  
 Jebba Paper Mills Limited  
 Vajra Machineries Private Limited  
 Sumo Steels Limited

The following table summarises Related-Party Transactions and Balances included in the Financial Statements as at and for the year ended March 31, 2018.

Amount ₹ in Lacs

Nature of Transactions	Key Managerial Personnel & Other Directors (1+2)	Entities where KMP and relatives have significant influence (3)	Total
Salary and Other Benefits	353.45	–	353.45
Meeting Fees	3.78	–	3.78
Sale of Goods	–	22,397.29	22,397.29
Purchase of Goods	–	28.58	28.58
Service rendered	–	95.79	95.79
Service received	–	134.90	134.90
Interest Income recognised	–	57.47	57.47
Outstanding Receivables	–	4,605.02	4,605.02
Outstanding Payable	–	2.59	2.59

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(Amount ₹ in Lacs)

### 38. Employee Benefits

#### I) Defined Contribution Plan

Contribution to defined contribution plan, recognized are charged off during the year as follows :

Particulars	March 31, 2018
Employers' Contribution to Provident Fund	43.23

#### II) Defined Benefit Plan

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.

##### a) Change in Defined Benefit Obligations :

Particulars	March 31, 2018
Present Value of Defined Benefit Obligations at beginning of year	107.99
Current Service cost	12.58
Interest cost	7.94
Past Service Cost	(2.68)
Re-measurement (or Actuarial (gains)/ losses) arising from :	
Change in financial assumptions	(1.83)
Experience Variance (i.e. Actual experience vs assumptions)	6.25
Benefits paid	(1.33)
<b>Present Value of Defined Benefit Obligations at the end of year</b>	<b>128.93</b>

##### b) Net Liability recognised in Balance Sheet :

Particulars	March 31, 2018
Net Liability recognised in Balance Sheet at beginning of year	107.99
Expense recognised in Statement of Profit and Loss	17.85
Expense recognised in Other Comprehensive Income	4.42
Employer contributions	(1.33)
<b>Net Liability recognised in Balance Sheet at end of year</b>	<b>128.93</b>

##### c) Expenses recognised in the Statement of Profit and Loss consist of :

Particulars	March 31, 2018
Current Service Cost	12.58
Past Service Cost	(2.68)
Loss / (Gain) on settlement	—
Net Interest Expense on the Net Defined Benefit Liability	7.94
<b>Net Amounts recognised</b>	<b>17.85</b>

##### d) Expenses recognised in the Other Comprehensive Income consist of :

Particulars	March 31, 2018
Actuarial (gains) / losses due to :	
Change in financial assumptions	(1.83)
Experience Variance (i.e. Actual experience vs assumptions)	6.25
<b>Net Amounts recognised</b>	<b>4.42</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(Amount ₹ in Lacs)

### 38. Employee Benefits (Contd.)

#### e) Actuarial Assumptions

Particulars	March 31, 2018
<b>Financial Assumptions</b>	
Discount Rate p.a.	7.60%
Rate of increase in salaries p.a.	5.00%
<b>Demographic Assumptions</b>	
Mortality Rate (% of IALM 06-08)	100.00%
Normal Retirement Age	58 Years
Attrition Rates, based on age (% p.a.)	
For all ages	2.00

#### f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determind based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	March 31, 2018
Defined Benefit Obligation (Base)	128.93

Particulars	March 31, 2018	
	Decrease	Increase
Discount Rate (- / + 1%)	136.61	122.17
% change compared to base due to sensitivity	5.96%	-5.24%
Salary Growth Rate (- / + 1%)	121.74	136.98
% change compared to base due to sensitivity	-5.58%	6.25%
Attrition Rate (- / + 50%)	127.52	130.19
% change compared to base due to sensitivity	-1.09%	0.98%
Mortality Rate (- / + 10%)	128.64	129.22
% change compared to base due to sensitivity	-0.23%	0.22%

#### g) Maturity Profile of Defined Benefit Obligation

Particulars	March 31, 2018
Weighted average duration (based on discounted cashflow)	6 Years
Expected cash flows over the next (valued on undiscounted basis)	
1 Year	33.77
2 to 5 years	54.81
6 to 10 years	47.55
More than 10 years	93.60

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 38. Employee Benefits (Contd.)

