



# ADHUNIK INDUSTRIES LIMITED

(Formerly known as Bhagwati Resources Ltd.)

An ISO 9001:2008 , 14001 : 2004 & 18001 : 2007 Organisation

Corporate Office : "LANSDOWNE TOWERS", 2/1A, SARAT BOSE ROAD, KOLKATA - 700 020

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5th October, 2017.

Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001. Scrip Code: 538365	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai-400 051. Scrip Code- ADHUNIKIND
The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001 Scrip Code: 28188	

Dear Sir/ Madam,

**Sub: Submission of Annual Report of the Company for the Financial Year 2016-17**

**Re: Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015**

In accordance with Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2016-17. Please note that the Annual General Meeting of the Company was held on 21<sup>st</sup> September, 2017.

Thanking you and assuring you of our best attention always,

Yours faithfully,

For Adhunik Industries Limited

**Jugal Kishore Agarwal**

Managing Director

DIN: 00227460

Encl: As above



38<sup>th</sup> ANNUAL REPORT 2016-17

ADHUNIK INDUSTRIES LTD.

# THE MAN WHO SHOWED THE WAY TO EXCEL



Late Mahadeo Prasad Agarwal  
(24th October 1925 – 13th May 2002)

Respected Late Mahadeo Prasad Agarwal, the visionary behind Adhunik laid the foundation stone of the Group which has now flourished to be known as Adhunik Group. What started as a trickle – is now developing into a potent economic force – a force to reckon with. The roots of Adhunik are steel strong. The sure-footed way in which the group is embarking upon a journey is comprehended as one of the finest examples of how a group can grow with values, determination, technological excellence and care for its customers.

We dedicate ourselves to the ideas and values cherished and nurtured by him and commit ourselves to the organization's building task.

Seek to attain leadership in business through a relentless pursuit of excellence, while delivering superior value to customers & stakeholders.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS



Mr. Jugal Kishore Agarwal

Managing Director  
(DIN-00227460)



Mr. Mohan Lal Agarwal

Non-Executive Director  
(DIN-01047906)



Mr. Mahesh Kumar Agarwal

Non- Executive Chairman  
(DIN-00507690)



Mr. Asit Baran Dasgupta

Independent Director  
(DIN-02476594)



Mr. Chandra Shekhar Jalan

Independent Director  
(DIN-01023586)



Ms. Archana Gupta Sha

Independent Woman Director  
(DIN-07089290)

## CHIEF FINANCIAL OFFICER

Shri Bikash Roy Chowdhury

## COMPANY SECRETARY

Shri Bharat Agarwal

## STATUTORY AUDITORS

M/s. Sudhir Kumar Jain & Associates  
Chartered Accountants

## COST AUDITORS

M/s. Dipak Lal & Associates  
Cost Accountants

## SECRETARIAL AUDITORS

M/s. M R & Associates  
Company Secretaries

## INTERNAL AUDITORS

M/s. G. P. Agarwal & Co.  
Chartered Accountants

## BANKERS

State Bank of India  
Canara Bank  
Bank of India  
Oriental Bank of Commerce  
Punjab National Bank  
Bank of Baroda

## REGISTERED OFFICE

14, Netaji Subhas Road  
2nd Floor, Kolkata- 700 001  
Phone/Fax: 033-2243 4355 / 2242-8551

## CORPORATE OFFICE

Lansdowne Towers  
2/1 A, Sarat Bose Road  
Kolkata-700 020  
Phone: (033) 3051-7100  
Fax: (033) 2289-0285  
E-mail: [info@adhunikgroup.com](mailto:info@adhunikgroup.com)  
Website: [www.adhunikindustries.com](http://www.adhunikindustries.com)

## WORKS

Raturia, Angadpur, Durgapur-713 215  
Phone: (0343) 2591105 / 2591122 / 1123 / 1124

## REGISTRAR & TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata-700 001  
Phone: (033) 2243-5809 / 5029  
Fax: (033) 2248-4787  
E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)



## Chairman's Statement

Dear Fellow Shareholders,

Iron and steel were the harbinger of industrial revolution in late 18th and early 19th century. Today this industry has proved to be the harbinger of globalisation. It is one of the very few industries that have assumed a global character with developments in one region affecting the industry almost everywhere else; and India is no exception.

