

# **KANISHK STEEL INDUSTRIES LIMITED**



**26th Annual Report 2015-16**



# KANISHK STEEL INDUSTRIES LIMITED

CIN:L27109TN1995PLC067863

## BOARD OF DIRECTORS

Mr. Ravi Kumar Gupta

Mr. Vishal Keyal

Mr. Kanishk Gupta

Mr. K.S. Venkatagiri

Dr. Pravin Kumar Aggarwal

Dr. K. Selvakumar

Ms.R. Maheswari

Chairman & Managing Director

Whole-time Director & Chief Financial Officer

Director

Director

Director

Director

Director

## REGISTERED OFFICE & FACTORY

B27(M) SIPCOT Industrial Complex

Gummidipoondi

Thiruvallur District

Tamilnadu - 601 201

## BANKERS

State Bank of India

Industrial Financial Branch

155, Anna Salai

Chennai - 600 002

Corporation Bank

G.T. Branch

Chennai - 600 001

## 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)

## SHARE TRANSFER AGENT

Cameo Corporate Services Limited

No. 1, Club House Road

Chennai - 600 002

## STATUTORY AUDITORS

M/s. Chaturvedi & Company

Chartered Accountants

Chennai - 600 017

## COST AUDITORS

M/s. Vivekanandan & Unni Associates

Cost Accountants

Chennai 600 024

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## NOTICE

**NOTICE** is hereby given that the **TWENTYSIXTH ANNUAL GENERAL MEETING** of Members of Kanishk Steel Industries Limited ("the company") will be held on Friday, September 30, 2016, at 3.00 p.m. at the registered office of the Company 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 statement of the Company for the year ended March 31, 2016, the statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

#### **2. Appointment of director**

To appoint a director in place of Mr.Kanishk Gupta, who retires by rotation and being eligible, seeks re-appointment.

#### **3. Ratification of 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, pursuant to the recommendations of the Audit Committee of the Board, and pursuant to the resolution passed by the members of the company at 24th Annual General Meeting held on September 30, 2014, the appointment of M/s. Chaturvedi & Company, Chartered Accountants, [Firm Registration No. 302137E] Chennai as the auditors of the Company to hold office till the conclusion of 27th Annual General Meeting, be and is hereby ratified 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 March 31,2017 on the recommendation of the Audit Committee of the Company."

### **SPECIAL BUSINESS:**

#### **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), approval of the members is accorded to the remuneration of Rs.60,000/- (Rupees Sixty Thousands only) approved by the Board of Directors on the recommendations of the Audit Committee for M/s. VIVEKANANDAN & UNNI ASSOCIATES, Cost Accountants [Firm Registration No: 00085] to audit the cost records of the Company for the financial year 2016-17."

(By Order of the Board)

**For KANISHK STEEL INDUSTRIES LIMITED,**

Date: May 30, 2016

Place:Chennai

**M.K. MADHAVAN,**

Company Secretary.

**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.  
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.
3. 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.
4. 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.
5. 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.
6. 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.
7. The Register of Members of the Company and Share Transfer Books will remain closed from September 23, 2016 to September 30, 2016 (both days inclusive).
8. Members holding shares in Physical Form are requested to furnish their address, if any change is there, with Registrar & Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Chennai, quoting their Folio number and numbers of Shares held. Members holding Shares in Electronic Form may communicate their change of Address to their respective Depository Participants.
9. The Notice of the AGM along with the 26th Annual Report for the financial year ended 2015-16 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 26th Annual Report for the financial year ended 2015-16 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 April 21, 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](mailto:company.secretary@kanishksteels.in) mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication.



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](http://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.

11. The route map showing directions to reach the venue of the AGM is annexed.
12. 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.
13. The Board of Directors has appointed Mr. S. Dhanapal, Senior Partner, M/s. S. Dhanapal, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
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. 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 of Members receiving an e-mail from NSDL:**

I. 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 of Members receiving an e-mail from NSDL:**

- i. Open the PDF file 'KSIL e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- ii. Launch an internet browser and open <https://www.evoting.nsdl.com/>
- iii. Click on Shareholder - Login.
- iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
- v. Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- vi. Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- vii. Select 'EVEN' of 'Kanishk Steel Industries Limited'.

- viii. Now you are ready for e-voting as 'Cast Vote' page opens.
- ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- x. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. 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 Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [csdhanapal@gmail.com](mailto:csdhanapal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip**

- i. Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN [E-Voting Event Number ]	USER ID	Password

- ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
  - IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 28th August, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.
  - V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed prior to the date of AGM. Accordingly, the voting period shall commence at 10.00 a.m. on September 26, 2016 and will end at 5.00 p.m. on September 29, 2016. The e-voting module shall be disabled by NSDL at 5.00 p.m. on the same day.
  - VI. The results of the voting shall be declared in accordance with the requirements of the Companies Act, 2013. The results along with the Scrutinizer's Report, shall be placed on the website of the Company [www.kanishksteels.in](http://www.kanishksteels.in) and website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
17. Disclosure as required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment/ re-appointment at the Twentysixth Annual General Meeting is annexed hereto.



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

### **Item No:4**

Your company is engaged in the business of steel manufacturing. The cost records maintained under section 209(1) (d) of the company subjected to an Audit under the Section 233B of the Companies Act, 1956. Cost Auditor for this purpose was appointed with the approval of Central Government.

The Section 148 of the Companies Act, 2013 now mandates for maintenance of cost records and audit thereof. The remuneration for the audit of cost records is determined by the Board of Directors on the recommendations of Audit Committee and shall be ratified by the shareholders at the next General meeting. The approval of Central Government is no longer required under the new law.

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 2016-17 and determined the remuneration 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 the Ordinary Resolution as set out at item no.4 for approval of the Members.

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 AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:**

#### **RE-APPOINTMENT OF MR.KANISHK GUPTA (ITEM NO. 3)**

In terms of Section 152(6) of the Companies Act, 2013, Mr. Kanishk Gupta shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Mr. Kanishk Gupta is aged 29 years and appointed as an Executive Director of the Company for a period of five years effective from 3<sup>rd</sup> September, 2012.

Mr. Kanishk Gupta 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 related to Mr. Ravi Kumar Gupta, the Chairman and Managing Director of the Company. He holds Directorship in the following Companies also: Kanishk Metal Recycling Private Limited, Om Power Shakti India Private Limited. He is also Designated Partner in Vallur Holdings LLP.



## DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting 26th Annual Report of the Company together with the financial statements for the year ended March 31, 2016.

### FINANCIAL SUMMARY:

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

(Amount in Rs.)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Sales - Gross	3,003,267,454	3,304,351,022
Profit after Interest & Depreciation	61,231,683	14,072,340
Provision for Tax	10,424,739	11,384,343
Profit after Tax	47,303,603	2,687,997
Add: Taxation Adjustments of Previous Years	-	-
Add: Balance of Profit brought from previous year	(2,545,303)	2,687,997
Profit available for Appropriation	47,303,603	2,687,997
<b>APPROPRIATIONS</b>		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	47,303,603	2,687,997

### COMPANY'S PERFORMANCE:

Your Company is engaged in the manufacture and supply of Iron & Steel products. The financial year 2015 - 16 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 the right directions from the company's management have helped the company to perform well even at the challenging market conditions. During the year, the turnover was Rs. 3,003,267,454/- as against Rs. 3,304,351,022/- for the previous year. The profit before tax of was Rs. 61,231,683 /- as against Rs. 14,072,340/- for the previous year.

### DIVIDEND:

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

### CONSOLIDATED FINANCIAL RESULTS:

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standard 21 - "Consolidated Financial Statements", prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statement reflect the financial position of the Company and its Associate Company. As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements)



Regulations 2015 (hereinafter referred to as 'SEBI(LODR) Regulations, 2015'), the Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

#### **ASSOCIATE COMPANY:**

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the rules made thereunder, a statement containing the salient features of the financial statement of the Associate in the Form AOC-1 is provided in **Annexure I** and form part of this Report. The statement provides the details of performance and financial position of the Associate.

Your Company does not have any Material Subsidiary as defined under Regulation 16(1)(c) of SEBI(LODR) Regulations, 2015 as on 31 March 2016.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements, audited accounts of the Associate and other documents attached thereto are available on our website: [www.kanishksteels.in](http://www.kanishksteels.in).

#### **RESERVES:**

Your Company has not transferred profit to the General Reserve for the financial year ending March 31, 2016.

#### **MANAGEMENT DISCUSSION & ANALYSIS:**

A detailed analysis on the performance of the industry and the Company is provided in the Management Discussion and Analysis report as **Annexure II** and 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:**

During the year, Five Board meetings were held under review.

#### **DIRECTORS AND KMP:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles

of Association of the Company, Mr. Kanishk Gupta, Director, retiring by rotation at the ensuing Annual General Meeting, is eligible for re-appointment.

**Declaration by Independent Directors:**

All the Independent Directors have given a 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 March 31, 2016 along with the Auditor's Certificate on its compliance is forming part of this Report as **Annexure III**.

**AUDIT COMMITTEE:**

The Board of Directors has constituted its audit committee. The composition, powers, role and terms of reference of the 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 Committee along with Meetings held during the 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 IV**.

**AUDITORS AND AUDITORS' REPORT:**

The Members at the 24<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014 had appointed M/s. Chaturvedi & Company, Chartered Accountants, Chennai, as the Statutory Auditors of the Company pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 to hold office from the conclusion of that Annual General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors for the purpose of audit.

Further, the Members at the 25<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 had ratified the appointment of M/s. Chaturvedi & Company, Chartered Accountants, Chennai as the Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting.

In this regard, M/s. Chaturvedi & Company, Chartered Accountants, Chennai have submitted their written consent that they are eligible and qualified to be re-appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

Accordingly, the Board recommends to the Members for ratification of the appointment of M/s. Chaturvedi & Company, Chartered Accountants, Chennai as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

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 2015-16 to carry out the cost audit of Company's records of the company at a remuneration of Rs.60,000/-. The Board seeks members' approval at the ensuing AGM of the company for remuneration to cost auditors.

### **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 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 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 2015-16 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 V**.

### **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 VI** 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 VII**.

### **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, 2016) and the date of the Report i.e., 30<sup>th</sup> May 2016).

**ANNUAL RETURN:**

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

**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 2015-16. The Secretarial Audit Report is given as **Annexure IX** 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.

**CEO/CFO CERTIFICATION:**

Mr. Ravi Kumar Gupta, Chairman and Managing Director and Mr. Vishal Keyal, Whole-time



director and Chief Financial Officer have certified to the Board in terms of under the SEBI (LODR) Regulations, 2015.

**ACKNOWLEDGEMENT:**

Your directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company which was instrumental in achieving profitable financial results in a difficult year. Your directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TNEB, State Bank of India, Corporation Bank, the Customers, Shareholders and other stakeholders for continuing support and encouragement.

For and on behalf of the Board of Directors,

Date: May 30, 2016

Place: Chennai

**RAVI KUMAR GUPTA.**

Chairman & Managing Director.

**Annexure I****FORM AOC -1**

(Statement Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures.

Name of the Associate Company	Gita Renewable Energy Limited
1. Latest Unaudited Balance Sheet Date	: 31.03.2016
2. Share of Associate held by the Company on :	
the year end	
Number of Shares	: 106399 Equity Shares of Rs.10/- each
Amount of Investment in Associate	: Rs. 28,175,970/-
Extend of Holding %	: 26%
3. Description of how there is significant influence	: Voting rights
4. Reason why the associate is not consolidated	: N.A.
5. Net worth attributable to Shareholding as per	: Rs. 26,117,834/-
latest unaudited Balance Sheet	
6. Profit / Loss for the year	:
(i) Considered in consolidation	: Rs. 2,837,360/-
(ii) Not Considered in consolidation	: Rs. 8,071,367/-

**Annexure II****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. Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015 in World. The per capita consumption in India is expected to increase. Steel demand is closely linked to the growth in GDP and thus it is expected to grow by 6% to 7% in future. [Source: Ministry of Steel].

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, INR Value against global currencies and changing policy reforms 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 III. A**

### **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 31st March 2016, 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: May 30, 2016



**Annexure III. B****REPORT ON CORPORATE GOVERNANCE**

(For the Financial Year 2015-16)

**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. Vishal Keyal	Whole-time Director; Executive Director	Non-independent
Mr. Kanishk Gupta	Executive Director	Promoter 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
Ms. R. Maheswari	Non-Executive Director	Independent 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.

