

# **KANISHK STEEL INDUSTRIES LIMITED**



**27th Annual Report 2016-17**



# KANISHK STEEL INDUSTRIES LIMITED

CIN:L27109TN1995PLC067863

## BOARD OF DIRECTORS

Mr. Kanishk Gupta	Chairman & Managing Director
Mr. Vishal Keyal	Whole-time Director & Chief Financial Officer
Mr. K.S. Venkatagiri	Director
Dr. Pravin Kumar Aggarwal	Director
Dr. K. Selvakumar	Director
Ms. R. Maheswari	Director

## COMPANY SECRETARY

Mr.R. Balaji Ravigopal

## REGISTERED OFFICE & FACTORY

B27(M) SIPCOT Industrial Complex  
Gummidipoondi  
Thiruvallur District  
Tamilnadu - 601 201

## ADMINISTRATIVE OFFICE

Old No. : 4, New No. : 7  
Thiru-Vi-Ka 3rd Street  
Royapettah High Road,  
Mylapore  
Chennai - 600 004  
**Website** : [www.kanishksteels.in](http://www.kanishksteels.in)

## STATUTORY AUDITORS

M/s. Chaturvedi & Company  
Chartered Accountants  
Chennai

## COST AUDITORS

M/s. Vivekanandan & Unni Associates  
Cost Accountants  
Chennai

## BANKERS

State Bank of India  
Industrial Financial Branch  
155, Anna Salai  
Chennai - 600 002

Corporation Bank  
G.T. Branch  
Chennai - 600 001

## SHARE TRANSFER AGENT

Cameo Corporate Services Limited  
No. 1, Club House Road  
Chennai - 600 002

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## NOTICE

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of Kanishk Steel Industries Limited (“the company”) will be held on Saturday, 30<sup>th</sup> September 2017, at 3.00 p.m. at the Registered Office situated at B27, (M) SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu- 601201 to transact the following business:

### **ORDINARY BUSINESS:**

#### **1. Adoption of financial statements**

To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March 2017 and the reports of the Board of Directors and Auditors thereon.

#### **2. Auditors’ appointment**

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED** that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the recommendations of the Audit Committee of the Company, M/s. Puja Rathi & Associates, Chartered Accountants, [Firm Registration No. 014457S] Chennai, be and is hereby appointed as the Auditors of the Company to hold office for a period of five years from the conclusion of this AGM till 32<sup>nd</sup> AGM, subject to ratification at every AGM and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March 2018 on the recommendation of the Audit Committee of the Company.”

### **SPECIAL BUSINESS:**

#### **3. Approval of appointment of Chairman and Managing Director by change in Designation**

To pass the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of Articles of Association of the Company, appointment by change of designation of Mr. Kanishk Gupta from Director to Chairman and Managing Director of the Company is hereby approved and Mr. Kanishk Gupta is to hold his office for a period of five years commencing from 24<sup>th</sup> October 2016 to 23<sup>rd</sup> October 2021 at maximum remuneration of Rs.150,000/- (Rupees One Lakh Fifty Thousand only) per month on such terms and conditions of appointment approved by the Board as are provided in the Explanatory Statement annexed hereof.

**RESOLVED FURTHER** that the Board of Directors of the company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the resolution”

#### **4. Remuneration to Cost Auditor**

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

**“RESOLVED** that, pursuant to section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs.60,000/- (Rupees Sixty Thousands only) payable to M/s. VIVEKANANDAN & UNNI ASSOCIATES, Cost Accountants [Firm Registration No: 00085] to audit the cost records of the Company for the financial year 2017-18 is hereby approved.”

(By Order of the Board)  
**For Kanishk Steel Industries Limited,**

Date: 1<sup>st</sup> September 2017  
Place: Chennai

**Kanishk Gupta,**  
Chairman and Managing Director.

**Notes:**

1. The statement of material facts concerning the items of special business to be transacted at this AGM is annexed in terms of section 102 of the Companies Act, 2013.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy to attend and vote in the meeting instead of him/ her and the proxy need not be a member of the company.
3. Pursuant to section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than 50 (fifty) members and holding in aggregate not more than 10% (ten per cent) of the total share capital of the Company.
4. Corporate members intending to send their representatives to attend their meeting are requested to send a certified true copy of the Board resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The instrument appointing the proxy, duly completed, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed.
6. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the Company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
7. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for easy identification of attendance at the meeting.
8. The Register of Members of the Company and Share Transfer Books will remain closed from 22<sup>nd</sup> September 2017 to 30<sup>th</sup> September 2017 (both days inclusive).
9. The Notice of the AGM along with the 27<sup>th</sup> Annual Report for the financial year ended 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the 27<sup>th</sup> Annual Report for the financial year ended 2016-17 will also be available on the Company's website viz. [www.kanishksteels.in](http://www.kanishksteels.in)
10. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the corporate sector. MCA, by its Circular



dated 21<sup>st</sup> April 2011, has now made permissible the service of documents through electronic mode to shareholders. To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through e-mail. For the above purpose, we request you to send an e-mail confirmation to our designated ID company.secretary@kanishksteels.in mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication.

11. On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through e-mail. Copies of the said documents would be available in the Company's website, www.kanishksteels.in for your access at no cost for the benefit of all stakeholders concerned. We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.
12. The route map showing directions to reach the venue of the AGM is annexed.
13. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
14. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
15. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
16. The Board of Directors has appointed Mr.S. Dhanapal, Senior Partner, S. Dhanapal & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

#### **17. PROCEDURE FOR E-VOTING**

The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- A. in case a member receives an email from NSDL [for members whose email ids are registered with the Company/depository Participants(s)]:**
  - i. Open the PDF File viz; "KSIL e-voting.pdf" attached to the e-mail, using your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password provided in the PDF is an initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - iii. Click on Shareholder – Login Insert user ID and password as initial password/PIN noted in step (i) above. Click Login.

- iv. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Please make a note of the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vi. Select “EVEN” of “Kanishk Steel Industries Limited”.
- vii. Now you are ready for remote e-voting as Cast Vote page opens.
- viii. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- ix. upon confirmation, the message “Vote cast successfully” will be displayed.
- x. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letters. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csdhanapal@gmail.com with a copy marked to evoting@nsdl.co.in

**B. in case a member receives physical copy of the notice of AGM for members whose email ids are not registered with the Company/depository Participants(s) or requesting physical copy] :**

- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN [E-Voting Event Number ]	USER ID	Password

- ii. Please follow all steps from Sl. No. (i) to Sl. No. (xi) Above, to cast vote.

**C. Other Instructions**

- i. The e-voting period commences on 26<sup>th</sup> September 2017 (10.00 a.m. IST) and ends on 29<sup>th</sup> September 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> September 2017 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again



- ii. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.
- iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot user Details / Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
- v. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.kanishksteels.in](http://www.kanishksteels.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) after the results are declared by the chairman or a person authorised by him in writing and the same shall be communicated to the Stock Exchange.
- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 222-990.



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No:3**

The Board of directors at their Meeting held on 24<sup>th</sup> October 2016 re-appointed Mr.Kanishk Gupta as the Chairman and Managing Director of the Company by change of designation from Director to Chairman and Managing Director for a further period of five years, subject to approval of Members at the General Meeting. The Board on recommendations of Nomination and Remuneration Committee, approved the terms and conditions of appointment as follows:

- i. Tenure: Five years commencing from 24<sup>th</sup> October 2016 to 23<sup>rd</sup> October 2021.
- ii. The Chairman and Managing Director shall perform duties in accordance with the Articles of Association of the Company and the powers delegated by the Board of Directors of the Company.
- iii. The Chairman and Managing Director shall devote attention to the Management of the Company and carry out such other duties as may be entrusted upon from time to time
- iv. The Chairman and Managing Director is entitled to the following remuneration:

**a. Salary:**

Rs. 150,000/- (Rupees One Lakh Fifty Thousand only) per month (maximum).

**b. Minimum Remuneration:**

In the event of the Company having no profits or inadequate profits, in any financial year, in which your present term is completed, the payment of salary, perquisites and other allowances shall be restricted to Rs. 100,000/- (Rupees One Lakh only) per month.

- v. The provisions of Code of Conduct of the Company shall be deemed to have been incorporated into the Letter by reference and the Managing Director shall abide by the provisions of the Code of Conduct of the Company in spirit and in letter and commit to assure its implementation.

The Company has also received a notice from Mr. Kanishk Gupta along with the deposit of requisite amount under Section 160 of the Act, 2013, proposing his candidature for the office of Chairman and Managing Director of the Company.

The Memorandum and Articles of Association, relevant resolutions passed by the Nomination cum Remuneration Committee and the Board and letter of appointment setting out the terms of appointment of Chairman and Managing Director under Section 190(1)(b) are available for inspection by members at the Registered Office of the company on any working day.

The Board of Directors recommends for consent of members by way of special resolution as set out in item no:3.

Mr. Kanishk Gupta is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. R.Kanishk Gupta and his relatives are, in any way, concerned or interested in this resolution set out at item no.3.



**Statement containing required information as per Part II of Section II of Schedule V to the Companies Act, 2013:**

<b>General Information</b>					
(1) Nature of Industry	:	Iron & Steel			
(2) Date of commencement of Commercial production	:	Not applicable, since the Company has already been in operation			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not applicable			
(4) Financial performance based on given Indicators	:	(Amount in Rs.)			
		Particulars	2016-17	2015-16	2014-15
		Total Income	2,356,009,266	2,831,332,556	3,051,677,313
		Profit before Interest, Depreciation & Tax	63,023,363	111,187,678	75,540,268
		Profit Before Tax	13,003,235	61,231,683	14,072,340
		Profit After Tax	2,918,349	47,303,603	2,687,997
		Net worth	480,371,380	473,024,405	424,956,804
		Dividend (%)	-	-	-
(5) Foreign Investments or collaborators, if any	:	There are no foreign investments or collaborators.			
<b>Information about the appointee</b>					
(1) Background details	:	<p>Mr. Kanishk Gupta is graduate of Economics and Business Administration from Boston University, U.S.A., and having experience in various departments like manufacturing, marketing, accounts, maintenance, liaising with Banks, the Government and other agencies.</p> <p>He belongs to the promoter group holding 4,17,612 Shares (1.47%) Since his appointment in 2013, he sets his vision and provides strategic direction for company's growth.</p> <p>The Company stands to benefit significantly from his entrepreneur abilities and profound knowledge of new business trends and ideas to Company's growth</p>			
(2) Past remuneration	:	(Amount in Rs.)			
		Particulars	2016-17	2015-16	2014-15
		Salary	7,00,000	7,00,000	7,00,000
		Perquisites	-	-	-
		Total	7,00,000	7,00,000	7,00,000

(3) Recognition or awards	NIL
(4) Job profile and suitability	Mr. Kanishk Gupta, as the Chairman and Managing Director of the Company shall devote his whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company
(5) Remuneration proposed	Rs. 1,50,000/- (maximum)
(6) Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses
(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any.	Mr. Kanishk Gupta does not have any pecuniary relationship with the Company except holding of 4,17,612 equity Shares (1.47%) and drawing remuneration drawn as Chairman & Managing Director
<b>Other information</b>	
(1) Reasons of loss or inadequate profits	Not applicable
(2) Steps taken or proposed to be taken for improvement	Not applicable
(3) Expected increase in productivity and profit in measurable terms.	Not applicable
<b>Disclosures</b>	Remuneration details have been disclosed in the Corporate Governance Report attached to Board's Report as required

**Statement containing required information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment**

**Mr. Kanishk Gupta**

Age	:	30 years
Qualifications & Experience	:	Mr. Kanishk Gupta is a graduate of Economics and Business Administration having experience in various departments like manufacturing, marketing, accounts, maintenance, liaising with Banks, the Government and other agencies.



Terms and Conditions of appointment or re-appointment	<ul style="list-style-type: none"> <li>i. Tenure: Five years commencing from 24<sup>th</sup> October 2016 to 23<sup>rd</sup> October 2021.</li> <li>ii. The Managing Director shall perform duties in accordance with the Articles of Association of the Company and the powers delegated by the Board of Directors of the Company.</li> <li>iii. The Managing Directors shall devote attention to the Management of the Company and carry out such other duties as may be entrusted upon from time to time</li> <li>iv. The Managing Director is entitled to the following remuneration: <ul style="list-style-type: none"> <li><b>a. Salary:</b> Rs. 150,000/- (Rupees One Lakh Fifty Thousand only) per month (maximum).</li> <li><b>b. Minimum Remuneration:</b> In the event of the Company having no profits or inadequate profits, in any financial year, in which your present term is completed, the payment of salary, perquisites and other allowances shall be restricted to Rs. 100,000/- (Rupees One Lakh only) per month.</li> </ul> </li> <li>v. The provisions of Code of Conduct of the Company shall be deemed to have been incorporated into the Letter by reference and the Managing Director shall abide by the provisions of the Code of Conduct of the Company in spirit and in letter and commit to assure its implementation.</li> </ul>
Last Drawn Remuneration	Rs. 7,00,000 per annum
Date of first appointment on the Board	03 <sup>rd</sup> September 2012
No. of Shares held	4,17,612 Equity Shares (1.47%)
Relationship with Directors, Managers & KMP	He is not related to the Directors/KMP of the Company.
Number of Board Meetings attended during FY	6 (Details of Meetings provided in Corporate Governance Report)
Other Directorship	<ul style="list-style-type: none"> <li>i. Kanishk Metal Recycling Private Limited</li> <li>ii. Om Power Shakti India Private Limited</li> <li>iii. Vallur Holdings LLP</li> </ul>
Chairman/Member of the Committees of the Boards of other Companies	NIL

**Item No:4**

The company is engaged in the business of steel manufacturing. The cost records maintained under section 148 of the Companies Act 2013, is subjected to an Audit.

The Board of Directors have appointed M/s. VIVEKANANDAN & UNNI ASSOCIATES, Cost Accountants [Firm Registration No: 00085] for audit of cost records of the Company for the financial year 2017-18 and determined the remuneration of Cost Auditors at Rs. 60,000/- (Rupees Sixty Thousands only) based on the recommendations of the Audit Committee. It is now placed for the approval of shareholders in accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends for passing of Resolution as set out at item no.4.