The Steel Industry is one of the most important industries in India and is considered as the backbone of any economy, especially in developing countries whose material intensity is likely to increase significantly in the future, for infrastructure development and growth in manufacturing sector. Among these, Indian economy is one that is poised to grow significantly over the next decade with its per capita consumption nearly at one-fourth of the global average. The Government of India aims to triple the steel capacity to 300 million tonnes by 2025. In order to ensure that such capacity is viable to set up and value creating for the stakeholders, it is important to ensure that the ease of doing business is enhanced.

However, the global steel industry continues to witness challenging times though the performance of the industry has been better in the financial year 2016-17 with improved realisations and more supply side response. According to World Steel Association, global steel output will be tapering in the next year and the slowdown is expected to continue through 2035 as countries around the world start to rein in output while demand retreats. In India, the Steel Industry is passing through a challenging phase. Domestic consumption is severely affected due to lack of activity in infrastructure, as well as in the manufacturing scope. The biggest challenge facing the domestic steel industry is to have the per capita steel consumption in India at par with the average global company. In this challenging phase, your Company had tried its best to maintain the level of performance. The financial year 2016-17 has been an average year for the Company. The Company faced many challenges in its operating sector due to falling prices of finished products, spurred by significant imports from countries like China, Korea etc. like many other players operating in the similar sector. In spite of significant fall in prices of finished goods as compared to last year, the Company's revenue from operations decreased by 8.67% only. Moreover, net profit increased by 1.23%.

Since your Company is engaged in the production of Wire Rods and TMT bars which are mainly used in the construction and infrastructure as well as in the manufacturing units, therefore, the outlook for your Company is closely linked to that of the steel, infrastructure and real estate industry and the demand for TMT and wire rod in particular is influenced by the price & availability of raw materials. Looking into present market situation, the future of the Company looks good and forward looking.

#### CORPORATE SOCIAL RESPONSIBILITY

CSR activities continue to play a pivotal role with focus on inclusive sustainable growth. In the year 2016-17, the emphasis was on society's care and provision of welfare measures to the needy. A separate section is provided in Directors' Report regarding CSR activities.

#### CORPORATE GOVERNANCE

Your company's commitment to transparency in Corporate Governance is reflected in its establishing appropriate systems and procedures for every process. A separate Report on Corporate Governance along with Certificate on Compliances of Corporate Governance and Secretarial Audit forms part of the Annual Report.

#### ROAD AHEAD

India is increasingly becoming an important part of the international steel market and a key growth area for steel production, based on various positive factors including its strong demand for steel arising from strong economic growth, low per capita steel consumption and abundant iron ore reserves. As India is one of the fast progressing nations around the world and we are expecting fast growth in the near future, demand for steel related products will always be there and will increase substantially keeping in mind the present pace in the Economy. We believe, the Company will be able to flourish in the competitive market along with an increase in demand for the products. Further, our marketing team is also well poised to capture new opportunities created. The demand for long products i.e. TMT Bars and Wire Rods in India is expected to remain robust in long run due to escalation in demand created due to upcoming smart cities, infrastructure development and also from other sectors consumer durables, oil and gas, industrial machinery and real estate.

#### APPRECIATION

I would like to take this opportunity to place on record our gratitude to all stakeholders – shareholders, customers, vendors, the various Governments and regulatory agencies, and our banks and financial institutions for their encouragement and support and to all employees for their contribution to the growth of the company throughout the year. I would also like to express my profound appreciation for the guidance and support from all the members of the Board. In addition, I would like to express my deep gratitude to all our stakeholders for the continued faith in Adhunik Industries and I assure you that we will strive to accelerate our growth in coming years.