Taking into account the transitory provisions u/s 149(11) of the Act, the Independent directors Dr.K.S.Venkatagiri and Dr.Pravin Kumar Aggarwal are holding their office up to 31.03.2019 and



Dr.K.Selvakumar is holding his office up to 27th AGM. Ms.Maheswari holds her office as director up to the conclusion of the 29th 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 Clause 49 of the Listing Agreement, 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 aforementioned 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	-	-	-
Ms. R. Maheswari	2	-	-

#only in public companies

## B. Board Meetings:

During the year 2015-16, the Board met five times i.e., on held on 30.05.2015, 14.08.2015, 13.11.2015, 19.01.2016 and 10.02.2016 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 30.09.2015. The attendance records of all Directors are as under:

Name of the Directors	Board Meetings		Last AGM Attendance
	Held	Attended	
Mr. Ravi Kumar Gupta	5	5	Present
Mr. Vishal Keyal	5	5	Present
Mr.Kanishk Gupta	5	5	Present
Mr. K.S. Venkatagiri	5	4	Present
Dr. Pravin Kumar Aggarwal	5	4	Present
Dr.K.Selvakumar	5	4	Present
Ms.R.Maheswari	4	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 Act and the listing agreement with not less than two-third of Independent directors.

Audit committee meetings were held on 30.05.2015, 14.08.2015, 13.11.2015 and 10.02.2016

during the financial year 2015-16 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	4
Dr. Pravin Kumar Aggarwal	Independent Director	Member	4	4
Dr. K. Selvakumar	Independent Director	Member	4	3
Mr. Ravi Kumar Gupta	Non Independent Director	Member	4	4

#### B. Nomination cum Remuneration Committee:

The Company has constituted a Nomination cum Remuneration Committee of the Board in conformity with the Act and the listing agreement. All member directors of the committee are independent directors. The committee meetings were held on 10.02.2016 during the financial year 2015-16 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	1	1
Dr. Pravin Kumar Aggarwal	Independent Director	Member	1	1
Dr. K. Selvakumar	Independent Director	Member	1	1

#### Remuneration Policy:

The company has framed 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 2015-16, the remuneration paid to executive directors is as follows:

Director	Remuneration In Rs.	Perks In Rs.	Total In Rs.
Mr. Ravi Kumar Gupta	12,00,000	Nil	12,00,000
Mr. Vishal Keyal	9,00,000	Nil	9,00,000
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	12,000	4,000	1000	17,000
Dr. Pravin Kumar Aggarwal	12,000	4,000	1000	17,000
Dr.K.Selvakumar	12,000	3,000	1000	16,000
Ms.R.Maheswari	12,000	-	-	12,000
Total	48,000	11,000	3,000	62,000

### 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 20.04.2015 and 10.03.2016 during the financial year 2015-16 and attendance of members is provided hereunder:

Director	Executive/ Non Executive	Position	Committee Meetings	
			Held	Attended
Dr. Pravin Kumar Aggarwal	Non-Executive Director	Chairman	2	2
Mr. Ravi Kumar Gupta	Executive Director	Member	2	2
Mr. Vishal Keyal	Executive Director	Member	2	2

### Name and designation of compliance officer:

Mr. M.K. Madhavan, 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 31.03.2016
1	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
2012-13	30.09.2013	3.00 P.M	B27(M), SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur District, Tamil Nadu – 601 201
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

## II. Details of Special resolutions passed

Year	Special resolutions
2012-13	<ul style="list-style-type: none"> <li>• Waiver of recovery of excess remuneration paid to Mr. Ravi Kumar Gupta, Chairman and Managing Director</li> <li>• Re-appointment of Mr. Ravi Kumar Gupta as Chairman and Managing Director</li> </ul>
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>

**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 Clause 54 to the Listing Agreement, 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 : 23rd September 2016 to 30<sup>th</sup> September 2016  
(both days inclusive).

Date, time and venue of Annual : 30<sup>th</sup> September, 2016 at 3.00 p.m. at  
General Meeting : B-27(M), SIPCOT Industrial Complex,  
Gummidipoondi,  
Tamilnadu – 601201



Financial Calendar	: Financial Reporting for the quarter ending 30 <sup>th</sup> June 2016-Latest by 14 <sup>th</sup> of Aug 2016 30 <sup>th</sup> Sept 2016-Latest by 14 <sup>th</sup> of Nov 2016 31 <sup>st</sup> Dec 2016-Latest by 14 <sup>th</sup> of Feb 2016 31 <sup>st</sup> Mar 2017 - Latest by 30 <sup>th</sup> May 2017
Dividend Payment	: N.A.
Listing on Stock Exchanges	: Bombay Stock Exchange Limited
Depository Participant	: National Securities Depository Limited Central Depository Services Limited
Stock Code	: Mumbai Stock Scrip Code no: 513456
Demat ISIN Number In NSDL CDSL	: INE 791E01018 INE 791E01018
Listing on Stock Exchange (overseas)	: Nil

#### Plant Location:

**Rolling& Furnace Mills :** B-27 (M) , B-27 (N) SIPCOT Industrial Complex  
Gummudipoondi, Thiruvallur District,  
Tamilandu- 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 2015-16 is furnished below:

Month	Open Price	High Price	Low Price	Close Price	Volume of traded Shares
Apr-15	9.97	10	9.03	9.03	11201
May-15	8.58	8.58	4.5	4.96	8106
Jun-15	4.96	5.45	4.69	4.93	4078
Jul-15	5	5.56	4.15	5.01	17967
Aug-15	5.25	6.3	4.98	5.68	19422
Sep-15	5.96	5.96	5.07	5.07	25257
Oct-15	5.07	5.96	5.06	5.84	17606
Nov-15	6	6	5.01	5.52	2402
Dec-15	5.79	7.17	5.51	7.17	63211
Jan-16	7.52	8.92	7.52	7.84	56686
Feb-16	8	8	5.6	6.15	4691
Mar-16	6.45	6.6	6	6	1875

**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 31.03.2016 is 300 shares and shares pending for transfer as on 31.03.2016 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.Rs.	Number	% to Total	Shares	% to total
( 1 )	( 2 )	( 3 )	( 4 )	( 5 )
10-5000	4718	90.1930	7507780	2.6402
5001-10000	240	4.5880	1908020	0.6709
10001-20000	104	1.9881	1494810	0.5256
20001-30000	34	0.6499	875920	0.3080
30001-40000	23	0.4396	816440	0.2871
40001-50000	18	0.3441	850930	0.2992
50001-100000	29	0.5543	2086930	0.7339
100001 & Above	65	1.2425	268819910	94.5348
<b>Total</b>	<b>5231</b>	<b>100.0000</b>	<b>284360740</b>	<b>100.0000</b>

**Share holding pattern as on 31st March 2016**

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.	0	0.00
	Foreign Institutional Investor	1611	0.01
	<b>Sub Total[B] [1]</b>	<b>1611</b>	<b>0.01</b>



Category		No. of Shares Held	Percentage of Share holding
2	Non-Institutions.		
a.	Bodies Corporate.	5139327	18.07
b.	Individuals		
	I. Individual Shareholders Holding Nominal Share Capital upto Rs 1 Lakh	1452846	5.11
	II Individual Shareholders Holding Nominal Share Capital in excess of Rs 1 Lakh	1211549	4.26
c.	Any Other.		
	Clearing Members	125	0.00
	HUF	423688	1.49
	Non Resident Indians	123445	0.43
	<b>Sub Total[B] [2]</b>	<b>8350980</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>
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
	1) Promoter and Promoter Group	0	0.00
	2) Public	0	0.00
	<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 31.03.2016) 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: May 30, 2016  
Place: Chennai

**RAVI KUMAR GUPTA**  
Chairman & Managing Director



## Annexure IV

### 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. Ravi Kumar Gupta: 13:1; Mr. Vishal Keyal: 8:1 and Mr. Kanishk Gupta: 10:1
- 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

	31.03.2016	31.03.2015
Market capitalisation	170,616,444	298,294,416
PE Ratio	3.60	116.56
% increase in market quote	(42.80%)	4.90

- 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 V****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	Gita Renewable Energy Limited
(b)	Nature of contracts/arrangements/transactions	Purchase of power
(c)	Duration of the contracts / arrangements/transactions	FY 2015-16
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase of power on group captive policy.
(e)	date(s) of approval by the Board	May 30, 2015
(f)	Amount paid as advances, if any:	Nil

For KANISHK STEEL INDUSTRIES LIMITED,

Date : May 30, 2016  
Place : Chennai

**RAVI KUMAR GUPTA**  
Chairman & Managing Director



## Annexure VI

### 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

## Annexure VII

### 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 March 31, 2016.

Date: May 30, 2016

Place: Chennai

**RAVI KUMAR GUPTA.**

Chairman & Managing Director.

**Annexure VIII****Form No.MGT - 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : **L27109TN1995PLC067863**
- ii) Registration Date: **1st March, 1989**
- iii) Name of the Company : **KANISHK STEEL INDUSTRIES LIMITED**
- iv) Category / Sub-Category of the Company: **Public Limited 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
- 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**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Gita Renewable Energy Limited	U40108TN2010PLC074394	Associate Company	26.00%	Section 2(6)



#### 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	7845069	64	7845133	27.5886	7845133	0	7845133	27.5886	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	7118350	1120000	8238350	28.9714	7118350	1120000	8238350	28.9714	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>14963419</b>	<b>1120064</b>	<b>16083483</b>	<b>56.5601</b>	<b>14963483</b>	<b>1120000</b>	<b>16083483</b>	<b>56.5601</b>	<b>0.0000</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	2000000	2000000	7.0333	0	2000000	2000000	7.0333	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	DIRECTORS/ RELATIVE NRI	0	2000000	2000000	7.0333	2000000	0	2000000	7.0333	0.0000
		0	2000000	2000000	7.0333	2000000	0	2000000	7.0333	0.0000
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>4000000</b>	<b>4000000</b>	<b>14.0666</b>	<b>2000000</b>	<b>2000000</b>	<b>4000000</b>	<b>14.0666</b>	<b>0.0000</b>

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	
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A) (1)+(A)(2)</b>	<b>14963419</b>	<b>5120064</b>	<b>20083483</b>	<b>70.6267</b>	<b>16963483</b>	<b>3120000</b>	<b>20083483</b>	<b>70.6267</b>	<b>0.0000</b>
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/ UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	10308	0	10308	0.0362	1611	0	1611	0.0056	-0.0305
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>10308</b>	<b>0</b>	<b>10308</b>	<b>0.0362</b>	<b>1611</b>	<b>0</b>	<b>1611</b>	<b>0.0056</b>	<b>-0.0305</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	5232840	6900	5239740	18.4263	5132427	6900	5139327	18.0732	-0.3531
b.	INDIVIDUALS -									



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	
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	841186	493758	1334944	4.6945	872544	487558	1360102	4.7830	0.0884
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1207069	19700	1226769	4.3141	1284593	19700	1304293	4.5867	0.2726
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	0	0	0	0.0000	125	0	125	0.0004	0.0004
	HINDU UNDIVIDED FAMILIES	417692	0	417692	1.4688	423688	0	423688	1.4899	0.0210
	NON RESIDENT INDIANS	49238	73900	123138	0.4330	49545	73900	123445	0.4341	0.0010
		466930	73900	540830	1.9019	473358	73900	547258	1.9245	0.0226
	<b>SUB - TOTAL (B)(2)</b>	<b>7748025</b>	<b>594258</b>	<b>8342283</b>	<b>29.3369</b>	<b>7762922</b>	<b>588058</b>	<b>8350980</b>	<b>29.3675</b>	<b>0.0305</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>7758333</b>	<b>594258</b>	<b>8352591</b>	<b>29.3732</b>	<b>7764533</b>	<b>588058</b>	<b>8352591</b>	<b>29.3732</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>22721752</b>	<b>5714322</b>	<b>28436074</b>	<b>100.0000</b>	<b>24728016</b>	<b>3708058</b>	<b>28436074</b>	<b>100.0000</b>	<b>0.0000</b>
<b>C.</b>	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>22721752</b>	<b>5714322</b>	<b>28436074</b>	<b>100.0000</b>	<b>24728016</b>	<b>3708058</b>	<b>28436074</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 BAGUM	2000000	7.0333	0.0000	0	0.0000	0.0000	-7.0333
5	TAMILNADU PROPERTY DEVELOPERS LTD	1280000	4.5013	0.0000	1280000	4.5013	0.0000	0.0000
6	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED	1259807	4.4303	0.0000	1259807	4.4303	0.0000	0.0000
7	TAMILNADU PROPERTY DEVELOPERS PVT LTD	1120000	3.9386	3.9386	1120000	3.9386	3.9386	0.0000
8	GOODFAITH VINIMAY PRIVATE LIMITED	1001243	3.5210	0.0000	1001243	3.5210	0.0000	0.0000
9	ARVIND GUPTA	979017	3.4428	0.0000	979017	3.4428	0.0000	0.0000
10	SUDHA GUPTA MRS	929840	3.2699	0.0000	929840	3.2699	0.0000	0.0000
11	RENU DEVI JALAN	800000	2.8133	0.0000	800000	2.8133	0.0000	0.0000
12	RAVI KUMAR GUPTA	748403	2.6318	0.0000	748467	2.6321	0.0000	0.0002
13	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED	687259	2.4168	0.0000	687259	2.4168	0.0000	0.0000
14	ABHISHEK SARAFF	589700	2.0737	0.0000	589700	2.0737	0.0000	0.0000
15	ASSAM MERCANTILE COMPANY LIMITED	525144	1.8467	0.0000	525144	1.8467	0.0000	0.0000
16	KANISHK GUPTA	383156	1.3474	0.0000	383156	1.3474	0.0000	0.0000
	HAVING SAME PAN							
16	KANISHK GUPTAMR	34456	0.1211	0.0000	34456	0.1211	0.0000	0.0000
17	SATYA NARAIN GUPTA JT1 : LAXMI DEVI GUPTA JT2 : RAMESH KUMAR GUPTA	377600	1.3278	0.0000	377600	1.3278	0.0000	0.0000
18	INDIAN CORPORATE BUSINESS CENTRE LTD	349400	1.2287	0.0000	349400	1.2287	0.0000	0.0000
19	SHAILJA GUPTA	192733	0.6777	0.0000	192733	0.6777	0.0000	0.0000
	HAVING SAME PAN							
19	SHAILJA GUPTA	36272	0.1275	0.0000	36272	0.1275	0.0000	0.0000
20	ROOP CHAND BETALA JT1 : RATNA BETALA	100000	0.3516	0.0000	100000	0.3516	0.0000	0.0000
21	RAVI GUPTA MR	80800	0.2841	0.0000	80800	0.2841	0.0000	0.0000
22	SAMRIDHI GUPTA MS	74724	0.2627	0.0000	74724	0.2627	0.0000	0.0000
23	ARVIND GUPTA.MR	57050	0.2006	0.0000	57050	0.2006	0.0000	0.0000
24	RAJESH GUPTA	57050	0.2006	0.0000	57050	0.2006	0.0000	0.0000
25	AVANTIKA GUPTA MS	21608	0.0759	0.0000	21608	0.0759	0.0000	0.0000