No Director or Key Managerial Personnel of the Company or their relatives of them are concerned or interested financially or otherwise, in this resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE AGM AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015:**

Mr.KANISHK GUPTA:

Mr. Kanishk Gupta, aged 29 years, is a Management Graduate from Boston University, U.S.A. He belongs to Promoter Group and holds 417612 Shares (1.47%). He holds his Directorship since 2012 and contributes to the Company's Growth with his rich experience in Manufacturing, Marketing, Maintenance and dealing with Bank and Government agencies.

Mr.Kanishk Gupta is not related to any directors of the Company.

He holds his Directorship in the following Companies:

- i. Kanishk Metal Recycling Private Limited
- ii. Om Power Shakti India Private Limited
- iii. Vallur Holdings LLP



## DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting their 27<sup>th</sup> Annual Report together with the financial statements for the year ended 31<sup>st</sup> March 2017.

### FINANCIAL SUMMARY:

The financial highlights for the year under review are as follows:

(Amount in Rs.)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Sales - Gross	2,519,747,504	3,003,267,454
Profit after Interest & Depreciation	13,003,235	61,231,683
Provision for Tax	10,424,739	10,424,739
Profit after Tax	2,918,349	47,303,603
Add: Taxation Adjustments of Previous Years	-	-
Add: Balance of Profit brought from previous year	(2,545,303)	(2,545,303)
Profit available for Appropriation	2,918,349	47,303,603
<b>APPROPRIATIONS</b>		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	2,918,349	47,303,603

### Company's performance:

Your Company is engaged in manufacture and supply of Iron & Steel products. The financial year 2016-17 remained challenging for the Company in achieving production and sales volume. The company's branded steel products which are most vibrant, relevant and preferred by most customers for quality at competitive prices and effective management helped the company to perform well even at the challenging market conditions.

During the year, the turnover was Rs. 2,519,747,504/- as against Rs. 3,003,267,454/- for the previous year. The profit before tax of was Rs.13,003,235 /- as against Rs. 61,231,683/- for the previous year.

### Dividend:

The Board of Directors has not recommended any dividend for the financial year. (Previous year: NIL).

**Consolidated Financial Results:**

The preparation and presentation of Consolidated Financial Statements does not arise as the Company disposed its shareholding in its associate- Gita Renewable Energy Limited to the extent of 7% from 26% to 19% during the year.

**Associate Company:**

Gita Renewable Energy Limited is no longer an associate of the company, since the Company has disposed off 7% of its shareholding from 26% to 19% as required by the Electricity Rules 2005.

**Reserves:**

Your Company has not transferred profit to the General Reserve for the financial year ended 31<sup>st</sup> March 2017.

**Management Discussion & Analysis:**

A detailed analysis of performance of the Industry and the Company is provided in the Management Discussion and Analysis Report as **Annexure I**, which forms an integral part of this report.

**Directors' Responsibility Statement:**

In accordance with Section 134(5) of the Companies Act, 2013, your Board of Directors confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (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 at the end of the financial year 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the 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; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Meetings of the Board:**

Six Board Meetings were held during the financial year and the details of which are available in Report on Corporate Governance as **Annexure IIB**, which forms an integral part of this Report

**Directors and KMP:**

Mr. M.K. Madhavan resigned as Company Secretary and Mr. R. Balaji Ravigopal was appointed as Company Secretary, effective from 2nd July 2016



Mr. Ravi Kumar Gupta resigned as Chairman and Managing Director of the Company. Mr. Kanishk Gupta was appointed as Chairman and Managing Director by change of designation from Director to Chairman and Managing Director, effective from 24<sup>th</sup> October 2016.

Mr. K. Selvakumar, Independent Director retires with the conclusion of the ensuing AGM. The Board of Directors places on record their great appreciation and thanks to Mr. Ravi Kumar Gupta and Mr. K. Selvakumar for their services

#### **Declaration by Independent Directors:**

All the Independent Directors have given the declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with the Rules made thereunder and Regulation 16(1)(b) of SEBI(LODR) Regulations, 2015.

#### **Corporate Governance:**

Pursuant to the provisions of Regulation 34 read with point C & E of Schedule V of SEBI (LODR) Regulations, 2015, a separate Report on Corporate Governance for the financial year ended 31<sup>st</sup> March 2017 along with the Auditor's Certificate on Compliance is enclosed as **Annexure II** and is forming part of this Report

#### **Audit Committee:**

The Board of Directors has an audit committee and the composition, powers, role and terms of reference of the Audit Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015.

The details of Audit Committee along with the details of the Meetings held during the financial year are given in the Corporate Governance Report that forms part of this Report.

#### **Particulars of employees and related disclosures:**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Sub rules(1) to (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement is enclosed in **Annexure III**.

#### **Auditors and Auditors' Report:**

The office of Auditors held by M/s. Chaturvedi & Company, Chartered Accountants, ends with the conclusion of the 27<sup>th</sup> Annual General Meeting. The appointment of new Auditors will be proposed at the ensuing AGM.

There are no qualifications, reservation or adverse remark or disclaimer made by the auditors in their report and thus the explanations or comments by the Board does not arise.

#### **Cost auditor:**

The Board appointed M/s. Vivekanandan & Unni Associates, Cost Accountants, as Cost Auditors for the financial year 2017-18 to carry out the cost audit of Company's records and fixed a remuneration of Rs.60,000/-, subject to members' approval.



**Particulars of loans, guarantees or investments by the company:**

The particulars of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder are given in the Notes to the Financial Statements.

**Related Party Transactions:**

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company.

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee and Risk Management Committee was sought for entering into the Related Party Transactions.

During the financial year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed in the notes to the Financial Statements.

**Particulars of contracts or arrangements with related parties:**

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions (RPTs) and the policy formulated by the Board on Material RPTs. Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2 as **Annexure IV**.

**Conservation of Energy, Technology absorption and Foreign Exchange Earnings & Outgo:**

Details of energy conservation, technology absorption, foreign exchange earnings and outgo in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given as **Annexure V** forming part of this Report.

**Code of conduct:**

The Board has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company. A Declaration affirming on the compliance of Code of Conduct is provided in **Annexure VI**.

**Adequacy of Internal Financial Controls:**

The company has formulated as Internal controls policy. In the opinion of Board, It is adequate to mitigate risks and provided reasonable assurance that operations/transactions are efficient and assets are Safeguarded.



### **Material Changes and Commitments:**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year i.e., 31<sup>st</sup> March, 2017) and the date of the Report i.e., 29<sup>th</sup> May 2017).

### **Annual return:**

The details forming part of the extract of the Annual Return in form MGT-9 is enclosed and marked as **Annexure VII**.

### **Remuneration policy:**

The Remuneration policy of the Company comprising appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report.

### **Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s.S.Dhanapal & Associates, a firm of Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the Financial Year 2016-17.

There are no qualifications, reservation or adverse remark or disclaimer made by the auditors in their report and thus the explanations or comments by the Board does not arise

The Secretarial Audit Report is given as **Annexure VIII** forming part of this Report.

### **Vigil Mechanism/Whistle Blower Policy:**

The company has established a vigil mechanism for directors and employees to report genuine concerns pursuant to section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and SEBI(LODR) Regulations, 2015.

### **Deposits:**

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

### **Significant and material orders impacting the company:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

### **Board evaluation:**

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors were carried out by the entire Board. The performance evaluation of the

Chairman and the Non-Independent Directors were carried out by Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

**Corporate Social Responsibility (CSR):**

The company is not covered under section 135 of the Companies Act,2013 and formulation of CSR policy and constitution of a CSR committee did not arise.

**Anti- Sexual Harassment Policy:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year 2016-17.

**CEO/CFO certification:**

Mr. Kanishk Gupta, Chairman and Managing Director and Mr.Vishal Keyal, Whole-time Director and Chief Financial Officer given their certification to the Board in terms of under the SEBI (LODR) Regulations, 2015.

**Acknowledgement:**

Your directors place on record a great appreciation of the fine efforts of all Executives and Employees of the Company which was instrumental to achieve profitability and stability of the Company for the financial year. Your directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TANGEDCO, State Bank of India, Corporation Bank, the Customers, Shareholders and all other stakeholders for continuing support and encouragement during the financial year and expect the same in future also.

For and on behalf of the Board of Directors,

Date: 29<sup>th</sup> May 2017

Place: Chennai

**KANISHK GUPTA**

Chairman & Managing Director.



## Annexure I

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Steel occupies a prominent place in Indian manufacturing sectors. Indian Steel Industry has been riding high on the resurgent economy and rising demand for steel.

The Government of India has released the National Steel Policy (NSP), 2017.

#### Key Features are as follows:

- Create self-sufficiency in steel production by providing policy support & guidance to private manufacturers, MSME steel producers, CPSEs
- Encourage adequate capacity additions
- Development of globally competitive steel manufacturing capabilities
- Cost-efficient production
- Domestic availability of iron ore, coking coal & natural gas
- Facilitating foreign investment
- Asset acquisitions of raw materials &
- Enhancing the domestic steel demand

The policy projects crude steel capacity of 300 million tonnes (MT), production of 255 MT and a robust finished steel per capita consumption of around 160 Kgs by 2030 - 31.

The policy also envisages to domestically meet the entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications and increase domestic availability of washed coking coal so as to reduce import dependence on coking coal from about 85% to around 65% by 2030-31.

The Government of India is also providing preference to domestically manufactured iron & steel products in Government procurement.

#### MILESTONES & LANDMARKS:

In FY 2016-17, India became net exporter of steel, with 8.2 million tonnes of exports, registering a 102 % growth over steel exports in previous fiscal.

In FY 2016-17, imports were reduced by 37% at 7.42 million tonnes as a result of Government of India initiatives.

Indian Steel sector has been growing at steady Compound Annual Growth Rate (CAGR) of about 7% over the past three years with improvement in the overall capacity utilization even with enhanced capacity.

In 2015, India became 3<sup>rd</sup> largest producer of crude steel in the world as against its 4<sup>th</sup> position in 2014. India left behind USA to attain this position.

In new General Financial Rules (GFR) guidelines 2017, the concept of Life Cycle Cost has been included, which is likely to increase steel consumption.(Source: Ministry of Steel)

Imposition of MIP and anti-dumping duties in a phased manner, resulted in curbing unabated exports and unfair trade practices like predatory pricing by other countries.

Kanishk Steel is the largest steel manufacturer in south India since 1989 having of its Furnace Unit and Rolling Mill to produce various front-line Rolled Steel products. The products of the Company under the brand of “KANISHK STEELS” continue to deserve for Quality, Price and Delivery in the Indian Steel Market. The company continued its own focused improvements in the quality of products during the year and be moving ahead with the right market strategy. The opportunities and threats available for the company are briefly provided below:

The factors like fluctuating volatile raw materials prices, regional demand & supply imbalances, and INR Value against global currencies have impacted significantly the Indian steel industry. The high cost and short supply of power in India may hamper the steel industry’s production level. Cheap import of steels products from neighboring countries may result in the lowering prices and making the market highly competitive. This may be improved in future.

Steel Demand of steel is expected to rise in future with economic and Industrial growth. Growing infrastructure like roads and highways, railways, aviation, shipping, energy, power or oil & gas will boost the demand for specialized steel and the Company’s growth seems better in the future with economic and Industrial growth.



## Annexure II.

### AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KANISHK STEEL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Kanishk Steel Industries Limited for the year ended on 31<sup>st</sup> March 2017, as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance as stipulated in the said clause. 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 and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

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

For **CHATURVEDI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 302137E

**S GANESAN, FCA**  
Partner  
(Membership No: 217119)

Place: Chennai  
Date: 29<sup>th</sup> May 2017

**REPORT ON CORPORATE GOVERNANCE**

(For the Financial Year 2016-17)

**1. Company's philosophy on code of Governance:**

Corporate Governance at Kanishk Steels is based on the principles of equity, fairness, transparency, spirit of law and honest communication. We always believe that the good Corporate Governance through accountability, integrity and professionalism is the way to enhance the value of Shareholders and all other stakeholders which include Suppliers, Customers, Creditors, Bankers, Society and Employees of the Company. We follow the guidelines mandated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopt the principles to suit the changing times and needs of the business, society and the nation.

**2. I. Board of Directors****A. Board Composition:**

The Board has been constituted in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of the company has an optimum of executive and non-executive directors, including one women director as under:

<b>Name of Director</b>	<b>Executive /Non-Executive Director</b>	<b>Promoter / Independent</b>
Mr. Ravi Kumar Gupta*	Chairman and Managing Director; Executive Director	Promoter Director Non-independent
Mr. Kanishk Gupta**	Chairman and Managing Director; Executive Director	Promoter Director Non-independent
Mr. Vishal Keyal	Whole-time Director; Executive Director	Non-independent
Mr. K.S. Venkatagiri	Non-Executive Director	Independent Director
Dr. Pravin Kumar Aggarwal	Non-Executive Director	Independent Director
Dr. K. Selvakumar	Non-Executive Director	Independent Director
Mrs. R. Maheswari	Non-Executive Director	Independent Director

\*Upto 24<sup>th</sup> October 2016

\*\* From 24<sup>th</sup> October 2016 Designation changed from Director to Chairman and Managing Director

The Board has a regular executive chairman who is also a promoter of the company and independent directors more than half of the Board. No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013.

The Managing Director is not liable to retire by rotation. All the other non-independent directors retire by rotation and in general, seek re-appointment at the AGM.

Brief resume of Director seeking reappointment is given in the Notice of the AGM.

All the Independent Directors have given the declarations pursuant to Section 149(7) of the Act affirming that they meet the criteria of independence as provided in sub section (6). No independent director of the Company serves in more than 7 listed companies as Independent Director and holds office of whole-time director in any listed company.



The Independent directors namely, Mr.K.S.Venkatagiri and Dr.Pravin Kumar Aggarwal are holding their office up to 31.03.2019. Dr.K.Selvakumar is retiring from his office with the conclusion of 27<sup>th</sup> AGM. Mrs.Maheswari holds her office as director up to the conclusion of the 29<sup>th</sup> AGM.