#### h) Summary of Assets and Liability (Balance Sheet Position)

(Amount ₹ in Lacs)

	3/31/2018	3/31/2017
Present value of Obligation	128.93	107.99
Fair Value of Plan Assets	—	—
Unrecognized Past Service Cost	—	—
Effects of Asset Celling	—	—
<b>Net Asset / (Liability)</b>	<b>(128.93)</b>	<b>(107.99)</b>

#### i) Windup Liability / Discontinuance Liability

Particulars	March 31, 2018
Discontinuance Liability *	153.14
Present Value of Obligation	128.93
Ratio (PV of Obligation / Discontinuance Liability)	84%

\* Discontinuance Liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.

### 39. Disclosures on Financial Instruments

#### I) Financial Instruments by Category

As at March 31, 2018

	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	52.60	623.80	676.40	676.40
Trade Receivables	9,483.00	—	9,483.00	9,483.00
Cash and Cash Equivalents	2,271.34	—	2,271.34	2,271.34
Other Bank Balances	1,285.28	—	1,285.28	1,285.28
Loans	550.70	—	550.70	550.70
Other Financial Assets	98.42	—	98.42	98.42
<b>Total Financial Assets</b>	<b>13,741.34</b>	<b>623.80</b>	<b>14,365.13</b>	<b>14,365.13</b>
<b>Financial Liabilities</b>				
Borrowings	9,578.74	—	9,578.74	9,578.74
Trade Payables	8,418.38	—	8,418.38	8,418.38
Other Financial Liabilities	834.10	3.21	837.31	837.31
<b>Total Financial Liabilities</b>	<b>18,831.22</b>	<b>3.21</b>	<b>18,834.43</b>	<b>18,834.43</b>

#### II) Fair Value Hierarchy

All Financial Assets & Financial Liabilities are carried at amortised cost except Current Investments and Foreign Currency Forward Contracts, which have been fair valued using Level 1 & Level 2 Hierarchy respectively.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 39. Disclosures on Financial Instruments (Contd.)

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis : (Amount ₹ in Lacs)

	Fair Value Hierarchy Level	March 31, 2018
Financial Assets		
Investments (Current)	Level 1	623.80
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	3.21

### III) Financial Risk Management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company's focus is on foreseeing the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### a) Market Risk -

Market Risk Comprises of Foreign Currency Exchange Rate Risk, Interest Rate Risk & Equity Price Risk.

##### i) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the Statement of Profit and Loss and Equity, where any transactions are denominated in a currency other than the functional currency of the Company.

The Company's Exchange Rate Risk exposure is primarily due to Trade Payables, Trade Receivables and Borrowings in the form of Buyers' Credit denominated in foreign currencies. The Company uses foreign exchange and forward contracts primarily to hedge foreign exchange exposure.

An appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an decrease/increase in the Company's Net Profit before Tax by approximately ₹ 81.66 lacs for the year ended March 31, 2018 (March 31, 2017 : ₹ -10.12 lacs).

##### ii) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. The Company does not have any interest bearing liabilities having floating rate of interest. Hence, the Company does not have any material exposure to Interest Rate Risk.

##### iii) Equity Price Risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are held for trading purposes.

The fair value of quoted investments in equity, classified as Fair Value through Profit & Loss as at March 31, 2018, March 31, 2017 and April 1, 2016, was ₹ 623.80 lacs, ₹ Nil lacs and ₹ Nil lacs respectively.

A 10% change in equity prices of such securities held as at March 31, 2018, March 31, 2017 and April 1, 2016, would result in an impact of ₹ 62.38 lacs, ₹ Nil lacs and ₹ Nil lacs respectively on equity before tax impact.