SI 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	
26	NIVEDITA GUPTA	10000	0.0351	0.0000	10000	0.0351	0.0000	0.0000
27	NIVEDITA GUPTA	2194	0.0077	0.0000	2194	0.0077	0.0000	0.0000
28	SUBHASH CHANDRA SARAFF	292	0.0010	0.0000	292	0.0010	0.0000	0.0000
29	RAVI GUPTA	64	0.0002	0.0000	0	0.0000	0.0000	-0.0002
30	AMEENA BEGUM S .	0	0.0000	0.0000	2000000	7.0333	0.0000	7.0333

**(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-2015	2370174	8.3350	2370174	8.3350
	At the end of the Year 31-Mar-2016	2370174	8.3350	2370174	8.3350
2	TAMILNADU ENTERPRISES AND INVESTMENT PRIVATE LTD				
	At the beginning of the year 01-Apr-2015	2015497	7.0878	2015497	7.0878
	At the end of the Year 31-Mar-2016	2015497	7.0878	2015497	7.0878
3	RADIANT SOLUTIONS PRIVATE LTD				
	At the beginning of the year 01-Apr-2015	2000000	7.0333	2000000	7.0333
	At the end of the Year 31-Mar-2016	2000000	7.0333	2000000	7.0333
4	AMEENA BAGUM				
	At the beginning of the year 01-Apr-2015	2000000	7.0333	2000000	7.0333
	Sale 21-Aug-2015	-2000000	7.0333	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
5	TAMILNADU PROPERTY DEVELOPERS LTD				
	At the beginning of the year 01-Apr-2015	1280000	4.5013	1280000	4.5013
	At the end of the Year 31-Mar-2016	1280000	4.5013	1280000	4.5013
6	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED				
	At the beginning of the year 01-Apr-2015	1259807	4.4303	1259807	4.4303
	At the end of the Year 31-Mar-2016	1259807	4.4303	1259807	4.4303
7	TAMILNADU PROPERTY DEVELOPERS PVT LTD				

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 beginning of the year 01-Apr-2015	1120000	3.9386	1120000	3.9386
	At the end of the Year 31-Mar-2016	1120000	3.9386	1120000	3.9386
8	GOODFAITH VINIMAY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	1001243	3.5210	1001243	3.5210
	At the end of the Year 31-Mar-2016	1001243	3.5210	1001243	3.5210
9	ARVIND GUPTA				
	At the beginning of the year 01-Apr-2015	979017	3.4428	979017	3.4428
	At the end of the Year 31-Mar-2016	979017	3.4428	979017	3.4428
10	SUDHA GUPTA MRS				
	At the beginning of the year 01-Apr-2015	929840	3.2699	929840	3.2699
	At the end of the Year 31-Mar-2016	929840	3.2699	929840	3.2699
11	RENU DEVI JALAN				
	At the beginning of the year 01-Apr-2015	800000	2.8133	800000	2.8133
	At the end of the Year 31-Mar-2016	800000	2.8133	800000	2.8133
12	RAVI KUMAR GUPTA				
	At the beginning of the year 01-Apr-2015	748403	2.6318	748403	2.6318
	Demated 22-May-2015	64	0.0002	748467	2.6321
	At the end of the Year 31-Mar-2016	748467	2.6321	748467	2.6321
13	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED				
	At the beginning of the year 01-Apr-2015	687259	2.4168	687259	2.4168
	At the end of the Year 31-Mar-2016	687259	2.4168	687259	2.4168
14	ABHISHEK SARAFF				
	At the beginning of the year 01-Apr-2015	589700	2.0737	589700	2.0737
	At the end of the Year 31-Mar-2016	589700	2.0737	589700	2.0737
15	ASSAM MERCANTILE COMPANY LIMITED				
	At the beginning of the year 01-Apr-2015	525144	1.8467	525144	1.8467
	At the end of the Year 31-Mar-2016	525144	1.8467	525144	1.8467
16	KANISHK GUPTA				
	At the beginning of the year 01-Apr-2015	383156	1.3474	383156	1.3474
	At the end of the Year 31-Mar-2016	383156	1.3474	383156	1.3474
	HAVING SAME PAN				
16	KANISHK GUPTAMR				
	At the beginning of the year 01-Apr-2015	34456	0.1211	34456	0.1211
	At the end of the Year 31-Mar-2016	34456	0.1211	34456	0.1211



Sl 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
17	SATYA NARAIN GUPTA JT1 : LAXMI DEVI GUPTA JT2 : RAMESH KUMAR GUPTA				
	At the beginning of the year 01-Apr-2015	377600	1.3278	377600	1.3278
	At the end of the Year 31-Mar-2016	377600	1.3278	377600	1.3278
18	INDIAN CORPORATE BUSINESS CENTRE LTD				
	At the beginning of the year 01-Apr-2015	349400	1.2287	349400	1.2287
	At the end of the Year 31-Mar-2016	349400	1.2287	349400	1.2287
19	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2015	192733	0.6777	192733	0.6777
	At the end of the Year 31-Mar-2016	192733	0.6777	192733	0.6777
	HAVING SAME PAN				
19	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2015	36272	0.1275	36272	0.1275
	At the end of the Year 31-Mar-2016	36272	0.1275	36272	0.1275
20	ROOP CHAND BETALA JT1 : RATNA BETALA				
	At the beginning of the year 01-Apr-2015	100000	0.3516	100000	0.3516
	At the end of the Year 31-Mar-2016	100000	0.3516	100000	0.3516
21	RAVI GUPTA MR				
	At the beginning of the year 01-Apr-2015	80800	0.2841	80800	0.2841
	At the end of the Year 31-Mar-2016	80800	0.2841	80800	0.2841
22	SAMRIDHI GUPTA MS				
	At the beginning of the year 01-Apr-2015	74724	0.2627	74724	0.2627
	At the end of the Year 31-Mar-2016	74724	0.2627	74724	0.2627
23	ARVIND GUPTA.MR				
	At the beginning of the year 01-Apr-2015	57050	0.2006	57050	0.2006
	At the end of the Year 31-Mar-2016	57050	0.2006	57050	0.2006
24	RAJESH GUPTA				
	At the beginning of the year 01-Apr-2015	57050	0.2006	57050	0.2006
	At the end of the Year 31-Mar-2016	57050	0.2006	57050	0.2006
25	AVANTIKA GUPTA MS				
	At the beginning of the year 01-Apr-2015	21608	0.0759	21608	0.0759
	At the end of the Year 31-Mar-2016	21608	0.0759	21608	0.0759
26	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2015	10000	0.0351	10000	0.0351

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-2016	10000	0.0351	10000	0.0351
27	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2015	2194	0.0077	2194	0.0077
	At the end of the Year 31-Mar-2016	2194	0.0077	2194	0.0077
28	SUBHASH CHANDRA SARAFF				
	At the beginning of the year 01-Apr-2015	292	0.0010	292	0.0010
	At the end of the Year 31-Mar-2016	292	0.0010	292	0.0010
29	AMEENA BEGUM S .				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Demated 21-Aug-2015	2000000	7.0333	2000000	7.0333
	At the end of the Year 31-Mar-2016	2000000	7.0333	2000000	7.0333

**(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	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	CHENNAI MATERIAL RECYCLING AND TRADING COMPANY PRIVATE LTD				
	At the beginning of the year 01-Apr-2015	2489584	8.7550	2489584	8.7550
	At the end of the Year 31-Mar-2016	2489584	8.7550	2489584	8.7550
2	ROTOFLEX PACKAGING (P) LTD				
	At the beginning of the year 01-Apr-2015	700745	2.4642	700745	2.4642
	Sale 15-May-2015	-700745	2.4642	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
3	GLOBE STOCKS AND SECURITIES LTD.				
	At the beginning of the year 01-Apr-2015	604805	2.1268	604805	2.1268
	Purchase 15-May-2015	700745	2.4642	1305550	4.5911
	At the end of the Year 31-Mar-2016	1305550	4.5911	1305550	4.5911
4	PRJ FINANCE PVT.LTD.				



		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
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
	At the beginning of the year 01-Apr-2015	485000	1.7055	485000	1.7055
	At the end of the Year 31-Mar-2016	485000	1.7055	485000	1.7055
5	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2015	284207	0.9994	284207	0.9994
	At the end of the Year 31-Mar-2016	284207	0.9994	284207	0.9994
6	SANGITA GARG				
	At the beginning of the year 01-Apr-2015	271664	0.9553	271664	0.9553
	At the end of the Year 31-Mar-2016	271664	0.9553	271664	0.9553
7	KARIKISH VYAPAAR PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	249101	0.8760	249101	0.8760
	At the end of the Year 31-Mar-2016	249101	0.8760	249101	0.8760
8	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2015	243629	0.8567	243629	0.8567
	At the end of the Year 31-Mar-2016	243629	0.8567	243629	0.8567
9	D M TRADING PVT LTD				
	At the beginning of the year 01-Apr-2015	231200	0.8130	231200	0.8130
	At the end of the Year 31-Mar-2016	231200	0.8130	231200	0.8130
10	SHAILESH OMPRAKASH JALAN				
	At the beginning of the year 01-Apr-2015	150410	0.5289	150410	0.5289
	At the end of the Year 31-Mar-2016	150410	0.5289	150410	0.5289
	NEW TOP 10 AS ON (31-Mar-2016)				
11	NIMESH MAHESHBHAI SHAH				
	At the beginning of the year 01-Apr-2015	140000	0.4923	140000	0.4923
	At the end of the Year 31-Mar-2016	140000	0.4923	140000	0.4923

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

For Each of the Directors and KMP	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
RAVI KUMAR GUPTA	1337267	4.70	748403	2.63
KANISHK GUPTA	417612	1.47	417612	1.47

**V. INDEBTEDNESS**

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

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr.Ravi Kumar Gupta	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	Rs.12,00,000	Rs.7,00,000	Rs.9,00,000	28,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>12,00,000</b>	<b>7,00,000</b>	<b>9,00,000</b>	<b>28,00,000</b>
	Ceiling as per the Act	-	-	-	-

### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount
	Mr.K.S. Venkatagiri	Mr.Pravin Kumar Agarwal	Mr.K. Selvakumar	
Independent Directors	Yes	Yes	Yes	
• Fee for attending board / committee meetings	Rs.17,000	Rs.17,000	Rs.16,000	Rs.12,000
• Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (1)</b>	<b>Rs.17,000</b>	<b>Rs.17,000</b>	<b>Rs.16,000</b>	<b>Rs.12,000</b>
Other Non-Executive Directors	-	-	-	-
• Fee for attending board / committee meetings				
• Commission				
• Others, please specify				
<b>Total (2)</b>	-	-	-	-
<b>Total (B)=(1+2)</b>	<b>Rs.17,000</b>	<b>Rs.17,000</b>	<b>Rs.16,000</b>	<b>Rs.12,000</b>
<b>Total Managerial Remuneration</b>	<b>12,00,000</b>	<b>7,00,000</b>	<b>9,00,000</b>	<b>28,00,000</b>
Overall Ceiling as per the Act	-	-	-	-



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7,00,000	-	7,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	7,00,000	-	7,00,000

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	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	-	-	--	-	-



## **Annexure IX**

### **FORM NO. MR-3 SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

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

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 March 31, 2016, 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 March 31, 2016 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'):-
  - 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;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

and we have examined the systems and processes in place to ensure compliance with general laws, considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances with general law, considering that the applicability of any specific law has not been identified by the Management.