Mr. Kanishk Gupta who was appointed as Chairman and Managing Director on 24<sup>th</sup> October 2016 seeks re-appointment at the 27<sup>th</sup> AGM

Letter of Appointments together with the terms thereto were issued to Independent directors and have been posted on the Company website.

As required by the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, none of the directors hold directorship in more than 20 public companies, nor membership of board committees (audit/remuneration/investors grievance committees) in excess of 10 and chairmanship of afore-mentioned committees in excess of 5

Name of the Directors	Number of directorships, Committee Memberships and Committee Chairmanship held in other Companies #		
	Directorships	Memberships	Chairmanships
Mr. Ravi Kumar Gupta	4	4	1
Mr. Vishal Keyal	1	1	-
Mr. Kanishk Gupta	-	-	-
Mr. K.S. Venkatagiri	-	-	-
Dr. Pravin Kumar Aggarwal	-	-	-
Dr. K. Selvakumar	-	-	-
Mrs. R. Maheswari	3	-	-

#only in public companies

#### B. Board Meetings:

During the year 2016-17, the Board met six times i.e., on held on 30.05.2016, 02.07.2016, 09.08.2016, 24.10.2016, 14.11.2016 and 10.02.2017 within a time gap of 120 days between two meetings. No Board meeting was conducted through video conferencing or other audio visual means.

The Annual General Meeting (AGM) was held on 30.09.2016. The attendance records of all Directors are as under:

Name of the Directors	Board Meetings		Last AGM Attendance
	Held	Attended	
Mr. Ravi Kumar Gupta	4	4	Present
Mr. Vishal Keyal	6	6	Present
Mr. Kanishk Gupta	6	6	Present
Mr.K.S. Venkatagiri	6	5	Present
Dr. Pravin Kumar Aggarwal	6	6	Present
Dr.K. Selvakumar	6	6	Present
Mrs.R. Maheswari	6	4	Present



## II. COMMITTEES OF THE BOARD

The Board has constituted various committees and the details of which are given below:

### A. Audit Committee:

The Audit Committee has been constituted in conformity with the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, with not less than two-third of Independent directors.

Audit committee meetings were held on 30.05.2016, 09.08.2016, 14.11.2016 and 10.02.2017 during the financial year 2016-17 and attendance of members is provided hereunder:

Name of the members	Independent/Non Independent	Position	Audit Committee Meetings	
			Held	Attended
Mr. K. S. Venkatagiri	Independent Director	Chairman	4	3
Dr. Pravin Kumar Aggarwal	Independent Director	Member	4	4
Dr. K. Selvakumar	Independent Director	Member	4	4
Mr. Vishal Keyal	Non Independent Director	Member	4	4

### B. Nomination cum Remuneration Committee:

The Company has a Nomination cum Remuneration Committee of the Board in conformity with the Act and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. All member directors of the committee are independent directors. The committee meetings were held on 02.07.2016 and 24.10.2016 during the financial year 2016-17 and attendance of members is provided hereunder:

Name of the members	Independent / Non Independent	Position	Remuneration Committee Meetings	
			Held	Attended
Mr.K.S. Venkatagiri	Independent Director	Chairman	2	2
Dr. Pravin Kumar Aggarwal	Independent Director	Member	2	2
Dr.K. Selvakumar	Independent Director	Member	2	2

### Remuneration Policy:

The company has a remuneration policy in view of retaining suitable employees with remuneration commensurate with size of the company, nature the business and nature of duties and responsibilities of the employee. The Board of the company may fix remuneration to Directors and KMP on the recommendation of the Nomination and Remuneration committee.



During the year 2016-17, the remuneration paid to executive directors is as follows:

Director	Remuneration In Rs.	Perks In Rs.	Total In Rs.
Mr. Vishal Keyal	8,35,850	Nil	8,35,850
Mr. Kanishk Gupta	7,00,000	Nil	7,00,000

The Company has not paid any remuneration to the non-Executive Directors except sitting fees as under:

Name of the Directors	Sitting Fees paid			
	Board Meeting Rs.	Audit Committee Rs.	Remuneration Committee Rs.	Total Sitting Fees Rs.
Mr. K.S.Venkatagiri	18,000	4,000	2,000	24,000
Dr. Pravin Kumar Aggarwal	18,000	4,000	2,000	24,000
Dr.K.Selvakumar	18,000	4,000	2,000	24,000
Mrs.R.Maheswari	15,000	-	-	15,000
Total	69,000	12,000	6,000	87,000

#### C. Stakeholders Relationship Committee

The Board has a Stakeholders Relationship Committee. The Committee comprises of three member directors one of whom is non-executive director as chairman. The committee meetings were held on 05.05.2016, 23.05.2016, 10.06.2016, 11.11.2016, 16.11.2016, 20.01.2017, 04.02.2017, 03.03.2017 & 31.03.2017 during the financial year 2016-17 and attendance of members is provided hereunder:

Director	Executive/ Non Executive	Position	Committee Meetings	
			Held	Attended
Dr. Pravin Kumar Aggarwal	Non-Executive Director	Chairman	9	9
Mr. Ravi Kumar Gupta*	Executive Director	Member	3	3
Mr. Kanishk Gupta**	Executive Director	Member	6	6
Mr. Vishal Keyal	Executive Director	Member	9	9

\*Upto 24.10.2016

\*\*From 24.10.2016

#### Name and designation of compliance officer:

Mr. Balaji Ravigopal, Company Secretary & compliance officer

No. of shareholders complaints received	Number of complaints not solved to the satisfaction of shareholders	Number of complaints pending as on 31.03.2017
Nil	Nil	Nil

### 3. Details of Annual General Meetings:

I. The details of about last three Annual General Meetings are given below:

Year	Date	Time	Venue
2013-14	30.09.2014	3.00 P.M	B27(M), SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur District, Tamil Nadu – 601 201
2014-15	30.09.2015	3.00 P.M	B27(M), SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur District, Tamil Nadu – 601 201
2015-16	30.09.2016	3.00 P.M	B27(M), SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur District, Tamil Nadu – 601 201

II. Details of Special resolutions passed

Year	Special resolutions
2013-14	<ul style="list-style-type: none"> <li>• Appointment of Independent Directors- Mr.K.S.Venkatagiri, Dr.Pravin Kumar Aggarwal and Dr.K.Selvakumar</li> <li>• Remuneration to Cost Auditors</li> <li>• Borrowing powers up to Rs.500 Crores</li> <li>• Mortgage of Assets up to Rs.500 crores</li> <li>• Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director</li> <li>• Reduction in remuneration payable to Mr. Ravi Kumar Gupta, Chairman and Managing Director</li> <li>• Adoption of new set of Articles of Association</li> </ul>
2014-15	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Vishal Keyal as whole-time Director</li> <li>• Appointment of Ms.R.Maheswari as an Independent Director</li> <li>• Remuneration to Cost Auditor</li> </ul>
2015-16	<ul style="list-style-type: none"> <li>• NIL</li> </ul>

### 4. POSTAL BALLOT:

During the Year, No special resolution was passed through Postal Ballot.

### 5. MEANS OF COMMUNICATION

The Quarterly/Half-Yearly/Annual financial results of the Company are published in “Trinity Mirror” - the English Daily and “Makkal Kural” - Tamil Newspaper. The Quarterly/Half-Yearly/Annual financial results and the shareholding pattern are properly reported with Stock Exchange and are available in the Website stock Exchange and the Company’s website, [www.kanishksteels.in](http://www.kanishksteels.in).



Notice of General Meeting including Attendance slip, proxy form and polling paper are sent to all the shareholders by Registered Post or Speed post or Courier or through e-mail System. Annual Report is sent by Book post or email system or both at the desire of shareholders.

Further to the compliance of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all the basic information about the Company is made available in the company's Website at all times at no cost for the benefit of all stakeholders concerned

## 6. GENERAL SHAREHOLDER INFORMATION:

Dates of Book closure	:	22 <sup>nd</sup> September 2017 to 30 <sup>th</sup> September 2017 (both days inclusive).
Date, time and venue of Annual General Meeting	:	30 <sup>th</sup> September 2017 at 3.00 p.m. at B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Tamilnadu – 601201
Financial Calendar	:	Financial Reporting for the quarter ending 30 <sup>th</sup> June 2017-Latest by 14 <sup>th</sup> of Sep 2017 30 <sup>th</sup> Sept 2017-Latest by 14 <sup>th</sup> of Nov 2017 31 <sup>st</sup> Dec 2017-Latest by 14 <sup>th</sup> of Feb 2018 31 <sup>st</sup> Mar 2018 - Latest by 30 <sup>th</sup> May 2018
Dividend Payment	:	N.A.
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited
Depository Participant	:	National Securities Depository Limited Central Depository Services Limited
Scrip Code	:	513456
ISIN Number	:	INE 791E01018
Listing on Stock Exchange (overseas)	:	Nil
<b>Plant Location</b>	:	
Rolling & Furnace Mills	:	B-27 (M) , B-27 (N) SIPCOT Industrial Complex Gummidipoondi, Thiruvallur District, Tamilnadu- 601201.

## Stock market price data

High/Low of monthly Market Price of the Company's Equity Shares traded on the Bombay Stock Exchange; Mumbai during the financial year 2016-17 is furnished below:

Month	Open Price	High Price	Low Price	Close Price	Volume of traded Shares
Apr-16	6.3	6.94	5.42	6.1	23203
May-16	6.1	6.8	5.25	6.5	15105
Jun-16	6.82	6.82	5.31	6.35	41610
Jul-16	6.55	6.6	5.5	5.5	13325
Aug-16	5.77	7.27	5.5	7.27	13137
Sep-16	7.63	7.63	6.5	6.82	2126
Oct-16	7	7	5.5	5.7	2802
Nov-16	5.9	5.99	4.75	4.98	6213
Dec-16	4.74	4.96	4.51	4.72	2220
Jan-17	4.95	6.13	4.72	6.13	7272
Feb-17	6.43	7.55	6.43	7.15	47231
Mar-17	7.15	7.15	6	6.62	61094

## Share transfer system

Share transfers are registered and returned to the transferees within the statutory time limit from the Date of receipt, if the documents are in order in all respects. The share transfer committee has met 2 times during the year. No. of shares received for transfer up to 31.03.2017 is 800 shares and shares pending for transfer as on 31.03.2017 is **nil**.

Registrar and Transfer Agents is Cameo Corporate Services Limited

## Distribution of share holding

Shareholding of Nominal Value of	Share Holders		Share Amount		
	Rs.	Number	% to Total	Shares	% to total
( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	
10-5000	4671	89.9653	7429540	2.6127	
5001-10000	246	4.7380	1976100	0.6949	
10001-20000	99	1.9067	1418370	0.4987	
20001-30000	40	0.7704	1012960	0.3562	
30001-40000	22	0.4237	799080	0.2810	
40001-50000	21	0.4044	986200	0.3468	
50001-100000	29	0.5585	2056660	0.7232	
100001 & Above	64	1.2326	268681830	94.4862	
Total	5192	100.0000	284360740	100.0000	



Share holding pattern as on 31<sup>st</sup> March 2017

Category		No. of Shares Held	Percentage of Share holding
A	Shareholding of Promoter & Promoter Group		
1	Indian		
	- Individuals / Hindu Undivided Family	7845133	27.59
	- Bodies Corporate	8238350	28.97
	<b>Sub Total [A] [1]</b>	<b>16083483</b>	<b>56.56</b>
2	Foreign		
	- Bodies Corporate	2000000	7.03
	- Any other Directors/Relative NRI	2000000	7.03
	<b>Sub Total[A] [2]</b>	<b>4000000</b>	<b>14.07</b>
	<b>Total Share Holding of Promoter &amp; Promoter Group {A= [A] [1] +[A] [2]}</b>	<b>20083483</b>	<b>70.63</b>
B	Public Shareholding.		
1	Institutions	-	-
	Foreign Institutional Investor	668	-
	<b>Sub Total[B] [1]</b>	<b>668</b>	<b>-</b>
2	Non-Institutions		
a.	Bodies Corporate	5123555	18.02
b.	Individuals		
	I. Individual Shareholders Holding Nominal Share Capital upto Rs 2 Lakh	1464715	5.15
	II Individual Shareholders Holding Nominal Share Capital in excess of Rs 2 Lakh	1217274	4.28
c.	Any Other		
	Clearing Members	250	-
	HUF	426784	1.50
	NRI - Non Repatriation	3407	0.01
	NRI - Repatriation	115938	0.41
	<b>Sub Total[B] [2]</b>	<b>835923</b>	<b>29.37</b>
	<b>Total Public Shareholding [B] [1]+[B] [2]</b>	<b>8352591</b>	<b>29.37</b>
	<b>TOTAL(A+B)</b>	<b>28436074</b>	<b>100</b>

Category		No. of Shares Held	Percentage of Share holding
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
	1) Promoter and Promoter Group	-	-
	2) Public	-	-
<b>Total (A) + (B) + (C)</b>		<b>28,436,074</b>	<b>100</b>

	No of Holders	No of Shares	%
<b>NSDL:</b>	1616	20698875	72.7909
<b>CDSL:</b>	661	4029141	14.1691
<b>Physical:</b>	2954	3708058	13.0399

#### Demat of shares:

As per the directives of Securities & Exchange Board of India, the equity shares of the company are being traded in electronic form from 18.02.2002. The physical form of trading is also available to the shareholders. Electronic Holding by Members comprises of 86.96% (as on 31.03.2017) of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Services Limited. The company appointed Cameo Corporate Services Limited as Registrar & Transfer Agent and entered into an agreement for availing depository services.