With best wishes,

Sincerely,

Mahesh Kumar Agarwal  
Chairman

22nd May, 2017

## ADHUNIK INDUSTRIES LIMITED

### BOARD'S REPORT

DEAR MEMBERS,

Your Directors are pleased to present the Thirty Eighth Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2017.

### FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2017 is as under:

(Rs. in Lakhs)

Particulars	Year ended	
	31st March, 2017	31st March, 2016
Total Revenue	37,513.19	41,075.44
Expenses	35,257.17	38,479.30
<b>EBIDTA</b>	<b>2,256.02</b>	<b>2,596.14</b>
Depreciation and Amortization Expenses	370.79	345.23
Finance Costs	1537.52	1,755.65
<b>Profit Before Tax</b>	<b>347.71</b>	<b>495.26</b>
Total Tax expense		117.48
267.83		
<b>Profit After Tax</b>	<b>230.23</b>	<b>227.43</b>
Profit brought forward from earlier year	5,592.98	5,365.55
Profit available for Appropriation	5,823.21	5,592.98
Paid up Equity Share Capital	4,676.38	4,676.38

### OPERATIONS

Iron & Steel is indispensable for nation building and has a direct linkage with nation's health and growth. FY 2016-17 continued to be a very challenging year for global economy and in particular for iron and steel industry in India. The key highlights of Company's performance during the year under review are:

- With the fall in prices of finished goods as compared to last year, revenue from operations decreased by 8.67% to Rs. 37,513.19 Lakhs only.
- In spite of fall in prices of finished goods as well as fall in prices of raw materials as compared to last year, EBIDTA decreased by 13.10% to Rs. 2,256.02 Lakhs only as compared to Rs. 2,596.14 Lakhs in last year.
- Profit before Tax decreased by 29.79% to Rs. 347.71 Lakhs of current year as compared to Rs. 495.26 Lakhs of last year.
- Profit after Tax increased by 1.23% to Rs. 230.23 Lakhs of Current year as compared to Rs. 227.43 Lakhs of last year.

### STATE OF THE COMPANY'S AFFAIRS

The financial year 2016-17 has been an average year for the Company. The Company had faced many challenges in its operating sector due to falling in prices of finished products, spurred by significant imports from countries like China, Korea etc. like many other players operating in the similar sector. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your company to which the financial statements relate and the date of the report.

### CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business implemented by the Company during the Financial Year 2016-17.



## INDUSTRY SCENARIO AND OUTLOOK

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 million tonnes (MT) by 2030. The sector has benefitted from the hike in prices and production, especially since the beginning of the millennium. The total finished steel production in FY 17 stood at 83.10 million tonnes (MT).

With the Indian economy expected to grow by approximately 7 per cent in the years to come, sectors such as infrastructure and automobiles will receive a renewed thrust, which would further generate demand for steel in the country. Crude steel production has reached over 72 million tonnes (MT) in FY 17, expanding at a CAGR of 3.61 per cent over 2016-17 with a global share of 5.5 percent.

Your company is one of the major key players among the various players in the rolling mill industry in the Durgapur region of West Bengal. It operates with a vision to become industry leader in zone which inspires its stakeholders and a well-defined business plan with planned strategy give hope to achieve its vision.

## DIVIDEND AND RESERVES

In view of meeting the capital requirements of the Company through ploughing back of profit in the business, the Directors of your company are intend to retain the surplus Profits in the business itself. Therefore, no dividend is being recommended.

During the period under review, no amount was transferred to General Reserve.

## SHARE CAPITAL

The Company has not issued and allotted any shares during the financial year ended 31<sup>st</sup> March, 2017. As on 31st March, 2017, the issued, subscribed and paid up share capital of your Company stood at Rs. 46,76,37,500/- (Rupees Forty Six Crores Seventy Six Lakhs Thirty Seven Thousand and Five Hundred Only) comprising of 4,67,63,750 (Four Crores Sixty Seven Lakhs Sixty Three Thousand and Seven Hundred and Fifty) number of Equity shares of Rs. 10/- each fully paid up.

## INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies as given below:

Instrument	Rating Agency	Rating	Outlook
Long Term Loans and Fund Based and Non Fund Based Limits	India Ratings & Research Pvt. Ltd	INDBBB-IND A3	Stable

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

Information as required under the provisions of sub-section (3)(m) of section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure-A**, which is annexed hereto and forms part of Board's Report.

## DETAILS OF BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

During the year, four Board meetings were held, details of which are given below. The maximum time gap between any two consecutive meetings did not exceed 120 days.

Date of the meeting	No. of Directors attended the meeting
27 <sup>th</sup> May, 2016	5(Five)
12 <sup>th</sup> August, 2016	6 (Six)
10 <sup>th</sup> November, 2016	5 (Five)
13 <sup>th</sup> February, 2017	6 (Six)

## COMMITTEES OF BOARD

There are currently five Committees of the Board as per Companies Act, 2013 and the same are as follows:

- ✓ Audit Committee
- ✓ Nomination and Remuneration Committee
- ✓ Corporate Social Responsibility Committee
- ✓ Stakeholders' Relationship Committee
- ✓ Management and Finance Committee

The details of composition of the Committees of Board of Directors are as under:-

### a. Audit Committee

During the year under review, the Board of Director of your Company re-constituted the Audit Committee in accordance with the provision of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. The Audit Committee had met four times i.e. on 27<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 13<sup>th</sup> February, 2017.

The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman/Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Smt. Archana Gupta Sha	Member
3.	Shri Mahesh Kumar Agarwal	Member
4.	Shri Chandra Shekhar Jalan*	Member

\*Appointed w.e.f. 27.05.2016.

All the recommendations made by the Committee are duly accepted and approved by the Board of Directors.

### Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The aforementioned whistle blower policy is available on Company's website [www.adhunikindustries.com](http://www.adhunikindustries.com/download/1421230277.pdf) and may be accessed at the following web-link: <http://www.adhunikindustries.com/download/1421230277.pdf>

### b. Nomination & Remuneration Committee

During the year under review, the Board of Director of your Company re-constituted the Nomination and Remuneration Committee in accordance with the provision of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. The Committee had met two times i.e. on 27<sup>th</sup> May, 2016 and 29<sup>th</sup> August, 2016. The details of composition of the Nomination & Remuneration Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Smt. Archana Gupta Sha	Chairman
2.	Shri Chandra Shekhar Jalan*	Member
3.	Shri Mahesh Kumar Agarwal	Member

\* Appointed w.e.f. 27.05.2016.

### c. Corporate Social Responsibility Committee

The CSR philosophy of your Company is embedded in its commitment to all stakeholders-consumers, employees, environment and society while your Company's approach extends both to External community as well as to your Company's large and diverse internal employee base & their families. The Committee had approved the CSR policy and the Budget. The CSR policy is uploaded on Company's website. Further, the Report on CSR Activities/ Initiatives is enclosed as **Annexure - B**.



During the year, the Board of Director of your Company re-constituted the Corporate Social Responsibility Committee in accordance with the provision of Section 135 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Committee had met once i.e. on 27<sup>th</sup> May, 2016. The details of composition of the Corporate Social Responsibility Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Chairman
2.	Shri Chandra Shekhar Jalan*	Member
3.	Shri Mohan Lal Agarwal	Member

\* Appointed w.e.f. 27.05.2016.

#### **d. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee had not met during the year under review. The details of composition of the Stakeholder's Relationship Committee are as under:-

Sl. No.	Name	Chairman/Members
1.	Shri Mahesh Kumar Agarwal	Chairman
2.	Shri Mohan Lal Agarwal	Member
3.	Smt. Archana Gupta Sha	Member

#### **e. Management and Finance Committee**

The Management and Finance Committee had not met during the year under review. The details of composition of the Management and Finance Committee are as under:-

Sl. No.	Name	Chairman/Members
1.	Shri Jugal Kishore Agarwal	Chairman
2.	Shri Mahesh Kumar Agarwal	Member
3.	Shri Mohan Lal Agarwal	Member