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) made effective 1st July, 2015.
- ii) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 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 FEMA and under Companies Act, 2013 relating to meetings/minutes, filing of e-forms, disclosures in Board's Report and website disclosures.

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 ordinary business at the Annual General Meeting:

- Re-appointment of Mr. Vishal Keyal as whole-time Director
- Appointment of Ms.R.Maheswari as an Independent Director
- 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: 30.05.2016

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

**S. Dhanapal**  
**(Sr. Partner)**  
**FCS 6881**  
**CP No. 7028**

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,  
Chennai

**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**

- e. 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: 30.05.2016

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

**S. Dhanapal**  
**(Sr. Partner)**  
**FCS 6881**  
**CP No. 7028**



## **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 2016, 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 2016 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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 26 (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.

**For CHATURVEDI & COMPANY**

CHARTERED ACCOUNTANTS

FRN 302137E

**S Ganesan, FCA**  
PARTNER

PLACE: Chennai

DATE: May 30, 2016.

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 2016, 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 discrepancy 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 have not been deposited by the Company on account of disputes (also refer point no. 26 (ii) of Additional information to the standalone Financial statements).



Statute Name	Nature of dues	Amount in Rs.	Forum where dispute is pending
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	Honb'le High Court of Madras.
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

- (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 management, 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: 30 May, 2016.

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 March 31, 2016 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, 2016, 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: 30 May, 2016.

Membership No. 217119

**KANISHK STEEL INDUSTRIES LIMITED**  
**STAND ALONE BALANCE SHEET AS ON 31st MARCH, 2016**

PARTICULARS	Note No.	AS AT 31-03-2016 (Amount in Rs.)	AS AT 31-3-2015 (Amount in Rs.)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS FUNDS</b>			
a. Share Capital	2	284,656,570	284,656,570
b. Reserves & Surplus	3	188,367,835	140,300,234
<b>2. NON CURRENT LIABILITIES</b>			
a. Long Term Borrowings	4	478,408	-
b. Deferred Tax Liabilities (Net)	5	39,256,785	40,020,781
c. Long Term Provisions	6	4,180,629	4,061,506
<b>3. CURRENT LIABILITIES</b>			
a. Short Term Borrowings	7	214,438,059	52,877,443
b. Trade Payables		535,449,097	621,712,896
c. Other Current Liabilities	8	295,715,787	259,612,386
d. Short Term Provisions	9	18,144,089	29,461,300
		<b>1,580,687,259</b>	<b>1,432,703,116</b>
<b>B. ASSETS</b>			
<b>4. NON CURRENT ASSETS</b>		<b>256,385,137</b>	<b>263,543,520</b>
a. Fixed Assets :			
Tangible Assets	10	153,681,892	162,731,958
b. Non-Current Investments	11	51,326,346	53,589,366
c. Long Term Loans & Advances	12	51,376,899	47,222,196
<b>5. CURRENT ASSETS</b>			
a. Inventories	13	401,663,046	468,904,693
b. Trade Receivables	14	701,653,407	433,408,149
c. Cash & Cash Equivalents	15	63,682,361	47,600,533
d. Short Term Loans & Advances	16	117,356,119	144,636,483
e. Other Current Assets	17	39,947,189	74,609,738
		<b>1,580,687,259</b>	<b>1,432,703,116</b>

Significant Accounting Policies

1

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, 30 May, 2016

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

**VISHAL KEYAL**      **M K MADHAVAN**  
Whole-time Director & CFO      Company Secretary



**KANISHK STEEL INDUSTRIES LIMITED**  
**STAND ALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	NOTE No.	YEAR ENDED 31-03-2016 (Amount in Rs.)	YEAR ENDED 31-3-2015 (Amount in Rs.)
<b>1. Revenue from Operations</b>	18	<b>3,003,267,454</b>	3,304,351,022
Less: Excise Duty		<b>277,162,315</b>	266,347,876
Revenue from Operations (Net)		<b>2,726,105,139</b>	3,038,003,146
<b>2. Other Income</b>	19	<b>105,227,417</b>	13,674,167
<b>3. Total Revenue</b>		<b>2,831,332,556</b>	3,051,677,313
<b>4. Expenses</b>			
a. Cost of Material Consumed	20	<b>1,204,815,125</b>	1,020,369,908
b. Purchases of traded goods	21	<b>1,104,413,007</b>	1,528,986,053
c. Changes in Inventories of finished goods	22	<b>26,058,480</b>	(10,835,828)
d. Employee benefits expense	23	<b>8,881,755</b>	7,966,836
e. Finance Costs	24	<b>32,300,097</b>	28,911,999
f. Depreciation and Amortisation expenses	10	<b>18,817,569</b>	35,924,867
g. Other expenses	25	<b>374,814,841</b>	426,281,139
<b>Total Expenses</b>		<b>2,770,100,873</b>	3,037,604,974
<b>5. Profit before tax (3- 4)</b>		<b>61,231,683</b>	14,072,339
<b>6. Tax Expense</b>			
1.Current Tax		<b>10,424,739</b>	11,384,343
2. Deferred tax		-	-
3. Earlier year Tax adjustments		<b>3,503,341</b>	-
<b>7. Profit/(Loss) for the year (5 - 6)</b>		<b>47,303,603</b>	2,687,997
<b>Earnings Per Share (Basic and Diluted)</b>	28	<b>1.66</b>	0.09

Significant Accounting Policies 2

Additional Information to Financial Statemets 26

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, 30 May, 2016

For and on behalf of the Board of Directors

**RAVI KUMAR GUPTA**  
 Chairman & Managing Director

**KANISHK GUPTA**  
 Director

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

**M K MADHAVAN**  
 Company Secretary

**KANISHK STEEL INDUSTRIES LIMITED**  
**STAND ALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

PARTICULARS	31.03.2016 (Amount in Rs.)		31.03.2015 (Amount in Rs.)	
<b>A.CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and Extraordinary Items		61,231,683		14,072,339
Adjustments for :				
Depreciation	13,538,699		35,924,867	
Rent received	(575,190)		(554,400)	
Loss on sale of Asset	551,523		(102,584)	
Interest Income	(7,361,457)		(8,908,629)	
Interest Expense	32,300,097	38,453,672	28,911,999	55,271,253
<b>Operating Profit before working capital changes</b>		<b>99,685,355</b>		<b>69,343,593</b>
<b>Adjustments for Changes in:</b>				
Long Term Loans & Advances	(4,154,703)		(4,744,705)	
Short Term Loans & Advances	27,280,364		(55,850,515)	
Other Current Assets	34,662,549		(12,973,698)	
Trade Receivables	(268,245,258)		120,769,479	
Inventories	67,241,646		(48,555,815)	
Increase/(Decrease) of Long Term Provisions	119,123		(130,217)	
Trade Payables	(86,263,799)		230,855,254	
Other Current Liabilities	36,103,400	193,256,677	(160,051,712)	69,318,071
Cash Generated from Operations		<b>(93,571,322)</b>		<b>138,661,664</b>
Less: Taxes Paid		(25,245,291)		(9,941,304)
<b>Net Cash Flow from Operating Activities (A)</b>		<b>(118,816,613)</b>		<b>128,720,360</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	(6,868,653)		(6,362,532)	
Rent received	575,190		554,400	
(Purchase)/Sale of Investment	2,263,020		(1,077,398)	
Sale of Fixed Assets	1,828,500		7,500	
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(2,201,943)</b>		<b>(6,878,030)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Repayment of long term borrowings	478,408		(310,237)	
Short term borrowings	161,560,616		(117,351,791)	
Decrease of long term Liabilities	-		-	



Interest Received	7,361,457		8,908,629	
Interest paid	(32,300,097)		(28,911,998)	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>137,100,384</b>		<b>(137,665,397)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>		<b>16,081,828</b>		<b>(15,823,067)</b>
Cash & Cash Equivalents as at Beginning of the Year	47,600,533		63,423,600	
Cash & Cash Equivalents as at End of the Year (Refer Note 15)	63,682,361		47,600,533	
<b>Components of Cash &amp; Cash Equivalents</b>				
Cash on Hand		6,031,845		2,379,977
Balances with bank				
In Current Account		567,860		608,505
In Deposit Account		57,082,656		44,227,156
In Unpaid Dividend		-		384,894
		<b>63,682,361</b>		<b>47,600,533</b>

**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, 30 May, 2016

For and on behalf of the Board

**RAVI KUMAR GUPTA**  
Chairman & Managing Director

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

**KANISHK GUPTA**  
Director

**M K MADHAVAN**  
Company Secretary



**NOTES FORMING PART OF BALANCE SHEET (STAND ALONE)**

<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
<b>2. 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

**a) Movement of Shares**

There is no movement of shares outstanding at the beginning and at the end of the reporting period.

**b) Terms / rights attached to equity shares:**

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.

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

Particulars	AS AT 31.03.2016		AS AT 31.03.2015	
	No of Shares	% holding	No of Shares	% holding
Chennai Material Recycling & Trading Co Pvt Ltd	2,489,584	8.76	1,489,584	5.24
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



<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
<b>3. RESERVES &amp; SURPLUS</b>		
<b>I. Capital Reserve</b>		
Opening Balance	<b>8,732,431</b>	8,732,431
Closing Balance	<b>8,732,431</b>	8,732,431
<b>II. Capital Redempiton Reserve</b>		
Opening & Closing Balance	<b>300,000</b>	300,000
<b>III. Securities Premium Reserve</b>		
Opening & Closing Balance	<b>87,776,972</b>	80,200,457
Add: Deferred Tax Liability - Reversal	<b>763,996</b>	7,576,515
Closing Balance	<b>88,540,968</b>	87,776,972
<b>IV. Revaluation Reserve</b>		
Opening Balance	<b>74,466,161</b>	80,804,696
Additions during the year	-	-
Utilisation during the year	<b>(5,278,870)</b>	(6,338,535)
Closing Balance	<b>69,187,291</b>	74,466,161
<b>V. General Reserve</b>		
Opening Balance	<b>(442,725,002)</b>	(440,902,386)
Additions during the year	-	(1,822,616)
Closing Balance	<b>(442,725,002)</b>	(442,725,002)
<b>VI. Surplus:</b>		
Opening Balance	<b>411,749,672</b>	407,956,440
Profit for the year	<b>47,303,603</b>	2,687,997
Transfer of Revaluation Reserve	<b>5,278,870</b>	6,338,535
Adjustment for earlier years taxation	-	(5,233,300)
Closing Balance	<b>464,332,145</b>	411,749,672
<b>Total</b>	<b>188,367,835</b>	140,300,234
<b>4. LONG TERM BORROWINGS</b>		
Loan from bank	<b>900,000</b>	310,235
Less: Amount shown under other current liabilities	<b>421,592</b>	310,235
<b>Total</b>	<b>478,408</b>	-
<b>Terms of Repayment and rate of interest:</b> 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)		

<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
<b>5. Deferred Tax Liabilities (net)</b>		
Deferred Tax Liability		
Fixed Asset -Impact of Difference between tax depreciation and depreciation charged in the financial statement {Refer Note No:26(v)}	<b>39,256,785</b>	40,020,781
Gross Deferred Tax Liability	<b>39,256,785</b>	40,020,781
<b>6. Long Term Provisions</b>		
For Employee Benefits	<b>4,180,629</b>	4,061,506
	<b>4,180,629</b>	4,061,506
<b>7. SHORT TERM BORROWING</b>		
From Banks		
<b>Cash Credit:</b>		
Corporation Bank	<b>15,167,389</b>	24,533,782
State Bank of India	<b>199,270,670</b>	28,343,661
(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>214,438,059</b>	52,877,443
<b>8. OTHER CURRENT LIABILITIES</b>		
a. Current maturities of long term borrowings (refer note No.4)	<b>421,592</b>	310,235
b. Unclaimed Dividend	-	384,894
c. Outstanding Liability	<b>7,663,213</b>	11,237,286
d. Customer Advance	<b>285,814,889</b>	247,202,987
e. Other Liabilities	<b>1,816,093</b>	476,985
	<b>295,715,787</b>	259,612,386
<b>9. SHORT TERM PROVISIONS</b>		
a. Taxation	<b>10,424,739</b>	17,972,486
b. Other Provisions	<b>7,719,350</b>	11,488,814
	<b>18,144,089</b>	29,461,300