#### Request to Shareholders

The Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 requires the company to keep the Register of Members in Form No.MGT-1. As compared to the existing Register of Members under the old Act, the new Law calls for certain additional information to be recorded. In order that the company is facilitated to comply with same, shareholders are requested to send the following information for updating their records in our Register of Members: Name of the member, Folio/ DP ID – Client ID, Email address, Permanent Account Number (PAN), CIN (in the case of company), Unique Identification Number, Father's/ Mother's/ Spouse's name, Occupation, Status, Nationality, In case of minor, name of guardian and date of birth of minor, Instructions, if any for sending Notice etc

For and on behalf of Board of Directors of  
**Kanishk Steel Industries Limited,**

Date: 29<sup>th</sup> May 2017  
 Place: Chennai

**KANISHK GUPTA**  
 Chairman & Managing Director



### Annexure III

#### Disclosure Statement of particulars of remuneration as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:  
Mr. Vishal Keyal: 7:1; Mr. Kanishk Gupta: 6:1
- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:  
No increase in remuneration in the financial year.
- iii. The percentage increase in the median remuneration of employees in the financial year  
No increase in median remuneration of employees in the financial year.
- iv. The number of permanent employees on the rolls of company: 70 (which includes 3 directors and one CS)
- v. The explanation on the relationship between average increase in remuneration and company performance: Not applicable as there is no increase in remuneration.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: No increase in remuneration of KMP.
- vii. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year

	31.03.2017	31.03.2016
Market capitalisation	188,246,810	170,616,444
PE Ratio	6.62	3.60
% increase in market quote	10.33%	(42.80%)

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
No change in the salaries of employees other than the managerial personnel and the managerial remuneration.
- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: No increase in remuneration of KMP
- x. The key parameters for any variable component of remuneration availed by the directors: NIL
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL
- xii. Affirmation that the remuneration is as per the remuneration policy of the company: Remuneration is as per the remuneration policy of the company.



**Annexure IV****Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	<p style="text-align: center;">Nil (All contracts or arrangements or transactions with related parties were done at ordinary course of business and at arm's length basis).</p>
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

## 2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	date(s) of approval by the Board	
(f)	Amount paid as advances, if any:	

For **KANISHK STEEL INDUSTRIES LIMITED,**

Date: 29<sup>th</sup> May 2017

Place : Chennai

**KANISHK GUPTA**

Chairman & Managing Director



## Annexure V

### INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT,2013 READ WITH THE COMPANIES (ACCOUNTS) RULES,2014.

#### A. CONSERVATION OF ENERGY

- i. The steps taken or impact on conservation of energy– NIL.
- ii. The steps taken by the company for utilizing alternate sources of energy NIL
- iii. The capital investment on energy conservation equipments– NIL

#### B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption;
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. the details of technology imported	NIL
b. the year of import	NIL
c. whether the technology been fully absorbed	NIL
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL

- iv. the expenditure incurred on Research and Development.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: NIL

Date: 29<sup>th</sup> May 2017

Place: Chennai

**KANISHK GUPTA.**

Chairman & Managing Director.

## Annexure VI

### CODE OF CONDUCT

As per Regulation 26(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 all members of the Board & Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March 2017.

Date: 29<sup>th</sup> May 2017

Place: Chennai

**KANISHK GUPTA.**

Chairman & Managing Director.

## Form No.MGT - 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2017

[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 : **L27109TN1995PLC067863**
- ii) Registration Date: **1st March, 1989**
- iii) Name of the Company : **KANISHK STEEL INDUSTRIES LIMITED**
- iv) Category / Sub-Category of the Company: **Company Limited by Shares/  
Non - Government Company**
- v) Address of the registered office and contact details :  
**B-27 (M) SIPCOT INDUSTRIAL COMPLEX, GUMMIDIPOONDI  
THIRUVALLUR DISTRICT, TAMILNADU - 601 201**
- vi) Whether listed company : Yes - Bombay Stock Exchange (BSE)
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
**Cameo Corporate Services Ltd  
No.1, Club House Road, Chennai - 60002**

**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	% total turnover of the company
1	Manufacture of Iron & Steel	271	100%

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

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
		NIL			



#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

##### (i) Category-wise Share holding -

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	7,845,133	-	7,845,133	27.5886	7,845,133	-	7,845,133	27.5886	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	-	-	-	0.0000	-	-	-	0.0000	0.0000
c.	BODIES CORPORATE	7,118,350	1,120,000	8,238,350	28.9714	7,118,350	1,120,000	8,238,350	28.9714	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	-	-	-	0.0000	-	-	-	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>14,963,483</b>	<b>1,120,000</b>	<b>16,083,483</b>	<b>56.5601</b>	<b>14,963,483</b>	<b>1,120,000</b>	<b>16,083,483</b>	<b>56.5601</b>	<b>0.0000</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	-	-	-	0.0000	-	-	-	0.0000	0.0000
b.	BODIES CORPORATE	-	2,000,000	2,000,000	7.0333	-	2,000,000	2,000,000	7.0333	0.0000
c.	INSTITUTIONS	-	-	-	0.0000	-	-	-	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	-	-	-	0.0000	-	-	-	0.0000	0.0000
e.	ANY OTHER									
	DIRECTORS/RELATIVE NRI	2,000,000	-	2,000,000	7.0333	2,000,000	-	2,000,000	7.0333	0.0000
		2,000,000	-	2,000,000	7.0333	2,000,000	-	2,000,000	7.0333	0.0000
	<b>SUB - TOTAL (A)(2)</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>4,000,000</b>	<b>14.0666</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>4,000,000</b>	<b>14.0666</b>	<b>0.0000</b>
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	16,963,483	3,120,000	20,083,483	70.6267	16,963,483	3,120,000	20,083,483	70.6267	0.0000
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	-	-	-	0.0000	-	-	-	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	-	-	-	0.0000	-	-	-	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	-	-	-	0.0000	-	-	-	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	-	-	-	0.0000	-	-	-	0.0000	0.0000

e.	INSURANCE COMPANIES	-	-	-	0.0000	-	-	-	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	1,611	-	1,611	0.0056	-	-	-	0.0000	-0.0056
g.	FOREIGN VENTURE CAPITAL INVESTORS	-	-	-	0.0000	-	-	-	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	-	-	-	0.0000	-	-	-	0.0000	0.0000
i.	ANY OTHER									
	Foreign Portfolio Investor (Corporate) Category II	-	-	-	0.0000	668	-	668	0.0023	0.0023
		-	-	-	0.0000	668	-	668	0.0023	0.0023
	<b>SUB - TOTAL (B)(1)</b>	<b>1,611</b>	<b>-</b>	<b>1,611</b>	<b>0.0056</b>	<b>668</b>	<b>-</b>	<b>668</b>	<b>0.0023</b>	<b>-0.0033</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	5,132,427	6,900	5,139,327	18.0732	5,116,655	6,900	5,123,555	18.0178	-0.0554
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	872,544	487,558	1,360,102	4.7830	882,820	484,651	1,367,471	4.8089	0.0259
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1,284,593	19,700	1,304,293	4.5867	1,294,818	19,700	1,314,518	4.6227	0.0359
c.	QUALIFIED FOREIGN INVESTOR	-	-	-	0.0000	-	-	-	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	125	-	125	0.0004	250	-	250	0.0008	0.0004
	HINDU UNDIVIDED FAMILIES	423,688	-	423,688	1.4899	426,784	-	426,784	1.5008	0.0108
	NON RESIDENT INDIANS	49,545	73,900	123,445	0.4341	45,745	73,600	119,345	0.4196	-0.0144
		473,358	73,900	547,258	1.9245	472,779	73,600	546,379	1.9214	-0.0030
	<b>SUB - TOTAL (B)(2)</b>	<b>7,762,922</b>	<b>588,058</b>	<b>8,350,980</b>	<b>29.3675</b>	<b>7,767,072</b>	<b>584,851</b>	<b>8,351,923</b>	<b>29.3708</b>	<b>0.0033</b>
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	7,764,533	588,058	8,352,591	29.3732	7,767,740	584,851	8,352,591	29.3732	0.0000
	<b>TOTAL (A)+(B)</b>	<b>24,728,016</b>	<b>3,708,058</b>	<b>28,436,074</b>	<b>100.0000</b>	<b>24,731,223</b>	<b>3,704,851</b>	<b>28,436,074</b>	<b>100.0000</b>	<b>0.0000</b>
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	-	-	-	0.0000	-	-	-	0.0000	0.0000
	Public	-	-	-	0.0000	-	-	-	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>24,728,016</b>	<b>3,708,058</b>	<b>28,436,074</b>	<b>100.0000</b>	<b>24,731,223</b>	<b>3,704,851</b>	<b>28,436,074</b>	<b>100.0000</b>	<b>0.0000</b>



(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	RAJESH KUMAR GUPTA	2370174	8.3350	0.0000	2370174	8.3350	0.0000	0.0000
2	TAMILNADU ENTERPRISES AND INVESTMENT PRIVATE LTD	2015497	7.0878	0.0000	2015497	7.0878	0.0000	0.0000
3	RADIANT SOLUTIONS PRIVATE LTD	2000000	7.0333	0.0000	2000000	7.0333	0.0000	0.0000
4	AMEENA BEGUM S .	2000000	7.0333	0.0000	2000000	7.0333	0.0000	0.0000
5	TAMILNADU PROPERTY DEVELOPERS LTD	2400000	8.4399	3.9386	2400000	8.4399	3.9386	0.0000
6	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED	1259807	4.4303	0.0000	1259807	4.4303	0.0000	0.0000
7	GOODFAITH VINIMAY PRIVATE LIMITED	1001243	3.5210	0.0000	1001243	3.5210	0.0000	0.0000
8	ARVIND GUPTA	979017	3.4428	0.0000	979017	3.4428	0.0000	0.0000
9	SUDHA GUPTA MRS	929840	3.2699	0.0000	929840	3.2699	0.0000	0.0000
10	RENU DEVI JALAN	800000	2.8133	0.0000	800000	2.8133	0.0000	0.0000
11	RAVI KUMAR GUPTA	748467	2.6321	0.0000	748467	2.6321	0.0000	0.0000
12	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED	687259	2.4168	0.0000	687259	2.4168	0.0000	0.0000
13	ABHISHEK SARAFF	589700	2.0737	0.0000	589700	2.0737	0.0000	0.0000
14	ASSAM MERCANTILE COMPANY LIMITED	525144	1.8467	0.0000	525144	1.8467	0.0000	0.0000
15	KANISHK GUPTA	417612	1.4685	0.0000	417612	1.4685	0.0000	0.0000
16	SATYA NARAIN GUPTA JT1 : LAXMI DEVI GUPTA JT2 : RAMESH KUMAR GUPTA	377600	1.3278	0.0000	377600	1.3278	0.0000	0.0000
17	INDIAN CORPORATE BUSINESS CENTRE LTD	349400	1.2287	0.0000	349400	1.2287	0.0000	0.0000
18	SHAILJA GUPTA	229005	0.8052	0.0000	229005	0.8052	0.0000	0.0000
19	ROOP CHAND BETALA JT1 : RATNA BETALA	100000	0.3516	0.0000	100000	0.3516	0.0000	0.0000
20	RAVI GUPTA MR	80800	0.2841	0.0000	80800	0.2841	0.0000	0.0000
21	SAMRIDHI GUPTA MS	74724	0.2627	0.0000	74724	0.2627	0.0000	0.0000
22	ARVIND GUPTA.MR	57050	0.2006	0.0000	57050	0.2006	0.0000	0.0000
23	RAJESH GUPTA	57050	0.2006	0.0000	57050	0.2006	0.0000	0.0000
24	AVANTIKA GUPTA MS	21608	0.0759	0.0000	21608	0.0759	0.0000	0.0000
25	NIVEDITA GUPTA	10000	0.0351	0.0000	10000	0.0351	0.0000	0.0000
26	NIVEDITA GUPTA	2194	0.0077	0.0000	2194	0.0077	0.0000	0.0000
27	SUBHASH CHANDRA SARAFF	292	0.0010	0.0000	292	0.0010	0.0000	0.0000

**(iii) Change in Promoters' Shareholding (pleases pecify, if there is no change)**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	RAJESH KUMAR GUPTA				
	At the beginning of the year 01-Apr-2016	2370174	8.335	2370174	8.335
	At the end of the Year 31-Mar-2017	2370174	8.335	2370174	8.335
2	TAMILNADU ENTERPRISES AND INVESTMENT PRIVATE LTD				
	At the beginning of the year 01-Apr-2016	2015497	7.0878	2015497	7.0878
	At the end of the Year 31-Mar-2017	2015497	7.0878	2015497	7.0878
3	RADIANT SOLUTIONS PRIVATE LTD				
	At the beginning of the year 01-Apr-2016	2000000	7.0333	2000000	7.0333
	At the end of the Year 31-Mar-2017	2000000	7.0333	2000000	7.0333
4	AMEENA BEGUM S .				
	At the beginning of the year 01-Apr-2016	2000000	7.0333	2000000	7.0333
	At the end of the Year 31-Mar-2017	2000000	7.0333	2000000	7.0333
5	TAMILNADU PROPERTY DEVELOPERS LTD				
	At the beginning of the year 01-Apr-2016	2400000	8.4399	2400000	8.4399
	At the end of the Year 31-Mar-2017	2400000	8.4399	2400000	8.4399
6	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED				
	At the beginning of the year 01-Apr-2016	1259807	4.4303	1259807	4.4303
	At the end of the Year 31-Mar-2017	1259807	4.4303	1259807	4.4303
7	GOODFAITH VINIMAY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	1001243	3.521	1001243	3.521
	At the end of the Year 31-Mar-2017	1001243	3.521	1001243	3.521
8	ARVIND GUPTA				
	At the beginning of the year 01-Apr-2016	979017	3.4428	979017	3.4428
	At the end of the Year 31-Mar-2017	979017	3.4428	979017	3.4428
9	SUDHA GUPTA MRS				
	At the beginning of the year 01-Apr-2016	929840	3.2699	929840	3.2699
	At the end of the Year 31-Mar-2017	929840	3.2699	929840	3.2699
10	RENU DEVI JALAN				
	At the beginning of the year 01-Apr-2016	800000	2.8133	800000	2.8133



SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the end of the Year 31-Mar-2017	800000	2.8133	800000	2.8133
11	RAVI KUMAR GUPTA				
	At the beginning of the year 01-Apr-2016	748467	2.6321	748467	2.6321
	At the end of the Year 31-Mar-2017	748467	2.6321	748467	2.6321
12	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED				
	At the beginning of the year 01-Apr-2016	687259	2.4168	687259	2.4168
	At the end of the Year 31-Mar-2017	687259	2.4168	687259	2.4168
13	ABHISHEK SARAFF				
	At the beginning of the year 01-Apr-2016	589700	2.0737	589700	2.0737
	At the end of the Year 31-Mar-2017	589700	2.0737	589700	2.0737
14	ASSAM MERCANTILE COMPANY LIMITED				
	At the beginning of the year 01-Apr-2016	525144	1.8467	525144	1.8467
	At the end of the Year 31-Mar-2017	525144	1.8467	525144	1.8467
15	KANISHK GUPTA				
	At the beginning of the year 01-Apr-2016	417612	1.4685	417612	1.4685
	At the end of the Year 31-Mar-2017	417612	1.4685	417612	1.4685
16	SATYA NARAIN GUPTA JT1 : LAXMI DEVI GUPTA JT2 : RAMESH KUMAR GUPTA				
	At the beginning of the year 01-Apr-2016	377600	1.3278	377600	1.3278
	At the end of the Year 31-Mar-2017	377600	1.3278	377600	1.3278
17	INDIAN CORPORATE BUSINESS CENTRE LTD				
	At the beginning of the year 01-Apr-2016	349400	1.2287	349400	1.2287
	At the end of the Year 31-Mar-2017	349400	1.2287	349400	1.2287
18	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2016	192733	0.6777	192733	0.6777
	At the end of the Year 31-Mar-2017	192733	0.6777	192733	0.6777
19	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2016	36272	0.1275	36272	0.1275
	At the end of the Year 31-Mar-2017	36272	0.1275	36272	0.1275



SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
20	ROOP CHAND BETALA JT1 : RATNA BETALA				
	At the beginning of the year 01-Apr-2016	100000	0.3516	100000	0.3516
	At the end of the Year 31-Mar-2017	100000	0.3516	100000	0.3516
21	RAVI GUPTA MR				
	At the beginning of the year 01-Apr-2016	80800	0.2841	80800	0.2841
	At the end of the Year 31-Mar-2017	80800	0.2841	80800	0.2841
22	SAMRIDHI GUPTA MS				
	At the beginning of the year 01-Apr-2016	74724	0.2627	74724	0.2627
	At the end of the Year 31-Mar-2017	74724	0.2627	74724	0.2627
23	ARVIND GUPTA.MR				
	At the beginning of the year 01-Apr-2016	57050	0.2006	57050	0.2006
	At the end of the Year 31-Mar-2017	57050	0.2006	57050	0.2006
24	RAJESH GUPTA				
	At the beginning of the year 01-Apr-2016	57050	0.2006	57050	0.2006
	At the end of the Year 31-Mar-2017	57050	0.2006	57050	0.2006
25	AVANTIKA GUPTA MS				
	At the beginning of the year 01-Apr-2016	21608	0.0759	21608	0.0759
	At the end of the Year 31-Mar-2017	21608	0.0759	21608	0.0759
26	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2016	10000	0.0351	10000	0.0351
	At the end of the Year 31-Mar-2017	10000	0.0351	10000	0.0351
27	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2016	2194	0.0077	2194	0.0077
	At the end of the Year 31-Mar-2017	2194	0.0077	2194	0.0077
28	SUBHASH CHANDRA SARAFF				
	At the beginning of the year 01-Apr-2016	292	0.001	292	0.001
	At the end of the Year 31-Mar-2017	292	0.001	292	0.001



**(iv) Share holding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):**

SI No	Name of the Share holder	No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHENNAI MATERIAL RECYCLING AND TRADING COMPANY PRIVATE LTD				
	At the beginning of the year 01-Apr-2016	2489584	8.7550	2489584	8.7550
	At the end of the Year 31-Mar-2017	2489584	8.7550	2489584	8.7550
2	GLOBE STOCKS AND SECURITIES LTD.				
	At the beginning of the year 01-Apr-2016	1305550	4.5911	1305550	4.5911
	At the end of the Year 31-Mar-2017	1305550	4.5911	1305550	4.5911
3	PRJ FINANCE PVT.LTD.				
	At the beginning of the year 01-Apr-2016	485000	1.7055	485000	1.7055
	At the end of the Year 31-Mar-2017	485000	1.7055	485000	1.7055
4	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2016	284207	0.9994	284207	0.9994
	At the end of the Year 31-Mar-2017	284207	0.9994	284207	0.9994
5	SANGITA GARG				
	At the beginning of the year 01-Apr-2016	271664	0.9553	271664	0.9553
	At the end of the Year 31-Mar-2017	271664	0.9553	271664	0.9553
6	KARIKISH VYAPAAR PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	249101	0.8760	249101	0.8760
	At the end of the Year 31-Mar-2017	249101	0.8760	249101	0.8760
7	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2016	243629	0.8567	243629	0.8567
	At the end of the Year 31-Mar-2017	243629	0.8567	243629	0.8567
8	D M TRADING PVT LTD				
	At the beginning of the year 01-Apr-2016	231200	0.8130	231200	0.8130
	At the end of the Year 31-Mar-2017	231200	0.8130	231200	0.8130
9	SHAILESH OMPRAKASH JALAN				
	At the beginning of the year 01-Apr-2016	150410	0.5289	150410	0.5289
	At the end of the Year 31-Mar-2017	150410	0.5289	150410	0.5289
10	NIMESH MAHESHBHAI SHAH				
	At the beginning of the year 01-Apr-2016	140000	0.4923	140000	0.4923
	At the end of the Year 31-Mar-2017	140000	0.4923	140000	0.4923

**(v) Share holding of Directors and Key Managerial Personnel:**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	RAVI KUMAR GUPTA	748467	2.6321	748467	2.6321
2	KANISHK GUPTA	417612	1.4685	417612	1.4685

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**  
(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	478,408	-	-	478,408
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	478,408	-	-	478,408
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition	-	-	-	-
• Reduction	478,408	-	-	478,408
<b>Net Change</b>	478,408	-	-	478,408
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr.Kanishk Gupta	Mr.Vishal Keyal	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,00,000	8,35,850	15,35,850
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>7,00,000</b>	<b>8,35,850</b>	<b>15,35,850</b>
	Ceiling as per the Act	-	-	-

### B. Remuneration to other directors:

(Amount in Rs.)

Particulars of Remuneration	Name of Directors				Total Amount
	Mr.K.S. Venkata giri	Mr.Pravin Kumar Agarwal	Mr.K. Selva kumar	Mrs. R. Mahes wari	
Independent Directors	Yes	Yes	Yes	Yes	
• Fee for attending board / committee meetings	24,000	24,000	24,000	15,000	87,000
• Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
<b>Total (1)</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>	<b>15,000</b>	<b>87,000</b>
Other Non-Executive Directors	-	-	-	-	-
• Fee for attending board / committee meetings					
• Commission					
• Others, please specify					
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>	<b>15,000</b>	<b>87,000</b>
<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Overall Ceiling as per the Act	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/  
WTD**  
(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO	Total
			M.K. Madhavan	R. Balaji Ravigopal		
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,74,990	1,60,000	- 3,34,990	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	-	
2.	Stock Option	-		-	-	
3.	Sweat Equity	-		-	-	
4.	Commission - as % of profit - others, specify	-		-	-	
5.	Others, please specify	-		-	-	
	Total	-	1,74,990	1,60,000	- 3,34,990	

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors of  
**Kanishk Steel Industries Limited,**

**KANISHK GUPTA**  
Chairman & Managing Director

Date: 29<sup>th</sup> May 2017  
Place: Chennai



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2017**

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

To,  
The Members,  
M/s. KANISHK STEEL INDUSTRIES LIMITED,

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. KANISHK STEEL INDUSTRIES LIMITED, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on 31<sup>st</sup> March 2017 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the applicable extent.
- v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992 ('SEBI ACT') to the applicable extent:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; not applicable as the company has not issued any ESOP during the year.
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable as the company has not issued any listed debt securities during the year.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable as the company has not been registered as Registrar to issue or share transfer agent.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the company has not delisted any of its securities and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the company has not bought back any shares during the year.
- vi) The management of the company has represented to us that there is no specific law applicable to the company for the financial year 2016 - 2017.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) .
- ii) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure ) Regulations, 2015 .

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent except few lapses under Companies Act, 2013 relating to minutes, disclosures in Board's Report.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

We further report that, subject to the above lapses, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors and Non-Executive Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that, based on our limited review of the compliance mechanism established by the Company, there appears adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its members for the following major matters, other than transactions of special business at the Annual General Meeting:

- Ratification of Remuneration to Cost Auditor

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Place: Chennai  
Date: 29<sup>th</sup> May 2017

For S Dhanapal & Associates  
(A firm of Practicing Company Secretaries)

N. Ramanathan  
(Partner)  
FCS 6665  
CP No. 11084

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.



**Annexure A**

To  
The Members,  
KANISHK STEEL INDUSTRIES LIMITED,

**Management's Responsibility**

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Auditor's Responsibility**

- b. Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- c. We believe that audit evidence and information obtained from company's management is adequate and appropriate for us to provide a basis for our opinion.
- d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events and policies, appraisal and processes etc.

**Disclaimer**

The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

Place: Chennai  
Date: 29<sup>th</sup> May 2017

For S Dhanapal & Associates  
(A firm of Practicing Company Secretaries)

**N. Ramanathan**  
(Partner)  
FCS 6665  
CP No. 11084



## Independent Auditors' Report

To the Members of **KANISHK STEEL INDUSTRIES LIMITED**

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

We have audited the accompanying standalone financial statements of Kanishk Steel Industries Limited ('the Company'), which comprise the Balance sheet as at 31 March 2017, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in

India, of the state of affairs of the Company as at 31 March 2017 and its Profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 (ii) of Additional information to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in specified bank notes during period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, and these are in accordance with the books of accounts maintained by the Company. Refer the Notes to the financial statements

**For CHATURVEDI & COMPANY**

CHARTERED ACCOUNTANTS

FRN 302137E

**S Ganesan, FCA**

PARTNER

Pace: Chennai

Date: 29<sup>th</sup> May 2017

Membership No. 217119



## **Annexure A to the Auditors' Report**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
  - (b) As explained to us, all the Fixed Assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, 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 the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, the management has conducted physical verification of Inventories during the year at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on physical verification
- (iii) As per the information and explanation given to us and as per the records produced to us the Company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect of investments 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 in respect of the products pursuant to the rule made by the Central Government of India regarding the maintenance of cost records and we are of the opinion that, prima facie, the prescribed account and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities, wherever applicable and no dues are pending for a period of more than six months from the date they become payable.
  - (b) According to the information and explanations given to us, there are no material dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, vat, cess and other material statutory dues as applicable, which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information

and explanations given to us, the following dues of Excise Duty/VAT have not been deposited by the Company on account of disputes (also refer point no. 27 (ii) of Additional information to the standalone Financial statements).

<b>Statute Name</b>	<b>Nature of dues</b>	<b>Amount in Rs.</b>	<b>Forum where dispute is Pending</b>
Central Excise Law(SCN No.2268/95 dated 25.07.1995)	Dispute relating to deemed Credit	Rs.234,094/-	Commissioner of Central Excise (Appeals) Chennai.
Central Excise Law	Dispute relating to re-fixation of Annual capacity of erstwhile OP Steels Limited	Rs.3,566,000/- Plus equal amount of penalty	CESTAT, Chennai
Central Excise Law (SCN No.2/06 dt 17.1.2006)	Dispute relating to differential duty on depot sales.	Rs.5,238,000/- (total demand plus interest and penalty Rs.8,725,000/- and Rs.3,487,000/- already paid)	Honb'le High Court of Madras.
Central Excise Law	Dispute relating to re-fixation of Annual capacity	Rs.900,000/- Plus equal amount of penalty plus interest thereon.	Honb'le High Court of Madras.
Central Excise Law	Dispute relating to Central Excise duty	Rs.6,906,945/- plus equal amount of penalty plus interest thereon + Rs. 500,000/- fine (total demand Rs.19,325,930/- And Rs.13,645,721/- paid there-against)	CESTAT, Chennai
TNVAT	Dispute relating to Input Tax Credit	Rs 2,56,35,950/- plus penalty of Rs.17,68,920/- plus interest thereon of Rs. 17,91,031/-	Commercial Tax Officer, Chennai / Honb'le High Court of Madras.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company did not have any outstanding dues to financial institutions or debenture holders during the year.