#### b) Liquidity Risk -

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital facilities from various banks. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 39. Disclosures on Financial Instruments (Contd.)

The following table shows a maturity analysis of the Company's Financial Liabilities on the basis of undiscounted contractual payments :

(Amount ₹ in Lacs)

	March 31, 2018
One Year or less	
Borrowings	9,386.90
Trade Payables	8,418.38
Other Financial Liabilities	837.31
More than One Year	
Borrowings	191.84
Trade Payables	—
Other Financial Liabilities	—

#### c) Credit Risk -

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

### 40. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Amount ₹ in Lacs)

	March 31, 2018
Equity Share Capital	655.34
Other Equity	16,930.26
<b>Total Equity (A)</b>	<b>17,585.60</b>
Non-Current Borrowings	191.84
Short Term Borrowings	9,386.90
<b>Gross Debt (B)</b>	<b>9,578.74</b>
Less: Current Investments	623.80
Less: Cash and Cash Equivalents	1,163.18
Less: Other Bank Balances	1,285.28
<b>Net Debt (C)</b>	<b>6,506.48</b>
<b>Net Debt to Equity (C/A)</b>	<b>0.37</b>



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 41. Segment Reporting

(Amount ₹ in Lacs)

#### I) 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.

#### II) Geographical Segment

The Company primarily operates out of India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

#### a) Details of Revenue based on geographical location of customers is as below :

Revenue from Operations	March 31, 2018
India	26,741.66
Overseas	24,255.68
<b>Total</b>	<b>50,997.34</b>

#### b) Details of Segment Assets based on geographical area is as below :

Carrying amount of Segment Assets	March 31, 2018
India	28,544.25
Overseas	9,001.89
<b>Total</b>	<b>37,546.14</b>

#### c) Details of Additions to Segment Assets is as below :

Additions to Fixed Assets including CWIP	March 31, 2018
India	272.31
Overseas	308.18
<b>Total</b>	<b>580.49</b>

42. On 17th December 2017, Technomet International FZE, wholly owned subsidiary of the Company, has acquired 100% shares in Federated Steel Mills Limited ("FSML") & Far East Steel Industries Limited ("FESIL") for a total consideration of ₹ 1,800.06 Lacs. The details of financial information on acquisition date are provided below :

Particulars	FSML	FESIL	Total
Fair Value of Net Assets Acquired	1,637.89	162.17	<b>1,800.06</b>
Purchase Consideration	1,637.89	162.17	<b>1,800.06</b>

43. The requirements of Ind AS 110 - Consolidated Financial Statements are applicable for the first time, so previous year figures are not stated.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

### 44. Additional Information

(Amount ₹ in Lacs)

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs	As a % of Cons. Figure	Amount in ₹ Lacs
<b>Parent :</b>								
Manaksia Steels Limited	86.04%	15,130.04	105.52%	1,648.20	100.00%	(2.89)	105.53%	1,645.31
<b>Foreign Subsidiaries :</b>								
Technomet International FZE	2.86%	503.61	-11.27%	(175.98)	0.00%	-	-11.29%	(175.98)
Federated Steel Mills Limited	10.04%	1,764.77	5.75%	89.81	0.00%	-	5.76%	89.81
Far East Steel Industries Limited	1.06%	187.18	0.00%	-	0.00%	-	0.00%	-
<b>Total :</b>	<b>100%</b>	<b>17,585.60</b>	<b>100%</b>	<b>1,562.03</b>	<b>100%</b>	<b>(2.89)</b>	<b>100%</b>	<b>1,559.14</b>

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

16th day of May, 2018

For and on Behalf of the Board of Directors

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

**Vineet Agrawal**  
(CEO/Director)  
DIN : 00441223

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

**Rajesh Singhania**  
(Chief Financial Officer)

**Ajay Sharma**  
(Company Secretary)