10. FIXED ASSETS									
(Amount in Rs.)									
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 1-Apr-15	ADDITIONS	DELETIONS/ REFUND	AS ON 31-Mar-16	UP TO 1-Apr-15	For the Year	ON SALES/ ADJUSTMENT	UPTO 31-Mar-16	AS AT 31-Mar-16
LAND LEASE HOLD	2,035,462	-	-	2,035,462	514005	20,560	-	534,565	1,500,897
FACTORY BUILDINGS	45,035,876	-	-	45,035,876	20450580	2,155,915	-	22,606,495	22,429,381
PLANT & MACHINERY	361,374,751	9,116,761	-	370,491,512	256132894	12,940,133	-	269,073,027	101,418,485
ELECTRICAL INSTALLATION	17,179,316	-	-	17,179,316	14721045	588,222	-	15,309,267	1,870,049
CRANE	35,218,290	-	-	35,218,290	15261889	1,533,631	-	16,795,520	18,422,770
FURNITURE & FITTINGS	3,938,216	-	-	3,938,216	2789986	341,962	-	3,131,948	806,268
VEHICLES	22,929,614	3,030,762	6,894,026	19,066,350	15826392	744,069	4,514,003	12,056,458	7,009,892
OFFICE EQUIPMENTS	4,483,002	-	-	4,483,002	3765775	493,077	-	4,258,852	224,147
<b>TOTAL</b>	<b>492,194,527</b>	<b>12,147,523</b>	<b>6,894,026</b>	<b>497,448,024</b>	<b>329,462,566</b>	<b>18,817,569</b>	<b>4,514,003</b>	<b>343,766,132</b>	<b>153,681,892</b>
									<b>162,731,961</b>
PREVIOUS YEAR	485,867,895	6,362,532	35,900	492,194,527	291,747,077	37,747,483	31,994	329,462,566	162,731,961
									194,120,818

**11. NON-CURRENT INVESTMENTS**

<b>PARTICULARS</b>		<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
<b>(Long Term Investments)</b>			
<b>Trade Investments (Stated at Cost)</b>			
<b>a. In Equity Shares - Unquoted, fully paid up</b>			
9,100	OPG Energy Private Limited-'A' Class Shares of Rs.10/- each	<b>160,600</b>	100,000
202,800	OPG Renewable Energy Private Limited Class A Shares of Rs.10/- each (Previous Year: 277500 Shares of Rs.10/- each)	<b>2,028,000</b>	2,775,000
323,375	OPG Business Centre Pvt Ltd Class A Shares of Rs.10/- each (Previous Year: 284375 Shares of Rs.10/- each)	<b>3,233,750</b>	2,843,750
-	OPG Power Generation Pvt Ltd Class A Shares (Previous Year: 10,00,000 Shares of Rs.10/- each)	-	100,000
38,700	Yukti Wind Power Private Limited, Class A Shares of Rs.10/- each	<b>393,192</b>	-
78,750	Tulsyan Power Ltd, Equity Shares of Rs.10/- each	<b>2,362,500</b>	-
1,375	Suryadev Alloys & Power Private Limited, Equity Shares of Rs.10 each	<b>209,688</b>	-
7,744,460	OPGS Power Gujarat Private Limited, Class A Shares of Rs.0.10/- each	<b>774,446</b>	774,446
1,398,820	OPG Energy Private Limited, Class C Shares of Rs.10/- each (Previous Year: 18,82,020 Shares of Rs.10/- each)	<b>13,988,200</b>	18,820,200
<b>b. In Equity Shares of Associate Company-Quoted, fully paid up</b>			
1,069,399	Gita Renewable Energy Limited, Equity Shares of Rs.10/- each (Market Value Rs. 18,661,012/-)	<b>28,175,970</b>	28,175,970
		<b>51,326,346</b>	53,589,366



PARTICULARS	AS AT 31-03-2016 (Amount in Rs.)	AS AT 31-03-2015 (Amount in Rs.)
<b>12. LONG TERM LOANS &amp; ADVANCES</b> (Unsecured, Considered good)		
a. Security Deposits	43,876,899	39,722,196
b. Deposits with related party	7,500,000	7,500,000
	<b>51,376,899</b>	<b>47,222,196</b>
<b>CURRENT ASSETS</b>		
<b>13. INVENTORIES</b> (Valued at lower of Cost and Net Realisable Value) (as valued and certified by the manangement)		
a. Raw Materials	261,861,808	295,840,588
b. Finished Goods	120,066,579	146,125,059
c. Stores and Spares	19,734,659	26,939,046
	<b>401,663,046</b>	<b>468,904,693</b>
<b>14. TRADE RECEIVABLES</b> (Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months	186,981,056	42,523,989
Other Debts	514,672,351	390,884,160
	<b>701,653,407</b>	<b>433,408,149</b>
<b>15. CASH &amp; CASH EQUIVALENTS</b>		
a. Cash on Hand	6,031,845	2,379,977
b. Cash at Bank		
In Current Account	567,860	608,505
In Unpaid Dividend Account	-	384,894
In Deposit Account		
(Deposits with banks within 3-9 months maturity)	57,082,656	44,227,156
	<b>63,682,361</b>	<b>47,600,533</b>
<b>16. SHORT TERM LOANS AND ADVANCES</b> (Unsecured, Considered Good)		
a. Loans & Advances to related parties	-	1,350,000
b. Supplier advance	117,132,446	142,568,567
c. Others Advance	223,673	717,916
	<b>117,356,119</b>	<b>144,636,483</b>
<b>17. OTHER CURRENT ASSETS</b>		
a. Balance with Revenue Authorities	12,980,010	17,931,840
b. Cenvat Balances	26,967,179	56,677,898
	<b>39,947,189</b>	<b>74,609,738</b>

**NOTES FORMING PART OF PROFIT & LOSS STATEMENT (STAND ALONE)**

<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
<b>18. REVENUE FROM OPERATIONS</b>		
Sale of Manufactured products	<b>1,810,218,269</b>	1,742,701,096
Sale of Traded Products	<b>1,193,049,185</b>	1,561,649,926
	<b>3,003,267,454</b>	3,304,351,022
<b>19. OTHER INCOME</b>		
Rent received	<b>575,190</b>	554,400
Sales commission	<b>41,667,896</b>	3,720,469
Insurance claim received	<b>780,674</b>	388,085
Profit On sale of Shares	<b>54,842,200</b>	102,584
Interest Received	<b>7,361,457</b>	8,908,629
	<b>105,227,417</b>	13,674,167
<b>20. COST OF MATERIALS CONSUMED</b>		
Opening Stock	<b>295,840,588</b>	269,411,659
Add: Purchases	<b>1,170,836,345</b>	1,046,798,837
Less: Closing Stock	<b>261,861,808</b>	295,840,588
	<b>1,204,815,125</b>	1,020,369,908
<b>(i) Details of Rawmaterials consumed</b>		
Scrap	<b>354,735,090</b>	146,612,479
Billets/Ingots	<b>835,041,492</b>	852,571,355
Coal	<b>6,707,819</b>	14,896,075
Sponge Iron	<b>8,330,724</b>	6,289,998
	<b>1,204,815,125</b>	1,020,369,908
<b>(ii) Details of Raw Material Inventory</b>		
Scrap	<b>161,553,373</b>	228,159,624
Billets/Ingots	<b>90,860,312</b>	66,829,995
Coal	<b>4,165,524</b>	850,968
Sponge Iron	<b>5,282,599</b>	-
	<b>261,861,808</b>	295,840,588
<b>21. DETAILS OF TRADED GOODS PURCHASED</b>		
Scrap	<b>399,804,717</b>	824,175,860
Billets/Ingots	<b>214,672,595</b>	141,969,758
Rolled & Steel and allied Products	<b>489,935,694</b>	562,840,435
	<b>1,104,413,007</b>	1,528,986,053
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Closing Stock of Finished Goods	<b>120,066,579</b>	146,125,059
Opening Stock of Finished Goods	<b>146,125,059</b>	135,289,231
	<b>26,058,480</b>	(10,835,828)



<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	<b>6,655,825</b>	6,285,806
Contribution to Provident & other funds	<b>2,200,795</b>	1,659,160
Staff and Labour Welfare	<b>25,135</b>	21,870
	<b>8,881,755</b>	7,966,836
<b>24. FINANCE COSTS</b>		
Foreign Exchange Loss	<b>682,873</b>	2,966,101
Interest paid to Banks	<b>31,138,426</b>	25,543,061
Interest - Others	<b>478,798</b>	402,838
	<b>32,300,097</b>	28,911,999
<b>25. OTHER EXPENSES</b>		
<b>a. Material &amp; Manufacturing expenses</b>		
Stores and Spares consumed	<b>37,866,987</b>	25,867,854
Power and Fuel	<b>199,195,018</b>	179,604,227
Freight Charges	<b>16,803,215</b>	18,126,373
Customs Duty & Licence	<b>71,147,735</b>	132,496,634
Clearing and Forwarding Charges	<b>7,788,862</b>	22,602,667
<b>b. Repairs &amp; Maintenance</b>		
Machinery Maintenance	<b>4,100,754</b>	3,714,934
Electrical Maintenance	<b>2,481,116</b>	3,668,556
Vehicle Maintenance	<b>150,850</b>	422,481
<b>c. Administrative Expenses</b>		
Advertisement	<b>63,100</b>	68,300
Bank Charges	<b>14,294,762</b>	21,844,874
Directors' Remuneration	<b>2,864,150</b>	1,600,000
Donation	<b>50,000</b>	-
Insurance	<b>980,244</b>	958,298
Listing Fees	<b>401,468</b>	230,338
Loss on Assets	<b>551,523</b>	-
Rebate and discount	<b>5,057,770</b>	572,086
Sales Tax Expenses	<b>410,952</b>	112,736
Membership and subscription	<b>92,335</b>	99,715



<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-03-2015 (Amount in Rs.)</b>
Payment to Auditors		
- As Audit Fees	<b>115,000</b>	112,360
- As Certification Fees	<b>66,791</b>	101,125
- As Tax Audit Fees	<b>57,500</b>	56,180
Postage	<b>96,607</b>	206,002
Printing and Stationery	<b>229,309</b>	251,452
Professional & Consultancy	<b>997,371</b>	1,341,968
Rates & Taxes	<b>1,933,046</b>	1,686,252
Rent & Amenities	<b>176,722</b>	182,832
Directors Sitting Fees	<b>62,000</b>	50,000
Service Tax Paid	<b>1,493,564</b>	703,087
Share Transfer Charges	<b>86,407</b>	144,689
Telephone Charges	<b>694,534</b>	747,898
Travelling & Conveyance	<b>69,448</b>	627,209
<b>d. Selling and Distribution Expenses</b>		
Finished Goods Expenses	<b>2,674,668</b>	2,464,004
Carriage Outwards	<b>451,068</b>	4,591,865
Sales Promotion Expenditure	<b>276,769</b>	74,833
Sales commission	<b>1,033,196</b>	949,309
	<b>374,814,841</b>	426,281,139



## **Note 1**

### **Notes attached to and forming part of the Balance Sheet as at 31-3-2016 and the Statement of Profit and Loss for the period ended on that date:**

#### **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.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **1.1 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.

##### **1.2 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.

##### **1.3 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.

##### **1.4 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.

##### **1.5 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.

##### **1.6 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.

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.

#### 1.7 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.

#### 1.8 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.

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.



### 1.12 Segment Accounting:

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

### 1.13 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 26 (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.7,63,996/-under review.

### 1.14 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.

## 26. Additional Information to the Financial Statements

### i) Contingent liability not provided for:

Amount in Rs.

Particulars	2015-16	2014-15
(a) Guarantees given by banks on behalf of the company	15,899,520	15,405,800
(b) Outstanding Letters of Credits	192,922,697	111,756,109

### 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.
- 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. 52,78,870/- (Previous Year Rs. 63,38,535/-) 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 2015-2016 is Employers contribution to Provident Fund and ESI Rs.
- 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 (2015-2016) based on actuarial valuation using the projected unit credit method. Accordingly provision of Rs.1,19,123/- has been made in the year 2015-16. (Previous year - Rs. 17,476/-)

Amount in Rs.

Particulars	2015-16	2014-15
<b>I Amounts to be recognized in Balance Sheet</b>		
Present value of funded Obligations	-	-
Fair value of Plan Assets	-	-4,061,506
Present value of unfunded obligations	4,180,629	-
Unrecognized past service cost	-	4,061,506
Net liability	4,180,629	
Amounts in the balance sheet		4,061,506
Liabilities	4,180,629	-
Assets	-	4,061,506
Net liability	4,180,629	
<b>II Expenses Recognized in Income Statement</b>		
Current service cost	265,708	330,011
Interest on obligation	304,613	339,725
Expected return on plan assets	-	-
Net actuarial losses (gains) recognized in the year	(451,198)	(652,260)
Past service cost	--	-
Losses(gains) on curtailments and settlement		-
Expenses recognized in P&L	119,123	17,476



<b>III Changes in Benefit Obligations</b>		
Opening defined Benefit obligation	4,061,506	4,191,723
Current service cost	265,708	330,011
Interest cost for the year	304,613	339,725
Actuarial losses (gains)	(451,198)	(652,260)
Benefits paid	-	(147,693)
Closing defined benefit obligation	4,180,629	4,061,506
<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	7.50%	7.50%
Expected return on plan assets	0.00%	0.00%
Annual increase in Salary costs	6.50%	6.50%
Attrition rate	5%-to-1%	10%-to-5%
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
<b>VII. Table Showing Surplus / (Deficit)</b>		
Defined benefit obligation	4,180,629	4,061,506
Plan assets	-	-
Surplus/(deficit)	(4,180,629)	(4,061,506)

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	(7,63,996)
Deferred Tax Liability adjusted against Securities Premium account (As per Directives of Hon'ble High Court Madras)	(7,63,996)
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 the books are taken as confirmed.