- (ix) Based upon the audit procedures performed and the information and explanations given by the smangement, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**For CHATURVEDI & COMPANY**

CHARTERED ACCOUNTANTS

FRN 302137E

**S Ganesan, FCA**

PARTNER

Place: Chennai

Date: 29<sup>th</sup> May 2017

Membership No. 217119

## **“Annexure B” to the Independent Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of Kanishk Steel Industries Limited (“the Company”) as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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



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

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

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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 CHATURVEDI & COMPANY**

CHARTERED ACCOUNTANTS  
FRN 302137E

**S Ganesan, FCA**  
PARTNER

Place: Chennai

Date: 29<sup>th</sup> May 2017

Membership No. 217119



**KANISHK STEEL INDUSTRIES LIMITED**  
**BALANCE SHEET AS ON 31st MARCH, 2017**

PARTICULARS	Note No.	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS FUNDS</b>			
a. Share Capital	3	284,656,570	284,656,570
b. Reserves & Surplus	4	195,714,810	188,367,835
<b>2. NON CURRENT LIABILITIES</b>			
a. Long Term Borrowings	5	-	478,408
b. Deferred Tax Liabilities (Net)	6	34,828,159	39,256,785
c. Long Term Provisions	7	3,638,287	4,180,629
<b>3. CURRENT LIABILITIES</b>			
a. Short Term Borrowings	8	153,872,756	214,438,059
b. Trade Payables		482,395,666	535,449,097
c. Other Current Liabilities	9	233,219,150	295,715,787
d. Short Term Provisions	10	20,728,164	18,144,089
		<b>1,409,053,563</b>	<b>1,580,687,259</b>
<b>B. ASSETS</b>			
<b>4. NON CURRENT ASSETS</b>			
a. Fixed Assets :		<b>226,806,387</b>	<b>256,385,137</b>
Tangible Assets	11	135,865,972	153,681,892
b. Non-Current Investments	12	43,410,758	51,326,346
c. Long Term Loans & Advances	13	47,529,657	51,376,899
<b>5. CURRENT ASSETS</b>			
a. Inventories	14	448,293,454	401,663,046
b. Trade Receivables	15	499,729,844	701,653,407
c. Cash & Cash Equivalents	16	152,947,566	63,682,361
d. Short Term Loans & Advances	17	47,616,480	117,356,119
e. Other Current Assets	18	33,659,832	39,947,189
		<b>1,409,053,563</b>	<b>1,580,687,259</b>

Significant Accounting Policies

2

Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed  
For **CHATURVEDI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 302137E

**S GANESAN, FCA**  
Partner (Memb.No:217119)  
Chennai, 29<sup>th</sup> May 2017

For and on behalf of the Board of Directors  
**KANISHK GUPTA**  
Chairman & Managing Director

**VISHAL KEYAL**  
Whole-time Director & CFO

**R. BALAJI RAVI GOPAL**  
Company Secretary



**KANISHK STEEL INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

PARTICULARS	NOTE No.	YEAR ENDED 31-03-2017 (Amount in Rs.)	YEAR ENDED 31-03-2016 (Amount in Rs.)
<b>1. Revenue from Operations</b>	19	<b>2,519,747,504</b>	3,003,267,454
Less: Excise Duty		<b>229,394,660</b>	277,162,315
Revenue from Operations (Net)		<b>2,290,352,844</b>	2,726,105,139
<b>2. Other Income</b>	20	<b>65,656,422</b>	105,227,417
<b>3. Total Revenue</b>		<b>2,356,009,266</b>	2,831,332,556
<b>4. Expenses</b>			
a. Cost of Material Consumed	21	<b>1,175,498,646</b>	1,204,815,125
b. Purchases of traded goods	22	<b>732,246,630</b>	1,104,413,007
c. Changes in Inventories of finished goods	23	<b>(14,138,583)</b>	26,058,480
d. Employee benefits expense	24	<b>14,166,092</b>	8,881,755
e. Finance Costs	25	<b>31,547,066</b>	32,300,097
f. Depreciation and Amortisation expenses	11	<b>18,758,920</b>	18,817,569
g. Other expenses	26	<b>384,927,258</b>	374,814,841
<b>Total Expenses</b>		<b>2,343,006,030</b>	2,770,100,873
<b>5. Profit before tax (3- 4)</b>		<b>13,003,235</b>	61,231,683
<b>6. Tax Expense</b>			
1. Current Tax		<b>10,084,886</b>	10,424,739
2. Deferred tax		-	-
3. Earlier year Tax adjustments		-	3,503,341
<b>7. Profit/(Loss) for the year (5 - 6)</b>		<b>2,918,349</b>	47,303,603
<b>Earnings Per Share (Basic and Diluted)</b>	31	<b>0.10</b>	1.66

Significant Accounting Policies

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Additional Information to Financial Statements

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Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed  
For **CHATURVEDI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 302137E

For and on behalf of the Board of Directors  
**KANISHK GUPTA**  
Chairman & Managing Director

**S GANESAN, FCA**  
Partner (Memb.No:217119)  
Chennai, 29<sup>th</sup> May 2017

**VISHAL KEYAL**  
Whole-time Director & CFO

**R. BALAJI RAVI GOPAL**  
Company Secretary

**KANISHK STEEL INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

PARTICULARS	31.03.2017 (Amount in Rs.)		31.03.2016 (Amount in Rs.)	
<b>A.CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and Extraordinary Items		13,003,235		61,231,683
Adjustments for :				
Depreciation	13,480,805		13,538,699	
Rent received	(637,560)		(575,190)	
Loss on sale of Asset	-		551,523	
Interest Income	(5,685,974)		(7,361,457)	
Interest Expense	31,547,066	38,704,337	32,300,097	38,453,672
<b>Operating Profit before working capital changes</b>		<b>51,707,573</b>		<b>99,685,355</b>
<b>Adjustments for Changes in:</b>				
Long Term Loans & Advances	3,847,242		(4,154,703)	
Short Term Loans & Advances	69,739,640		27,280,364	
Other Current Assets	6,287,357		34,662,549	
Trade Receivables	201,923,562		(268,245,258)	
Inventories	(46,630,408)		67,241,646	
Increase/(Decrease) of Long Term Provisions	(542,342)		119,123	
Trade Payables	(53,053,435)		(86,263,799)	
Other Current Liabilities	(62,496,636)	119,074,980	36,103,400	193,256,677
Cash Generated from Operations		<b>170,782,553</b>		<b>(93,571,322)</b>
Less: Taxes Paid		(7,500,811)		(25,245,291)
<b>Net Cash Flow from Operating Activities (A)</b>		<b>163,281,742</b>		<b>(118,816,613)</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	4,335,115		(6,868,653)	
Rent received	637,560		575,190	
(Purchase)/Sale of Investment	7,915,588		2,263,020	
Sale of Fixed Assets	-		1,828,500	
<b>Net Cash Flow from Investing Activities (B)</b>		<b>12,888,263</b>		<b>(2,201,943)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Repayment of long term borrowings	(478,408)		478,408	
Short term borrowings	(60,565,302)		161,560,616	



PARTICULARS	31.03.2017 (Amount in Rs.)		31.03.2016 (Amount in Rs.)	
	Interest Received	5,685,974		7,361,457
Interest paid	(31,547,066)		(32,300,097)	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(86,904,802)</b>		<b>137,100,384</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>		<b>89,265,205</b>		<b>16,081,828</b>
Cash & Cash Equivalents as at Beginning of the Year	63,682,361		47,600,533	
Cash & Cash Equivalents as at End of the Year (Refer Note 15)	152,947,566		63,682,361	
<b>Components of Cash &amp; Cash Equivalents</b>				
Cash on Hand		322,761		6,031,845
Balances with bank				
In Current Account		5,465,892		567,860
In Deposit Account		147,158,913		57,082,656
In Unpaid Dividend		-		-
		152,947,566		63,682,361

**Notes :** 1. Comparative figures have been regrouped wherever necessary.  
2. The Cash Flow Statement has been prepared under indirect method as set out in the Accounting Standard-3 on "Cash Flow Statements" notified by Companies Accounting Standards Rules, 2006 (as amended).

As per the report of even date annexed  
For **CHATURVEDI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 302137E

**S GANESAN, FCA**  
Partner (Memb.No:217119)  
Chennai, 29<sup>th</sup> May 2017

For and on behalf of the Board of Directors  
**KANISHK GUPTA**  
Chairman & Managing Director

**VISHAL KEYAL**  
Whole-time Director & CFO

**R. BALAJI RAVI GOPAL**  
Company Secretary

## Notes to Balance Sheet and the Statement of Profit and Loss:

### 1. Company overview:

Kanishk Steel Industries Limited (the company) incorporated under the Companies Act, 1956, in the year 1989, is engaged in the manufacture and supply of Iron and Steel products. The company's shares are listed on the Bombay Stock Exchange Limited and the shares are traded regularly.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual method of accounting except as disclosed in the notes. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies adopted in preparation of financial statements are consistent with those of previous year except for change in accounting policy initially adopted or a revision to the existing accounting policy that requires a change as against the one hitherto in use.

#### 2.2 Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. The Company believes that the estimates used in the preparation of the financial statements as prudent and reasonable. Accounting estimates could change from period to period. Actual results could differ from those estimates.

#### 2.3 Revenue Recognition:

Sale is recognized on dispatch of goods. Sale is net of trade discount, includes excise duty and excludes sales tax recovered. Insurance claim is accounted in the year of receipt.

#### 2.4 Depreciation:

Depreciation on Tangible assets is provided on the straight line method over the useful lives of assets as per the rates specified under Schedule II of the Companies Act, 2013 on pro-rata basis.

#### 2.5 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment, if any. Direct costs like inland freight, duties, taxes and incidental expenses related to acquisition are capitalized with due adjustments for Cenvat / VAT credits.

Capital work in progress, if any, includes cost of Machinery to be installed, construction & erection materials and unallocated preoperative expenses.



## 2.6 Impairment:

At each Balance sheet date, the Management assesses, whether there is any indication that Fixed Asset have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment if any.

Kanishk Steel Industries Limited Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. As per the assessment conducted by the company at March 31, 2016, there was no indication that fixed asset have suffered an impairment loss.

## 2.7 Investments:

Trade investments are the investments made to enhance the Group's business interests. Investments are either classified as current or long-term based on the management Intention. Current Investments are carried at the lower of cost and fair value. Long-term Investments are stated at cost. Provision for diminution in the value is made in accordance with AS 13 – Accounting for Investments if the decline/diminution is other than temporary.

## 2.8 Inventories:

Inventories are valued as under:

- a) Raw Materials, Consumables and Stores & Spares are valued at lower of cost and net realizable value. Cost of inventories is generally ascertained on the weighted average basis, which includes expenses incidental to procurement of the same.
- b) By-products are valued at net realizable value.
- c) Finished Goods are valued at lower of cost and net realizable value. Cost for this purpose means full absorption cost basis which includes direct materials, direct labour, excise duty wherever applicable, related depreciation and appropriate production overheads.
- d) Materials-in-Transit are valued at Cost including Freight & Insurance.

## 2.9 Employee Benefits:

### A) Short -term Employee Benefits:

Short Term Employee Benefits for services rendered by them are recognized during the period when the services are rendered.

### B) Post Employment Benefits:

(a) Defined contribution plan: Contribution to defined contribution plans are recognized as expense on accrual basis.

### (b) Defined Benefit Plan:

The present value of Gratuity obligation is determined based on actuarial valuation using the projected unit credit method and is recognized as expenses on accrual basis. Actuarial gains / losses arising during the year are recognized in the statement of Profit & Loss.

## 2.10 Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. In respect of the transactions covered by Forward Exchange Contracts,

the difference between the forward rate and the exchange rate on the date of the transaction is recognized as Income or Expense over the life of the Contract. Transactions not covered by forward exchange rates and outstanding at year end are translated at exchange rates prevailing at the year end and the profit/loss so determined and also the realized exchange gain/losses are recognized in the Statement of Profit & Loss.

#### 2.11 Borrowing Cost:

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets, which are capitalized. During the year under review, there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalized.

#### 2.12 Segment Accounting:

The company operates only in one business segment viz. "Steel and steel products".

#### 2.13 Taxes on Income:

- (a) Provision for current tax is made in accordance with the Income Tax Act, 1961.
- (b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years (Also refer point no 27 (v) of Additional information to the Financial statements). However, Deferred Tax Assets are recognized only if there is a reasonable / virtual certainty of realization thereof. During the year the company has generated deferred tax asset to the extent of Rs.44,28,625/-under review.

#### 2.14 Provisions and Contingencies:

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



### NOTES FORMING PART OF BALANCE SHEET

PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)		
<b>3. SHARE CAPITAL</b>				
<b>I. Authorised Share Capital</b>				
2,98,00,000 Equity Shares of Rs.10/- each (Previous Year 2,98,00,000)	<b>298,000,000</b>	298,000,000		
20,000 15% Cumulative Redeemable Preference Shares of Rs.100/- each (Previous Year 20,000)	<b>2,000,000</b>	2,000,000		
	<b>300,000,000</b>	300,000,000		
<b>II. Issued, subscribed and fully paid capital:</b>				
2,84,36,074 Equity shares of Rs.10/- each fully paid-up. (Previous Year 2,84,36,074)				
Opening Balance	<b>284,360,740</b>	284,360,740		
Issued during the year	-	-		
Cancelled during the year	-	-		
Closing Balance	<b>284,360,740</b>	284,360,740		
Add: Forfeited Shares	<b>295,830</b>	295,830		
	<b>284,656,570</b>	284,656,570		
<b>a) Movement of Shares</b>				
There is no movement of shares outstanding at the beginning and at the end of the reporting period.				
<b>b) Terms / rights attached to equity shares:</b>				
The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive the assets of the company, in proportion to the number of equity shares held by the shareholders.				
<b>c) Details of shareholders holding more than 5% shares in the company</b>				
Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
	No of Shares	% holding	No of Shares	% holding
Chennai Material Recycling & Trading Co Pvt Ltd	2,489,584	8.76	2,489,584	8.76
Rajesh Kumar Gupta	2,370,174	8.34	2,370,174	8.34
Tamilnadu Property Developers Limited	2,400,000	8.44	2,400,000	8.44
Tamilnadu Enterprises & Investments Pvt Ltd	2,015,497	7.09	2,015,497	7.09
Radiant solutions Private Ltd	2,000,000	7.03	2,000,000	7.03
Ameena Bagum	2,000,000	7.03	2,000,000	7.03



PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
<b>4. RESERVES &amp; SURPLUS</b>		
<b>I. Capital Reserve</b>		
Opening Balance	8,732,431	8,732,431
Closing Balance	8,732,431	8,732,431
<b>II. Capital Redempiton Reserve</b>		
Opening & Closing Balance	300,000	300,000
<b>III. Securities Premium Reserve</b>		
Opening & Closing Balance	88,540,968	87,776,972
Add: Deferred Tax Liability - Reversal	4,428,625	763,996
Closing Balance	92,969,593	88,540,968
<b>IV. Revaluation Reserve</b>		
Opening Balance	69,187,291	74,466,161
Additions during the year	-	-
Utilisation during the year	(5,278,115)	(5,278,870)
Closing Balance	63,909,176	69,187,291
<b>V. General Reserve</b>		
Opening Balance	(442,725,002)	(442,725,002)
Additions during the year	-	-
Closing Balance	(442,725,002)	(442,725,002)
<b>VI. Surplus:</b>		
Opening Balance	464,332,145	411,749,672
Profit for the year	2,918,349	47,303,603
Transfer of Revaluation Reserve	5,278,115	5,278,870
Adjustment for earlier years taxation	-	-
Closing Balance	472,528,609	464,332,145
<b>Total</b>	<b>195,714,810</b>	<b>188,367,835</b>
<b>5. LONG TERM BORROWINGS</b>		
Loan from bank	478,408	900,000
Less: Amount shown under other current liabilities	478,408	421,592
<b>Total</b>	<b>-</b>	<b>478,408</b>
Terms of Repayment and rate of interest: HP Loan of Rs. 900,000/- is repayable in 24 monthly instalments of Rs. 42,665/- each and it carries an interest @ 4.74% p.a.		
<b>Security:</b> (Secured HP Loans from Bank / Financial Institutions are secured by the respective Vehicles and Machinery)		



PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
<b>6. Deferred Tax Liabilities (net)</b>		
Deferred Tax Liability		
Fixed Asset -Impact of Difference between tax depreciation and depreciation charged in the financial statement	<b>34,828,159</b>	39,256,785
{Refer Note No:27(v)}		
Gross Deferred Tax Liability	<b>34,828,159</b>	39,256,785
<b>7. Long Term Provisions</b>		
For Employee Benefits	<b>3,638,287</b>	4,180,629
	<b>3,638,287</b>	4,180,629
<b>8. SHORT TERM BORROWING</b>		
From Banks		
Cash Credit:		
Corporation Bank	<b>1,554,665</b>	15,167,389
State Bank of India	<b>152,318,091</b>	199,270,670
(All the above loans are secured by equitable mortgage of land and building including Plant and Machinery and also by hypothecation of Raw Materials, Stock-in-Process and Finished Goods, Corporate guarantee by M/s.Tamilnadu property developers Ltd Also personal guarantee by CMD of the company)		
	<b>153,872,756</b>	214,438,059
<b>9. OTHER CURRENT LIABILITIES</b>		
a. Current maturities of long term borrowings (refer note No.5)	<b>478,408</b>	421,592
b. Outstanding Liability	<b>4,045,237</b>	7,663,213
c. Customer Advance	<b>225,867,696</b>	285,814,889
d. Other Liabilities	<b>2,827,809</b>	1,816,093
	<b>233,219,150</b>	295,715,787
<b>10. SHORT TERM PROVISIONS</b>		
a. Taxation	<b>10,084,886</b>	10,424,739
b. Other Provisions	<b>10,643,278</b>	7,719,350
	<b>20,728,164</b>	18,144,089

(Amount in Rs.)