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

Year	2015-16		2014-15	
Particulars	(Amount in Rs.)	%	(Amount in Rs.)	%
Imported	22,38,56,047	18	12,27,88,620	12
Indigenous	101,88,26,065	82	92,34,49,142	88

IX) CIF Value of Imports:

Year	2015-16	2014-15
Particulars	(Amount in Rs.)	(Amount in Rs.)
Raw Materials	28,31,54,297	75,28,76,114
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)

## 27. RELATED PARTY DISCLOSURES:

Names of the transacting related parties

### a) Associates:

1. Gita Renewable Energy Limited

### b) Other related parties:

1. OPG Renewable Energy Private Limited.
2. Sonal Vyapar Limited.
3. OPG Business Centre Private Ltd.
4. Indian Corporate Business Centre Limited.
5. Kanishk Metal Recycling pvt ltd.
6. OM Power Sakthi India Pvt Ltd
7. Sri Sri Rukmani Rolling Mill Private Limited
8. OPG Energy Private Limited

## Key Management Personnel (KMP):

Mr. Ravi Kumar Gupta, Chairman & Managing Director

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

Mr.M.K. Madhavan, Company Secretary



## Related Party Transactions:

(Amount in INR)

Particulars	KMP	Other Companies	Associate
Sale of Goods	-	14,280	-
Purchase of power	-	45,880,820	30,569,983
Reimbursement of expenses	-	-	14,818,639
Investments Made	-	488,600	-
Sale of Investments	-	129,200	-
Remuneration Paid	2,864,150	-	-
Rent paid	-	136,722	-

### Notes:

1. Sitting Fees to Directors Rs.62,000/-
2. Related party relationship is as identified by the company and relied upon by the Auditors.

## 28. EARNING PER SHARE:

Particulars	2015-16	2014-2015
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.)	47,303,602	(2,545,303)
c) Basic and diluted earning per share (Rs.)	1.66	(0.09)

**29.** Disclosure of loans and advances as per the requirement of clause 32 of the listing agreement with Stock Exchanges in India.

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

## 30. 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, 30-05-2016

For and On behalf of the Board of Directors

**RAVI KUMAR GUPTA**  
Chairman & Managing Director

**KANISHK GUPTA**  
Director

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

**M K MADHAVAN**  
Company Secretary



## **Independent Auditors' Report on Consolidated Financial Statements**

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

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

We have audited the accompanying Consolidated financial statements of Kanishk Steel Industries Limited ('the Company'), and its associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated Balance sheet as at 31 March 2016, the consolidated statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and Notes for the year ended on that date (hereinafter referred to as 'the consolidated financial statements').

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

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making 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 consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor's in terms of the report referred to in sub- paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Other Matters**

The consolidated financial statements include the Group's share of net profit of Rs.28,37,360/- for the year ended 31-03-2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statement has not been audited by us. The aforesaid financial statements has been audited by other auditors whose report has been furnished to us by the Management and are opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.



## Opinion

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - c) The accounts of the associate company audited under section 143(8) of the act by the other auditor as applicable, and has been properly dealt with in preparing this report.
  - d) The consolidated balance sheet, the consolidated statement of profit and loss and the cash flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - e) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - f) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors by the Company and the report of the other statutory auditor of its associate company, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's report of the company and its associate company and
  - h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate have been disclosed in the consolidated financial statements as required in terms of the accounting standards and provisions of the Companies Act, 2013.
    - ii. The Company and its associate 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; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company.

**For CHATURVEDI & COMPANY**

CHARTERED ACCOUNTANTS

FRN 302137E

**S Ganesan,FCA**  
PARTNER

PLACE: Chennai

DATE: 30 May, 2016.

Membership No. 217119

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

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2016, we have audited internal financial controls over financial reporting of Kanishk Steel Industries Limited ('the Holding Company') and its Associate Company as of that date.

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

The Respective Board of Directors of the Holding Company and its Associate company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial 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 and the audit evidence obtained by the other auditor of the associate company in terms of their report referred to in referred to in the Other Matters paragraph below, 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 Holding Company and its Associate company which are companies incorporated in India have, 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, 2016, 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').

#### **Other Matters:**

Our aforesaid reports under section 143(1)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate is based on the corresponding standalone report of the auditor, as applicable of such company.

**For CHATURVEDI & COMPANY**

CHARTERED ACCOUNTANTS

FRN 302137E

**S Ganesan, FCA**  
PARTNER

Membership No. 217119

PLACE: Chennai

DATE: 30 May, 2016.

**CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-3-2015 (Amount in Rs.)</b>
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS FUNDS</b>			
a. Share Capital	1	<b>284,656,570</b>	284,656,570
b. Reserves & Surplus	2	<b>186,309,699</b>	135,404,738
<b>2. NON CURRENT LIABILITIES</b>			
a. Long term borrowings	3	<b>478,408</b>	-
b. Deferred Tax Liabilities (Net)	4	<b>39,256,785</b>	40,020,781
c. Long term provisions	5	<b>4,180,629</b>	4,061,506
<b>3. CURRENT LIABILITIES</b>			
a. Short term borrowings	6	<b>214,438,059</b>	52,877,443
b. Trade Payables		<b>535,449,097</b>	621,712,896
c. Other current liabilities	7	<b>295,715,787</b>	259,612,386
d. Short term provisions	8	<b>18,144,089</b>	29,461,300
		<b>-</b>	
		<b>1,578,629,123</b>	1,427,807,621
<b>B. ASSETS</b>			
<b>4. NON CURRENT ASSETS</b>			
a. Fixed Assets		<b>254,327,001</b>	263,543,520
Tangible Assets	9	<b>153,681,892</b>	162,731,958
b. Non-current investments	10	<b>49,268,210</b>	48,693,870
c. Long term Loans & Advances	11	<b>51,376,899</b>	47,222,196
<b>5. CURRENT ASSETS</b>			
a. Inventories	12	<b>401,663,046</b>	468,904,693
b. Trade Receivables	13	<b>701,653,407</b>	433,408,149
c. Cash & Cash Equivalents	14	<b>63,682,361</b>	47,600,533
d. Short term Loans & Advances	15	<b>117,356,119</b>	144,636,483
e. Other Current Assets	16	<b>39,947,189</b>	74,609,739
		<b>1,578,629,123</b>	1,427,807,621

Significant Accounting Policies.

25

Accompanying Notes are an integral part of the Financials Statements.

As per the report of even date annexed

For and on behalf of the Board of Directors

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

**RAVI KUMAR GUPTA**  
 Chairman & Managing Director

**KANISHK GUPTA**  
 Director

**S GANESAN, FCA**  
 Partner (Memb.No:217119)  
 Chennai, 30-05-2016

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

**M K MADHAVAN**  
 Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31st March 2016

PARTICULARS	NOTE No.	31-03-2016 (Amount in Rs.)	31-3-2015 (Amount in Rs.)
<b>1. Revenue from Operations</b>	17	<b>3,003,267,454</b>	3,304,351,022
Less: Excise Duty		<b>277,162,315</b>	266,347,876
Revenue from Operations (Net)		<b>2,726,105,139</b>	3,038,003,146
<b>2. Other Income</b>	18	<b>105,227,417</b>	13,674,167
<b>3. Total Revenue</b>		<b>2,831,332,556</b>	3,051,677,313
<b>4. Expenses</b>			
a. Cost of Material Consumed	19	<b>1,204,815,125</b>	1,020,369,908
b. Purchases of traded goods	20	<b>1,104,413,007</b>	1,528,986,053
c. Changes in Inventories of finished goods	21	<b>26,058,480</b>	(10,835,828)
d. Employee benefits expense	22	<b>8,881,755</b>	7,966,836
e. Finance Costs	23	<b>32,300,097</b>	28,911,999
f. Depreciation and Amortisation expenses	9	<b>18,817,569</b>	35,924,867
g. Other expenses	24	<b>374,814,841</b>	426,281,139
<b>Total Expenses</b>		<b>2,770,100,873</b>	3,037,604,974
<b>5. Profit before tax (3- 4)</b>		<b>61,231,683</b>	14,072,339
<b>6. Tax Expense</b>			
1. Current Tax		<b>10,424,739</b>	11,384,343
2. Deferred tax		-	-
3. Earlier year Tax adjustments		<b>3,503,341</b>	-
<b>7. Profit/(Loss) for the year (5 - 6)</b>		<b>47,303,603</b>	2,687,996
<b>8. Profit/(Loss) From Associate</b>		<b>2,837,360</b>	(4,895,496)
<b>9. Net Profit/(Loss) for the year</b>		<b>50,140,963</b>	(2,207,499)
<b>Earnings Per Share (Basic and Diluted)</b>	27	<b>1.76</b>	(0.08)

Additional Information to Financial Statements 25

Accompanying Notes are an integral part of the Financials Statements - Note No: 25

As per the report of even date annexed

For and on behalf of the Board of Directors

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

**RAVI KUMAR GUPTA**  
Chairman & Managing Director

**KANISHK GUPTA**  
Director

**S GANESAN, FCA**  
Partner (Memb.No:217119)  
Chennai, 30-05-2016

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

**M K MADHAVAN**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

PARTICULARS	31.03.2016 (Amount in Rs.)		31.03.2015 (Amount in Rs.)	
<b>A.CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and Extraordinary Items		59,173,546		9,176,844
<u>Adjustments for :</u>				
Depreciation	13,538,699		35,924,867	
Rent received	(575,190)		(554,400)	
Loss on sale of Asset	551,523		(102,584)	
Interest Income	(7,361,457)		(8,908,629)	
Interest Expense	32,300,097	38,453,672	28,911,999	55,271,253
<b>Operating Profit before working capital changes</b>		97,627,219		64,448,097
<u>Adjustments for Changes in:</u>				
Trade Receivables	(268,245,258)		209,235,597	
Inventories	67,241,646		(48,555,815)	
Short Term Loans & Advances	27,280,364		(144,316,633)	
Other Current Assets	34,662,550		(12,973,698)	
Increase/(Decrease) of Long Term Provisions	119,123		(130,217)	
Trade Payables	(86,263,799)		230,855,254	
Other Current Liabilities	36,103,400	(189,101,973)	(160,051,712)	74,062,776
Cash Generated from Operations		(91,474,755)		138,510,872
Less: Taxes Paid		(25,245,291)		(9,941,304)
<b>Net Cash Flow from operating activities (A)</b>		(116,720,045)		128,569,569
<b>B.CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	(6,868,653)		(6,362,532)	
Long term Loans and Advances	(4,154,703)		(4,744,705)	
Rent received	575,190		554,400	
(Purchase)/Sale of Investment	4,321,156		3,818,098	
Sale of Fixed Assets	1,828,500		7,500	
<b>Net Cash Flow from Investing activities (B)</b>		(4,298,510)		(6,727,239)
<b>C.CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Repayment of long term borrowings	478,408		(310,237)	
Decrease of long term Liabilities	-		-	
Short term borrowings	161,560,616		(117,351,791)	
Interest paid	(32,300,097)		(28,911,998)	
Interest Received	7,361,457		8,908,629	
<b>Net Cash Flow from Financing activities (C)</b>		137,100,384		(137,665,397)
<b>Net Increase/(Decrease) in cash &amp; Cash Equivalents (A)+(B)+(C)</b>		16,081,828		(15,823,067)
Cash & Cash Equivalents as at the beginning of the year	47,600,533		63,423,600	
Cash & Cash Equivalents as at the end of the year	63,682,361		47,600,533	
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		16,081,828		(15,823,067)



<b>Components of Cash &amp; Cash Equivalents</b>			
Cash on Hand		6,031,845	2,379,977
Balances with bank			
In Current Account		567,860	608,505
In Deposit Account		57,082,656	44,227,156
In Unpaid Dividend		-	384,894
		<b>63,682,361</b>	<b>47,600,533</b>

**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, 30-05-2016

For and on behalf of the Board of Directors

**RAVI KUMAR GUPTA**  
 Chairman & Managing Director

**KANISHK GUPTA**  
 Director

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

**M K MADHAVAN**  
 Company Secretary



### NOTES FORMING PART OF BALANCE SHEET (CONSOLIDATED)

PARTICULARS	AS AT 31-03-2016 (Amount in Rs.)	AS AT 31-03-2015 (Amount in Rs.)
<b>1. 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: Forefeited Shares	<b>295,830</b>	295,830
	<b>284,656,570</b>	284,656,570

#### a) Movement of Shares

There is no movement of shares outstanding at the beginning and at the end of the reporting period.

#### b) Terms / rights attached to equity shares:

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.

#### c) Details of shareholders holding more than 5% shares in the company

Particulars	AS AT 31.03.2016		AS AT 31.03.2015	
	No of Shares	% holding	No of Shares	% holding
Chennai Material Recycling & Trading Co Pvt Ltd	<b>2,489,584</b>	<b>8.76</b>	1,489,584	5.24
Tamilnadu Property Developers Limited	<b>2,400,000</b>	<b>8.44</b>	2,400,000	8.44
Tamilnadu Enterprises & Investments Pvt Ltd	<b>2,015,497</b>	<b>7.09</b>	2,015,497	7.09
Radiant solutions private ltd	<b>2,000,000</b>	<b>7.03</b>	2,000,000	7.03
Ameena Bagum	<b>2,000,000</b>	<b>7.03</b>	2,000,000	7.03



PARTICULARS	AS AT 31-03-2016 (Amount in Rs.)	AS AT 31-3-2015 (Amount in Rs.)
<b>2. 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. CapitalRedempiton Reserve</b>		
Opening & Closing Balance	300,000	300,000
<b>III. Securities Premium Reserve</b>		
Opening & Closing Balance	87,776,972	80,200,457
Add: Deferred Tax Liability - Reversal	763,996	7,576,515
Closing Balance	88,540,968	87,776,972
<b>IV. Revaluation Reserve</b>		
Opening Balance	74,466,161	80,804,696
Additions during the year	-	-
Utilisation during the year	(5,278,870)	(6,338,535)
Closing Balance	69,187,291	74,466,161
<b>V. General Reserve</b>		
Opening Balance	(442,725,002)	(440,902,386)
Additions during the year	-	(1,822,616)
Closing Balance	(442,725,002)	(442,725,002)
<b>VI. Surplus:</b>		
Opening Balance	406,854,175	407,956,440
Profit for the year	50,140,963	(2,207,500)
Transfer of Revaluation Reserve	5,278,870	6,338,535
Adjustment for earlier year taxation	-	(5,233,300)
Closing Balance	462,274,008	406,854,175
<b>TOTAL</b>	<b>186,309,699</b>	<b>135,404,738</b>
<b>3. LONG TERM BORROWINGS</b>		
Loan from bank	900,000	310,235
Less: Amount shown under other current liabilities	421,592	310,235
<b>TOTAL</b>	<b>478,408</b>	<b>-</b>

**Terms of Repayment and rate of interest:**

HP Loan of Rs. 9,00,000/- is repayable in 24 monthly instalments of Rs. 42,665/- each and it carries an interest @ 4.74% pa.

**Security:**

(Secured HP Loans from Bank / Financial Institutions are secured by the respective Vehicles and Machinery)

PARTICULARS	AS AT 31-3-2016 (Amount in Rs.)	AS AT 31-3-2015 (Amount in Rs.)
<b>4. Deferred Tax Liabilities (net)</b>		
Deferred Tax Liability		
Fixed Asset -Impact of Difference between tax depreciation and depreciation charged in the financial statement	39,256,785	40,020,781
{Refer Note No:27(v)}		
GrossDeferred Tax Liability	39,256,785	40,020,781
<b>5. Long Term Provisions</b>		
For Employee Benefits	4,180,629	4,061,506
<b>Total</b>	4,180,629	4,061,506
<b>6. SHORT TERM BORROWING</b>		
From Banks		
<b>Cash Credit:</b>		
Corporation Bank	15,167,389	24,533,782
State Bank of India	199,270,670	28,343,661
(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)		
	214,438,059	52,877,443
<b>7. OTHER CURRENT LIABILITIES</b>		
a. Current maturities of long term borrowings (refer note No.3)	421,592	310,235
b. Unclaimed Dividend	-	384,894
c. Outstanding Liability	7,663,213	11,237,286
d. Customer Advance	285,814,889	247,202,987
e. Other Liabilities	1,816,093	476,985
	295,715,787	259,612,386
<b>8. SHORT TERM PROVISIONS</b>		
a. Taxation	10,424,739	17,972,486
b. Other Provisions	7,719,350	11,488,814
	18,144,089	29,461,300



**NOTE : 9 FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1-Apr-15	ADDITIONS	DELETIONS/ REFUND	AS ON 31-Mar-16	UP TO 1-Apr-15	For the Year	ON SALES/ ADJUSTMENT	UPTO 31-Mar-16	AS AT 31-Mar-16	AS AT 31-Mar-15
LAND LEASE HOLD	2,035,462	-	-	2,035,462	514005	20,560		534,565	1,500,897	1,521,457
FACTORY BUILDINGS	45,035,876	-	-	45,035,876	20450580	2,155,915		22,606,495	22,429,381	24,585,296
PLANT & MACHINERY	361,374,751	9,116,761		370,491,512	256132894	12,940,133		269,073,027	101,418,485	105,241,857
ELECTRICAL INSTALLATION	17,179,316			17,179,316	14721045	588,222		15,309,267	1,870,049	2,458,271
CRANE	35,218,290	-	-	35,218,290	15261889	1,533,631		16,795,520	18,422,770	19,956,401
FURNITURE & FITTINGS	3,938,216			3,938,216	2789986	341,962		3,131,948	806,268	1,148,230
VEHICLES	22,929,614	3,030,762	6,894,026	19,066,350	15826392	744,069	4,514,003	12,056,458	7,009,892	7,103,222
OFFICE EQUIPMENTS	4,483,002	-	-	4,483,002	3765775	493,077		4,258,852	224,147	717,227
TOTAL	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
PREVIOUS YEAR	485,867,895	6,362,532	35,900	492,194,527	291,747,077	37,747,483	31,994	329,462,566	162,731,961	194,120,818

**10. NON-CURRENT INVESTMENTS**

<b>PARTICULARS</b>		<b>AS AT 31-3-2016 (Amount in Rs.)</b>	<b>AS AT 31-3-2015 (Amount in Rs.)</b>
<b>(Long Term Investments)</b>			
<b>Trade Investments (Stated at Cost)</b>			
<b>a. In Equity Shares - Unquoted, fully paid up</b>			
9,100	OPG Energy Private Limited-'A' Class Shares of Rs.10/- each	<b>160,600</b>	100,000
202,800	OPG Renewable Private Limited Class A Shares of Rs.10/- each (Previous Year: 277500 Shares of Rs.10/- each)	<b>2,028,000</b>	2,775,000
323,375	OPG Business Centre Pvt Limited-Class A Shares of Rs.10/- each (Previous Year: 284375 Shares of Rs.10/- each)	<b>3,233,750</b>	2,843,750
-	OPG Power Generation Ltd Class A Shares of Rs.10/- each (Previous Year: 10,00,000 Shares of Rs.0.10/- each)	-	100,000
38,700	Yukti Wind Power Private Limited, Class A Shares of Rs.10/- each	<b>393,192</b>	-
78,750	Tulsyan Power Ltd, Equity Shares of Rs.10/- each	<b>2,362,500</b>	-
1,375	Suryadev Alloys & Power Private Limited	<b>209,688</b>	-
7,744,460	OPGS Power Gujarat Private Limited, Class A Shares of Rs.0.10/- each	<b>774,446</b>	774,446
1,882,020	OPG Energy Private Limited, Class C Shares of Rs.10/- each (Previous Year: 18,82,020 Shares of Rs.10/- each)	<b>13,988,200</b>	18,820,200
<b>b. In Equity Shares of Associate Company-Quoted, fully paid up</b>			
1,069,399	Gita Renewable Energy Limited, Equity Shares of Rs.10/- each (Market Value Rs. 18,661,012/-)	<b>26,117,834</b>	23,280,474
		<b>49,268,210</b>	53,589,366



PARTICULARS	AS AT 31-03-2016 (Amount in Rs.)	AS AT 31-3-2015 (Amount in Rs.)
<b>11. LONG TERM LOANS &amp; ADVANCES</b> (Unsecured, Considered good)		
a.Security Deposits	43,876,899	39,722,196
b.Deposits with related party	7,500,000	7,500,000
	51,376,899	47,222,196
<b>CURRENT ASSETS</b>		
<b>12. INVENTORIES</b> (Valued at lower of Cost and Net Realisable Value) (as valued and certified by the manangement)		
a. Raw Materials	261,861,808	295,840,588
b. Finished Goods	120,066,579	146,125,059
c. Stores and Spares	19,734,659	26,939,046
	401,663,046	468,904,693
<b>13. TRADE RECEIVABLES</b> (Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months	-	42,523,989
Other Debts	701,653,407	390,884,160
	701,653,407	433,408,149
<b>14. CASH &amp; CASH EQUIVALENTS</b>		
a. Cash on Hand	6,031,845	2,379,977
b. Cash at Bank		
In Current Account	567,860	608,505
In Unpaid Dividend Account	-	384,894
In Deposit Account		
(Deposits with banks within 3-9 months maturity)	57,082,656	44,227,156
	63,682,361	47,600,533
<b>15. SHORT TERM LOANS AND ADVANCES</b> (Unsecured, Considered Good)		
a. Loans & Advances to related parties	-	1,350,000
b. Supplier advance	117,132,446	142,568,567
c. OthersAdvance	223,673	717,916
	117,356,119	144,636,483
<b>16. OTHER CURRENT ASSETS</b>		
a. Balance with Revenue Authorities	12,980,010	17,931,840
b. Cenvat Balances	26,967,179	56,677,898
	39,947,189	74,609,738

**NOTES FORMING PART OF PROFIT & LOSS STATEMENT (CONSOLIDATED)**

<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-3-2015 (Amount in Rs.)</b>
<b>17. REVENUE FROM OPERATIONS</b>		
Sale of Manufactured products	1,810,218,269	1,742,701,096
Sale of Traded Products	1,193,049,185	1,561,649,926
	<b>3,003,267,454</b>	<b>3,304,351,022</b>
<b>18. OTHER INCOME</b>		
Rent received	575,190	554,400
Sales commission	41,667,896	3,720,469
Insurance claim received	780,674	388,085
Profit On sale of Asset / Investments	54,842,200	102,584
Interest Received	7,361,457	8,908,629
	<b>105,227,417</b>	<b>13,674,167</b>
<b>19. COST OF MATERIALS CONSUMED</b>		
Opening Stock	295,840,588	269,411,659
Add: Purchases	1,170,836,345	1,046,798,837
Less: Closing Stock	261,861,808	295,840,588
	<b>1,204,815,125</b>	<b>1,020,369,908</b>
<b>(i) Details of Rawmaterials consumed</b>		
Scrap	354,735,090	146,612,479
Billets/Ingots	835,041,492	852,571,355
Coal	6,707,819	14,896,075
Sponge Iron	8,330,724	6,289,998
	<b>1,204,815,125</b>	<b>1,020,369,908</b>
<b>(ii) Details of Raw Material Inventory</b>		
Scrap	161,553,373	228,159,624
Billets/Ingots	90,860,312	66,829,995
Coal	4,165,524	850,968
Sponge Iron	5,282,599	-
	<b>261,861,808</b>	<b>295,840,588</b>
<b>20. Details of Traded goods purchased</b>		
Scrap	399,804,717	824,175,860
Billets/Ingots	214,672,595	141,969,758
Rolled & Steel and allied Products	489,935,694	562,840,435
	<b>1,104,413,007</b>	<b>1,528,986,053</b>
<b>21. Changes in Inventories of Finished Goods</b>		
Closing Stock of Finished Goods	120,066,579	146,125,059
Opening Stock of Finished Goods	146,125,059	135,289,231
	<b>26,058,480</b>	<b>(10,835,828)</b>



<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-3-2015 (Amount in Rs.)</b>
<b>22. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	6,655,825	6,285,806
Contribution to Provident & other funds	2,200,795	1,659,160
Staff and Labour Welfare	25,135	21,870
	<b>8,881,755</b>	<b>7,966,836</b>
<b>23. FINANCE COSTS</b>		
Foreign Exchange Loss	682,873	2,966,101
Interest paid to Banks	31,138,426	25,543,061
Interest -Others	478,798	402,838
	<b>32,300,097</b>	<b>28,911,999</b>
<b>24. OTHER EXPENSES</b>		
<b>a. Material &amp; Manufacturing expenses</b>		
Stores and Spares consumed	37,866,987	25,867,854
Power and Fuel	199,195,018	179,604,227
Freight Charges	16,803,215	18,126,373
Customs Duty& Licence	71,147,735	132,496,634
Clearing and Forwarding Charges	7,788,862	22,602,667
<b>b. Repairs &amp; Maintenance</b>		
Machinery Maintenance	4,100,754	3,714,934
Electrical Maintenance	2,481,116	3,668,556
Vehicle Maintenance	150,850	422,481
<b>c. Administrative Expenses</b>		
Advertisement	63,100	68,300
Bank Charges	14,294,762	21,844,874
Directors' Remuneration	2,864,150	1,600,000
Donation	50,000	-
Insurance	980,244	958,298
Listing Fees	401,468	230,338
Loss on Assets	551,523	-
Rebate and discount	5,057,770	572,086
Sales Tax Expenses	410,952	112,736
Membership and subscription	92,335	99,715
Payment to Auditors		
- As Audit Fees	115,000	112,360
- As Certification Fees	66,791	101,125
- As Tax Audit Fees	57,500	56,180