**11. FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK					
	AS ON 1-Apr-16	ADDITIONS	DELETIONS/ REFUND	AS ON 31-Mar-17	UP TO 1-Apr-16	For the Year	ON SALES/ ADJUSTMENT	UP TO 31-Mar-17	AS AT 31-Mar-16	AS AT 31-Mar-17
LAND LEASE HOLD	2,035,462	-	-	2,035,462	534565	20,560	-	555,125	1,480,337	1,500,897
FACTORY BUILDINGS	45,035,876	-	-	45,035,876	22,606,495	2,155,915	-	24,762,410	20,273,466	22,429,381
PLANT & MACHINERY	370,491,512	818,000	-	371,309,512	269073027	12,939,441	-	282,012,468	89,297,044	101,418,485
ELECTRICAL INSTALLATION	17,179,316	-	-	17,179,316	15309267	588,220	-	15,897,487	1,281,829	1,870,049
CRANE	35,218,290	-	-	35,218,290	16795520	1,584,732	-	18,380,253	16,838,037	18,422,770
FURNITURE & FITTINGS	3,938,216	-	-	3,938,216	3131948	334,881	-	3,466,830	471,387	806,268
VEHICLES	19,066,350	125,000	-	19,191,350	12056458	1,135,170	-	13,191,628	5,999,722	7,009,892
OFFICE EQUIPMENTS	4,483,002	-	-	4,483,002	4258852	-	-	4,258,852	224,147	224,147
TOTAL	497,448,024	943,000	-	498,391,024	343,766,132	18,758,920	-	362,525,052	135,865,972	153,681,892
PREVIOUS YEAR	492,194,527	12,147,523	6,894,026	497,448,024	329,462,566	18,817,569	4,514,003	343,766,132	153,681,892	162,731,961



## 12 NON-CURRENT INVESTMENTS

PARTICULARS		AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
(Long Term Investments)			
Trade Investments (Stated at Cost)			
a. In Equity Shares - Unquoted, fully paid up			
14,000	OPG Energy Private Limited-'A' Class Shares of Rs.10/- each (Previous Year - 9,100 Class A Equity Shares of Rs. 10/- each	327,200	160,600
202,800	OPG Renewable Energy Private Limited Class A Shares of Rs.10/- each (Previous Year:202800 Shares of Rs.10/- each)	2,028,000	2,028,000
323,375	OPG Business Centre Pvt Ltd Class A Shares of Rs.10/- each (Previous Year: 323375 Shares of Rs.10/- each)	3,233,750	3,233,750
38,700	Yukti Wind Power Private Limited,Class A Shares of Rs.10/- each (Previous Year - 38700 Class A Equity Shares of Rs. 10 each)	393,192	393,192
75,000	Tulsyan Power Ltd, Equity Shares of Rs.10/- each	2,250,000	2,362,500
-	Suryadev Alloys & Power Private Limited (Previous Year - 1,375 Equity Shares of Rs. 10/- each)	-	2,09,688
2,144,460	OPGS Power Gujarat Private Limited,Class A Shares of Rs.0.10/- each( Previous Year - 77,44,460 Class A Equity Shares of Rs. 0.10/- each)	214,446	774,446
1,398,820	OPG Energy Private Limited,Class C Shares of Rs.10/- each (Previous Year:11,398,820 Shares of Rs.10/- each)	13,988,200	13,988,200
b.In Equity Shares of Associate Company-Quoted, fully paid up			
781,399	Gita Renewable Energy Limited, Equity Shares of Rs.10/- each (previous year:10,69,399 Equity shares of Rs. 10/- each)(Market Value - Rs. 1,03,14,467/-)	20,975,970	28,175,970
		<b>43,410,758</b>	51,326,346

PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
<b>13. LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
a. Security Deposits	40,029,657	43,876,899
b. Deposits with related party	7,500,000	7,500,000
	<b>47,529,657</b>	<b>51,376,899</b>
<b>CURRENT ASSETS</b>		
<b>14. INVENTORIES</b>		
(Valued at lower of Cost and Net Realizable Value) (as valued and certified by the management)		
a. Raw Materials	279,695,985	261,861,808
b. Finished Goods	134,205,162	120,066,579
c. Stores and Spares	34,392,307	19,734,659
	<b>448,293,454</b>	<b>401,663,046</b>
<b>15. TRADE RECEIVABLES</b>		
(Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months	188,399,952	186,981,056
Other Debts	311,329,893	514,672,351
	<b>499,729,844</b>	<b>701,653,407</b>
<b>16. CASH &amp; CASH EQUIVALENTS</b>		
a. Cash on Hand	322,761	6,031,845
b. Cash at Bank		
In Current Account	5,465,892	567,860
In Unpaid Dividend Account	-	-
In Deposit Account	-	-
(Deposits with banks within 3-9 months maturity)	147,158,913	57,082,656
	<b>152,947,566</b>	<b>63,682,361</b>
<b>17. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
a. Loans & Advances to related parties	-	-
b. Supplier advance	47,377,307	117,132,446
c. Others Advance	239,173	223,673
	<b>47,616,480</b>	<b>117,356,119</b>
<b>18. OTHER CURRENT ASSETS</b>		
a. Balance with Revenue Authorities	14,308,434	12,980,010
b. Cenvat Balances	19,351,398	26,967,179
	<b>33,659,832</b>	<b>39,947,189</b>



PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
<b>19. REVENUE FROM OPERATIONS</b>		
Sale of Manufactured products	1,691,701,032	1,810,218,269
Sale of Traded Products	828,046,472	1,193,049,185
	<b>2,519,747,504</b>	<b>3,003,267,454</b>
<b>20. OTHER INCOME</b>		
Rent received	637,560	575,190
Sales commission	23,289,337	41,667,896
Insurance claim received	33,969,350	780,674
Profit On sale of Shares	-	54,842,200
Foreign Exchange Fluctuation	2,074,201	-
Interest Received	5,685,974	7,361,457
	<b>65,656,422</b>	<b>105,227,417</b>
<b>21. Cost of Materials Consumed</b>		
Opening Stock	261,861,808	295,840,588
Add: Purchases	1,193,332,823	1,170,836,345
Less: Closing Stock	279,695,985	261,861,808
	<b>1,175,498,646</b>	<b>1,204,815,125</b>
(i) Details of Rawmaterials consumed		
Scrap	304,789,343	354,735,090
Billets/Ingots	840,795,711	835,041,492
Coal	17,162,679	6,707,819
Sponge Iron	12,750,913	8,330,724
	<b>1,175,498,646</b>	<b>1,204,815,125</b>
(ii) Details of Raw Material Inventory		
Scrap	111,422,288	161,553,373
Billets/Ingots	164,409,576	90,860,312
Coal	1,474,225	4,165,524
Sponge Iron	2,389,895	5,282,599
	<b>279,695,985</b>	<b>261,861,808</b>
<b>22. Details of Traded goods purchased</b>		
Scrap	378,560,118	399,804,717
Billets/Ingots	16,692,586	214,672,595
Rolled & Steel and allied Products	336,993,926	489,935,694
	<b>732,246,630</b>	<b>1,104,413,007</b>
<b>23. Changes in Inventories of Finished Goods</b>		
Closing Stock of Finished Goods	134,205,162	120,066,579
Opening Stock of Finished Goods	120,066,579	146,125,059
	<b>(14,138,583)</b>	<b>26,058,480</b>

PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
<b>24. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	12,193,861	6,655,825
Contribution to Provident & other funds	1,946,049	2,200,795
Staff and Labour Welfare	26,182	25,135
	<b>14,166,092</b>	<b>8,881,755</b>
<b>25. FINANCE COSTS</b>		
Foreign Exchange Loss	-	682,873
Interest paid to Banks	31,261,207	31,138,426
Interest - Others	285,859	478,798
	<b>31,547,066</b>	<b>32,300,097</b>
<b>26. OTHER EXPENSES</b>		
a. Material & Manufacturing expenses		
Stores and Spares consumed	38,593,401	37,866,987
Power and Fuel	190,245,637	199,195,018
Freight Charges	9,883,754	16,803,215
Customs Duty & Licence	75,542,860	71,147,735
Clearing and Forwarding Charges	25,129,648	7,788,862
b. Repairs & Maintenance		
Machinery Maintenance	4,211,170	4,100,754
Repairs to Building	587,782	-
Electrical Maintenance	3,121,333	2,481,116
Vehicle Maintenance	105,458	150,850
c. Administrative Expenses		
Advertisement	55,910	63,100
Bank Charges	20,328,208	14,294,762
Directors' Remuneration	1,535,850	2,864,150
Donation	-	50,000
Insurance	105,038	980,244
Listing Fees	459,412	401,468
Loss on Sale of Assets	-	551,523
Rebate and discount	390,437	5,057,770
Sales Tax Expenses	177,646	410,952
Membership and subscription	79,050	92,335



PARTICULARS	AS AT 31-03-2017 (Amount in Rs.)	AS AT 31-03-2016 (Amount in Rs.)
Payment to Auditors		
- As Audit Fees	115,000	115,000
- As Certification Fees	142,058	66,791
- As Tax Audit Fees	57,500	57,500
Postage	172,182	96,607
Printing and Stationery	280,743	229,309
Professional & Consultancy	1,002,051	997,371
Rates & Taxes	2,087,851	1,933,046
Rent & Amenities	189,900	176,722
Directors Sitting Fees	87,000	62,000
Service Tax Paid	136,888	1,493,564
Share Transfer Charges	84,235	86,407
Telephone Charges	609,275	694,534
Travelling & Conveyance	85,081	69,448
Loss on sale of shares	3,556,800	-
<b>d. Selling and Distribution Expenses</b>		
Finished Goods Expenses	3,202,938	2,674,668
Carriage Outwards	977,580	451,068
Sales Promotion Expenditure	313,906	276,769
Sales commission	1,273,675	1,033,196
	<b>384,927,258</b>	<b>374,814,841</b>



**27. Additional Information to the Financial Statements**

i) Contingent liability not provided for: Amount in Rs.

Particulars	2016 -17	2015 -16
(a) Guarantees given by banks on behalf of the company	15,899,520	15,899,520
(b) Outstanding Letters of Credits	1,656,593	192,922,697

ii) Claims against the company not acknowledged as debt:

- a) towards the disallowance of deemed Credit to extent of Rs.2,34,094/- under Rule 57-I of the Central Excise Rules, 1944 read with Section 11-A of Central Excise Act, 1944 made on the erstwhile Avanti Oil and Steel Industries Private Limited, the transferor company. Matter under appeal before Commissioner of Central Excise (Appeals) Chennai.
- b) towards the demand of Rs.35,66,000/- plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production (ACP) by the Commissioner of Central Excise on the erstwhile OP Steels Limited, the transferor company. Company has filed a stay petition and the matter is pending before Hon'ble High Court of Madras.
- c) towards the demand of differential duty of Rs.52,38,000/- (Rs.87,25,000/- less Rs.34,87,000/- already paid) plus interest and penalty as per the provisions of the Central Excise Act, 1944 as per the show cause notice no:2/06 dated 17-1-2006 issued by the Commissioner of Central Excise, Chennai claiming wrong adoption of assessable value for the excisable goods cleared from factory to depots. Company has won the appeal before the settlement commission. The Central Excise Department has filed an appeal in the Hon'ble High Court of Madras against the orders of the settlement commission.
- d) towards the demand of Rs 9,00,000/- plus penalty of an equal amount plus interest thereon for re-fixation of Annual Capacity of Production(ACP) by the Commissioner of Central Excise. The matter is pending before Hon'ble High Court of Madras.
- e) towards the demand of Central Excise duty of Rs.69,06,945/- plus equal amount of penalty plus interest of Rs.50,12,040/- plus fine of Rs.5,00,000/- (total demand Rs.1,93,25,930/- and Rs.1,36,45,721/- paid there-against) - matter under appeal with CESTAT, Chennai.
- f) towards the demand of TNVAT Rs 2,56,35,950/-(Rs. 26,126,178 /- less Rs. 490,228/- already paid) underTN VAT Act, 2006 plus penalty of Rs.17,68,920/-(Rs.18,60,078/- less Rs. 91,158/- already paid) plus interest thereon of Rs 17,91,031/-for reversal of Input Tax Credit on Burning Loss/SEZ salesby the Commercial Tax Officer, Chennai. The company obtained interim stay order from the Hon'ble High Court of Madras.

iii) Depreciation:

a. Revaluation of Fixed Assets:

Fixed Assets pertaining to Rolling Division of the Company have been revalued on 31.03.2008, corresponding credit given to the Revaluation Reserve as per AS 10. Depreciation to the extent of Rs. 52,78,115/- (Previous Year Rs. 52,78,870/-) has been adjusted against revaluation reserve during the current year and credited to General Reserves.



b. Depreciation is provided on Fixed Assets as per Schedule II of the Companies Act 2013.

iv) Employee Benefits:

Disclosures in terms of AS-15 are under:

a. Defined contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2016-2017 is Employers contribution to Provident Fund and ESI Rs.19,46,049/-

b. Defined Benefit Plan:

As per the explanations given by the management of the company except for Gratuity, there are no other benefit plans for the employees of the company. The present value of Gratuity obligation is determined during this year (2016-2017) based on actuarial valuation using the projected unit credit method. Accordingly Rs.(5,42,342) has been made in the year 2016-17.(Previous year - Rs.1,19,123/-)

Amount in Rs.