<b>PARTICULARS</b>	<b>AS AT 31-03-2016 (Amount in Rs.)</b>	<b>AS AT 31-3-2015 (Amount in Rs.)</b>
Postage	96,607	206,002
Printing and Stationery	229,309	251,452
Professional & Consultancy	997,371	1,341,968
Rates & Taxes	1,933,046	1,686,252
Rent & Amenities	176,722	182,832
Directors Sitting Fees	62,000	50,000
Service Tax Paid	1,493,564	703,087
Share Transfer Charges	86,407	144,689
Telephone Charges	694,534	747,898
Travelling & Conveyance	69,448	627,209
<b>d) Selling and Distribution Expenses</b>		
Finished Goods Expenses	2,674,668	2,464,004
Carriage Outwards	451,068	4,591,865
Sales Promotion Expenditure	276,769	74,833
Sales commission	1,033,196	949,309
<b>Total</b>	<b>374,814,841</b>	<b>426,281,139</b>



## 25. NOTES TO CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

### I. Principles of Consolidation:

The consolidated Financial Statements consists of Kanishk Steel Industries Limited (the Company) and its Associate -Gita Renewable Energy Limited (collectively referred to as “the Group”). The Consolidated Financial Statements have been prepared on the following basis:

- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 23 (AS-23) “Accounting for Investment in Associate in Consolidated Financial Statements” notified by Companies (Accounting Standards) Rules, 2006.
- The following associates are considered in the preparation of consolidated Financial Statements of the Group in accordance with Accounting standard 23 “ Accounting for Investment in Associates in Consolidated Financial Statements”

Name of the Associate	%of Ownership interest as on 31.03.2016	% of ownership Interest as on 31.03.2015
Gita Renewable Energy Limited	26.00%	26.00%

- i) Equity Method is followed in accounting for Investment in Associate
  - The investment is initially recorded at cost.
  - The difference between the cost of investment in the Associate over the net assets at the time of acquisition of shares is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve (net) as the case may be.
  - The consolidated Statement of profit and loss reflects the company’s share of the result of operations of the associate.
- ii) Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Associate:

Name of the Entity	Net Assets		Share in profit or Loss	
	As a % of Consolidated Net Assets	Amount in Rs.	As a % of Consolidated Profit or (Loss)	Amount in Rs.
<b>Parent Company</b>				
Kanishk Steel Industries Limited	100.44	473,024,405	94.34	47,303,603
<b>Associates(Investment as per Equity Method)</b>				
Gita Renewable Energy Limited	5.55	26,117,834	5.66	2,837,360

### II. Significant Accounting Policies

#### a. 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.

**b. 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.

**c. 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.

**d. 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.

**e. 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.

**f. 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. 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.

**g. 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.

**h. Inventories:**

**Inventories are valued as under:**

i. 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.

ii. By-products are valued at net realizable value.

iii. 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.

iv. Materials-in-Transit are valued at Cost including Freight & Insurance.

#### **i. Employee Benefits:**

##### **1. Short -term Employee Benefits:**

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

##### **2. Post Employment Benefits:**

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

(ii) 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.

#### **j. Foreign Currency 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.

#### **k. 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.

#### **l. Segment Accounting:**

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

#### **m. Taxes on Income:**

(i) Provision for current tax is made in accordance with the Income Tax Act, 1961.

(ii) 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 26 (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.7,63,996/- under review.

**n. 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.

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

## 1. Contingent liability not provided for:

(Amount in Rs.)

Particulars	2015-16	2014-15
a) Guarantees given by banks on behalf of the company	15,899,520	15,405,800
b) Outstanding Letter of Credits	192,922,697	111,756,109

## 2. Claims against the company not acknowledged as debt:

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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

## 3. Depreciation:

## 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. 52,78,870/- (Previous Year Rs. 63,38,535/-) has been adjusted against revaluation reserve during the current year and credited to General Reserves.

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

**4. Employee Benefits:**

Disclosures in terms of AS-15 are under:



i. Defined contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2015-2016 is Employers contribution to Provident Fund and ESI Rs.

ii. 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 (2015-2016) based on actuarial valuation using the projected unit credit method. Accordingly provision of Rs.1,19,123/- has been made in the year 2015-16. (Previous year - Rs. 17,476/-)

(Amount in Rs.)

Particulars	2015-16	2014-15
<b>I Amounts to be recognized in Balance Sheet</b>		
Present value of funded Obligations	-	-
Fair value of Plan Assets	-	(4,061,506)
Present value of unfunded obligations	4,180,629	-
Unrecognized past service cost	-	4,061,506
Net liability	4,180,629	4,061,506
Amounts in the balance sheet	4,180,629	-
Liabilities	-	4,061,506
Assets	4,180,629	
Net liability		
<b>II Expenses Recognized in Income Statement</b>		
Current service cost	265,708	330,011
Interest on obligation	304,613	339,725
Expected return on plan assets	-	-
Net actuarial losses (gains) recognized in the year	(451,198)	(652,260)
Past service cost	119,123	-
Losses(gains) on curtailments and settlement		17,476
Expenses recognized in P&L		
<b>III Changes in Benefit Obligations</b>		
Opening defined Benefit obligation	4,061,506	4,191,723
Current service cost	265,708	330,011
Interest cost for the year	304,613	339,725
Actuarial losses (gains)	(451,198)	(652,260)
Benefits paid	-	(147,693)
Closing defined benefit obligation	4,180,629	4,061,506
<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	7.50%	7.50%
Expected return on plan assets	0.00%	0.00%
Annual increase in Salary costs	6.50%	6.50%
Attrition rate	5%-to-1%	10%-to-5%
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
<b>VII. Table Showing Surplus / (Deficit)</b>		
Defined benefit obligation	4,180,629	4,061,506
Plan assets	-	-
Surplus/(deficit)	(4,180,629)	(4,061,506)

5. Investment in Associate Company is classified as Non Current (Long Term) Investment.

6. 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	(763,996)
Deferred Tax Liability adjusted against Securities Premium account (As per Directives of Hon'ble High Court Madras)	(763,996)
Deferred Tax Asset credited to Profit & Loss Account	Nil

7. 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	-

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



9. Value of Imported & Indigenous Raw Materials, Spare Parts Components consumed:

Year	2015-16		2014-15	
Particulars	(Amount in Rs.)	%	(Amount in Rs.)	%
Imported	223,856,047	18	122,788,620	12
Indigenous	1,018,826,065	82	923,449,142	88

10. CIF Value of Imports:

Year	2015-16	2014-15
Particulars	(Amount in Rs.)	(Amount in Rs.)
Raw Materials	283,154,297	752,876,114
Stores & Spares	-	-
Capital Goods	-	-

11. Remittance in Foreign Currency towards Dividend - Nil

12. Earnings in Foreign Currency Nil (Previous year - Nil)

13. Expenditure in Foreign currency Nil (Previous year - Nil)

**14. RELATED PARTY DISCLOSURES:**

Names of transacting related parties

**a) Associates:**

Gita Renewable Energy Limited

**b) Other related parties:**

1. OPG Renewable Energy Private Limited
2. Sonal Vyapar Limited
3. OPG Business Centre Private Ltd
4. Indian Corporate Business Centre Limited
5. Kanishk Metal recycling pvt ltd
6. OM Power Sakthi India Pvt Ltd
7. Sri Sri Rukmani Rolling Mill Private Limited
8. OPG Energy Private Limited

**Key Management Personnel (KMP):**

Mr. Ravi Kumar Gupta, Chairman & Managing Director

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

Mr.M.K. Madhavan, Company Secretary



**Related Party Transactions:**

(Amount in Rs.)

Particulars	KMP	Other Companies	Associate
Sale of Goods	-	14,280	-
Purchase of power	-	45,880,820	30,569,983
Reimbursement of expenses	-	-	14,818,639
Investments Made	-	488,600	-
Sale of Investments	-	129,200	-
Remuneration Paid	2,864,150	-	-
Rent paid	-	136,722	-

**Notes:**

1. Sitting Fees to Directors Rs.62,000/-
2. Related party relationship is as identified by the company and relied upon by the Auditors.

**15. EARNING PER SHARE:**

Particulars	2015-16	2014-15
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.)	50,140,963	(2,207,499)
c) Basic and diluted earning per share (Rs.)	1.76	(0.08)

**28. Disclosure of loans and advances as per the requirement of clause 32 of the listing agreement with Stock Exchanges 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.

**29. PREVIOUS YEAR FIGURES:**

Previous year's figures have been regrouped and rearranged wherever necessary.

As per the report of even date annexed

For and on behalf of the Board of Directors

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

**RAVI KUMAR GUPTA**  
Chairman & Managing Director

**KANISHK GUPTA**  
Director

**S GANESAN, FCA**  
Partner (Memb.No:217119)  
Chennai, 30-05-2016

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

**M K MADHAVAN**  
Company Secretary



# KANISHK STEEL INDUSTRIES LIMITED

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

## 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

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

or failing him

2. Name :  
3. 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 26<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the September 30, 2016 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 directors
3. Ratification of Auditors' appointment
4. Remuneration to Cost Auditor

Signed this ..... day of ..... 2016.

Affix  
Revenue  
Stamp  
of  
Re.1/-

(Signature of Member)

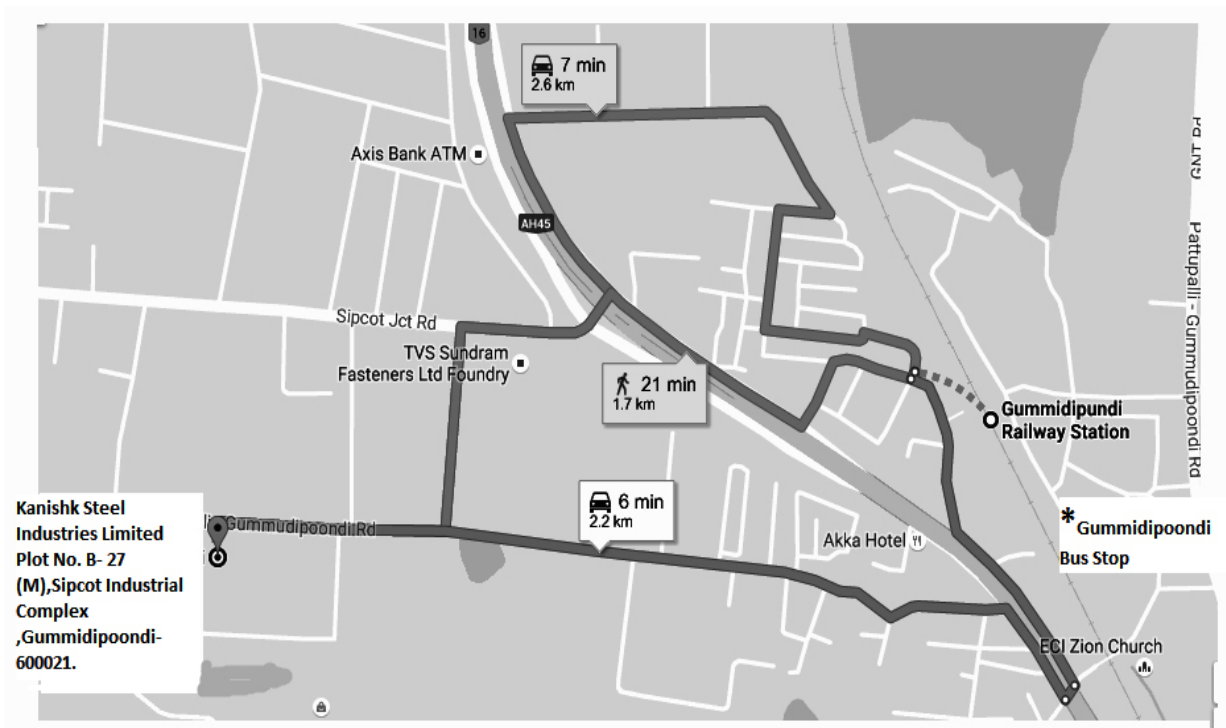
Signature of Proxy holder(s)

### 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

## 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]

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

Date : 30.09.2016 (Friday)  
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 directors			
3	Ratification of Auditors' appointment			
4	Remuneration to Cost Auditor			

Place:

(Signature of Shareholder)

Date:



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