Particulars	2016 -17	2015-16
<b>I Amounts to be recognized in Balance Sheet</b>		
Present value of funded Obligations	-	-
Fair value of Plan Assets	-	-
Present value of unfunded obligations	3,638,287	4,180,629
Unrecognized past service cost	-	-
Net liability	3,638,287	4,180,629
Amounts in the balance sheet		
Liabilities	3,638,287	4,180,629
Assets	-	-
Net liability	3,638,287	4,180,629
<b>II Expenses Recognized in Income Statement</b>		
Current service cost	252,765	265,708
Interest on obligation	313,547	304,613
Expected return on plan assets	-	-
Net actuarial losses (gains) recognized in the Year	(11,08,654)	(451,198)
Past service cost	--	--
Losses(gains) on curtailments and settlement		
Expenses recognized in P&L	(542,342)	119,123
<b>III Changes in Benefit Obligations</b>		
Opening defined Benefit obligation	4,180,629	4,061,506
Current service cost	252,765	265,708
Interest cost for the year	313,547	304,613
Actuarial losses (gains)	(1,108,654)	(451,198)

Benefits paid	-	-
Closing defined benefit obligation	3,638,287	4,180,629
<b>IV Fair value of Assets</b>		
Opening fair value of plan assets		
Expected return on assets		
Actuarial gains and (losses)		
Contributions by employer	-	-
Benefits paid		
Closing balance of Fund		
<b>V Category of plan assets</b>		
Government of India Securities		
High quality corporate bonds		
Equity shares of listed companies		
Property		
Funds managed by Insurer	-	-
Bank Balance		
<b>VI Principal Actuarial Valuation</b>		
Discount rate	7.00%	7.50%
Expected return on plan assets	0.00%	0.00%
Annual increase in Salary costs	6.00%	6.50%
Attrition rate	5%-to-1%	5%-to-1%
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
<b>VII. Table Showing Surplus / (Deficit)</b>		
Defined benefit obligation	3,638,287	4,180,629
Plan assets	-	-
Surplus/(deficit)	(3,638,287)	(4,180,629)

## V) Deferred Taxes:

Based on the petition filed by the company on 21-04-2008, the Hon'ble High Court of Madras has allowed the company on 19-08-2008 to utilize the Securities Premium account towards the Deferred Tax Liability computed as per Accounting Standard 22 issued by the Institute of Chartered Accountants of India

(Amount in Rs.)

Deferred Tax Liability / (Asset) for the year	(44,28,625)
Deferred Tax Liability adjusted against Securities Premium account (As per Directives of Hon'ble High Court Madras)	(44,28,625)
Deferred Tax Asset credited to Profit & Loss Account	Nil

## VI) Disclosures of Trade payable under current/ noncurrent liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro,



Small and Medium Enterprises Development Act, 2006” (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance Sheet date. Based on the above the relevant disclosure u/s. 22 of the said Act is as follows:

Particulars	(Amount in Rs.)
Principal amount outstanding at the end of the year	-
Interest amount due at the end of the year	-
Interest paid to suppliers	-

VII) Company has circularized/sought confirmation of balance letters to/from sundry debtors & advance parties / sundry creditors. In the absence of negation, the balances appearing in the books are taken as confirmed.

VIII) Value of Imported & Indigenous Raw Materials, Spare Parts Components consumed:

Year	2016-17		2015-16	
	(Amount in Rs.)	%	(Amount in Rs.)	%
Imported	19,78,00,638	16	22,38,56,047	18
Indigenous	1,01,62,91,411	84	101,88,26,065	82

IX) CIF Value of Imports:

Year	2016 -17	2015 -16
Particulars	(Amount in Rs.)	(Amount in Rs.)
Raw Materials	38,24,16,737	28,31,54,297
Stores & Spares	-	-
Capital Goods	-	-

X) Remittance in Foreign Currency towards Dividend - Nil

XI) Earnings in Foreign Currency - Nil (Previous year Nil)

XII) Expenditure in Foreign Currency - Nil (Previous year Nil)

## 28. RELATED PARTY DISCLOSURES:

List of parties where control exists

### a) Other related parties:

1. Gita Renewable Energy Limited
2. OPG Renewable Energy Private Limited
3. Sonal Vyapar Private Limited
4. OPG Business Centre Private Limited
5. Indian Corporate Business Centre Limited
6. Kanishk Metal Recycling Private Limited
7. OM Power Sakthi India Private Limited
8. Sonal Irons Industry Private Limited
9. OPG Energy Private Limited

**Key Management Personnel (KMP):**

Mr. Ravi Kumar Gupta Chairman & Managing Director (till 24-10-2016)

Mr. Kanishk Gupta, Chairman & Managing Director (from 24-10-2016)

Mr. Vishal Keyal, Whole Time Director & Chief Financial Officer

Mr. M K Madhavan, Company Secretary (till 02-07-2016)

Mr. Ramanathan Ravi GopalBalaji Company Secretary (from 02-07-2016)

**Related Party Transactions:**

(Amount in INR)

Particulars	KMP	Other Companies
Sale of Goods	-	1,080,078
Purchase of power	-	97,335,364
Purchase of goods		121,667,517
Reimbursement of expenses	-	3,494,005
Sale of Investments	-	7,329,625
Services Received	-	7,131,897
Remuneration Paid	1,535,850	-
Advances Received	-	7,330,475
<b>Total</b>	<b>1,535,850</b>	<b>245,368,961</b>

**Notes:**

1. Remuneration to key management personnel is Rs.15,35,850/-
2. Sitting Fees to Directors Rs.87,000/-
3. Related party relationship is as identified by the company and relied upon by the Auditors.

**29.** As stipulated in AS-28, the company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the useful course of business, there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts

**30. Disclosure on Specified Bank Notes**

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



(Amount in Rs)

Particulars	SBNs*	Other Denominations	Total
Closing Cash in hand as on November 8, 2016	8,91,000	17,89,077	26,80,077
Add: Permitted Receipts	-	1,71,810	1,71,810
Less: Permitted Payments	-	7,98,071	7,98,071
Less: Amount deposited in Banks	8,91,000	-	8,91,000
Closing cash in hand as on December 30, 2016	-	11,62,816	11,62,816

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

### 31. EARNING PER SHARE:

	Particulars	2016-17	2015-16
a)	Weighted Average No. of Equity Shares of Rs.10/- each		
	I.No. of Shares at the beginning of the year	28,436,074	28,436,074
	II. No. of Shares at the end of the year	28,436,074	28,436,074
	Weighted average number of equity shares outstanding during the year	28,436,074	28,436,074
b)	Net profit after tax, available for equity shareholders (Rs.)	2,918,349	47,303,602
c)	Basic and diluted earning per share (Rs.)	0.10	1.66

32. Disclosure of loans and advances as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in India.

- The company does not have any subsidiary and has not given any loans and advances in the nature of loans to its associates.
- No Interest free loans have been given to its employees.

### 33. PREVIOUS YEAR FIGURES:

Previous year's figures have been regrouped and rearranged wherever necessary. As per our report of even date annexed

As per the report of even date annexed  
For **CHATURVEDI & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN 302137E

**S GANESAN, FCA**  
Partner (Memb.No:217119)  
Chennai, 29<sup>th</sup> May 2017

For and on behalf of the Board of Directors  
**KANISHK GUPTA**  
Chairman & Managing Director

**VISHAL KEYAL**  
Whole-time Director & CFO

**R. BALAJI RAVI GOPAL**  
Company Secretary





# KANISHK STEEL INDUSTRIES LIMITED

Registered Office : B-27(M), SIPCOT Industrial Complex,  
Gummidipoondi, Thiruvallur District, Tamilnadu – 601 201  
CIN : L27109TN1995PLC067863

FORM NO. MGT - 11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

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

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- Name :  
Address :  
E-mail Id :  
Signature :

or failing him

- Name :  
Address :  
E-mail Id :  
Signature :

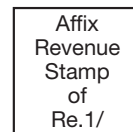
or failing him

- Name :  
Address :  
E-mail Id :  
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 27<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the September 30, 2017 at 3.00 p.m. at B-27(M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu – 601201 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements
2. Appointment of Auditors
3. Appointment of Chairman and Managing Director.
4. Remuneration to Cost Auditor

Signed this ..... day of ..... 2017.



(Signature of Member)

Signature of Proxy holder(s)

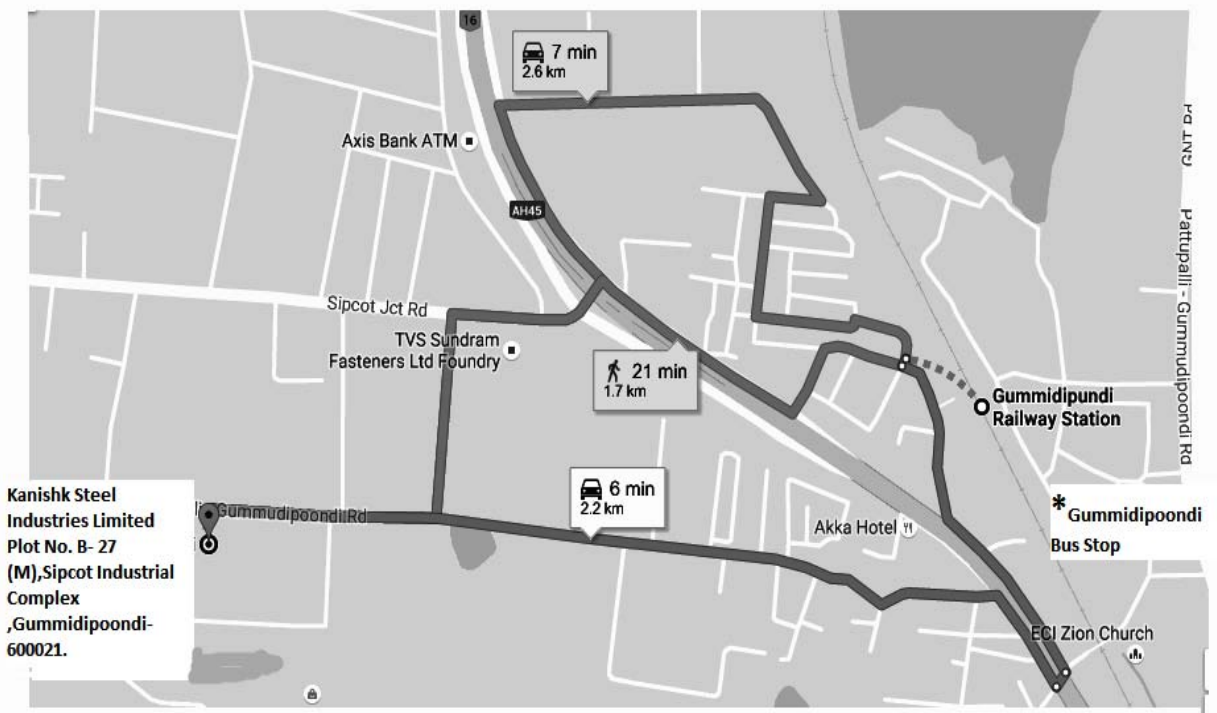
### Note :

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## Route Map to AGM Venue

B-27 (M), SIPCOT Industrial Complex, Gummidipoondi,  
Thiruvallur District - 601201, Tamilnadu



**Distance from Gummidipoondi Railway Station - 2.2 km**



# KANISHK STEEL INDUSTRIES LIMITED

Registered Office : B-27(M), SIPCOT Industrial Complex,  
Gummidipoondi, Thiruvallur District, Tamilnadu – 601 201  
CIN : L27109TN1995PLC067863

## FORM NO. MGT-12

### POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies  
(Management and Administration) Rules, 2014]

#### 27<sup>th</sup> ANNUAL GENERAL MEETING

Date : 30.09.2017 (Saturday)  
Time : 3.00 P.M  
Place : B-27 (M), SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamilnadu- 601201

#### BALLOT PAPER

1. Name of the First Named Shareholder  
(In block letters) :
2. Postal address :
3. Registered folio No. / \*Client ID No.  
(\*Applicable to investors holding shares in  
dematerialized form) :
4. Class of Share :

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my  
assent or dissent to the said resolution in the following manner:

Sl. No:	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of Financial Statements			
2	Appointment of Auditors			
3	Appointment of Chairman & Managing Director			
4	Remuneration to Cost Auditor			

Place:

Date:

(Signature of Shareholder)







An aerial view of a dense city skyline, likely New York City, with numerous skyscrapers and buildings. The image is overlaid with a semi-transparent red filter. A white rounded rectangle is positioned in the bottom right corner, containing text.

Quality in Every Inch

*If undelivered, please return to :*

**Kanishk Steel Industries Limited**

Old No. : 4, New No. : 7, Thiru-Vi-Ka 3rd Street  
Royapettah High Road, Mylapore  
Chennai - 600 004