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 134(5) of the Companies Act, 2013, your Directors state that

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent except as otherwise stated in the Notes to Financial Statements so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms above said provisions :-

- a) Shri Asit Baran Dasgupta (DIN: 02476594)
- b) Shri Chandra Shekhar Jalan\* (DIN: 01023586)
- c) Smt. Archana Gupta Sha (DIN: 07089290)

\*Appointed w.e.f. 27.05.2016.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## DIRECTORS

Shri Asit Baran Dasgupta (DIN: 02476594), Shri Chandra Shekhar Jalan (DIN: 01023586) and Smt. Archana Gupta Sha (DIN: 07089290) has furnished their individual declaration on 1st April, 2016 pursuant to Section 149(7) of the Companies Act, 2013 confirming their status as an Independent Director pursuant to provisions of Section 149(6) of the Companies Act, 2013.

The other Board of Directors of your company comprises of Shri Mohan Lal Agarwal (DIN: 01047906), Director (Non-Executive), Shri Mahesh Kumar Agarwal (DIN: 00507690), Director & Chairman (Non- Executive) and Shri Jugal Kishore Agarwal (DIN: 00227460) Managing Director (Executive).

In accordance with the provisions of Section 152 of the Act, the Rules prescribed thereunder and your Company's Articles of Association, Shri Mohan Lal Agarwal (DIN: 01047906) retires by rotation at the ensuing Annual General Meeting being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Shri Mohan Lal Agarwal (DIN: 01047906) at the ensuing Thirty Eighth Annual General Meeting.

Mr. Chandra Shekhar Jalan (DIN No.- 01023586) was appointed as an Additional Non-Executive Independent Director of the Company on 27<sup>th</sup> May, 2016.

## KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, no changes occurred in the position of Whole-time Key Managerial Personnel (KMPs) of the Company. Shri Jugal Kishore Agarwal, (DIN: 00227460) Managing Director, Shri Bikash Roy Chowdhury, Chief Financial Officer and Shri Bharat Agarwal, Company Secretary are the Whole-time Key Managerial Personnel (KMPs) of the Company.

## COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

The Remuneration Policy of the Company, inter alia, includes the aims and objectives, principles of remuneration, guidelines for remuneration to Executive Directors and Non-Executive Directors, fixed and variable components in the remuneration package, criteria for identification of the Board Members and appointment of senior management.

The criteria for identification of the Board Members including that for determining qualification, positive attributes, independence etc. are summarily given hereunder:

- The Board member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in appropriate manner.
- Independent Director shall be person of integrity and expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.



- In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievement.
- Director should possess high level of personal and professional ethics, integrity and values. He should be able to balance the legitimate interest and concern of all the Company's stakeholder in arriving at decisions, rather than advancing the interest of a particular constituency.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

## **PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS**

Particulars of loans given, investments made, guarantees given under the provisions of Section 186 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the notes to the Financial Statements.

## **DETAILS RELATING TO MATERIAL VARIATIONS**

Disclosures regarding material variations as specified in Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not required to be furnished as no such event took place during the year.

## **RISK MANAGEMENT**

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

Management of risk remains an integral part of your Company's operations and it enables your Company to maintain high standards of asset quality at time of rapid growth of its lending business. The objective of risk management is to balance the trade-off between risk and return and ensure optimal risk-adjusted return on capital. It entails independent identification, measurement and management of risks across the businesses of your Company. Risk is managed through a framework of policies and principles approved by the Board of Directors supported by an independent risk function which ensures that your Company operates within a pre-defined risk appetite. The risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks.

Your Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organizational structures, processes, standards, code of conduct and behaviour governs how the Group conducts the business of the Company and manages associated risks. There are no risks which in the opinion of the Board may threaten the existence of the company;

## **HUMAN RESOURCE**

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has qualified and talented human resources at all levels of operation. It has put concerted efforts for continuous learning and training to ensure that strong and credible leadership is developed.

## **SAFETY, HEALTH AND ENVIRONMENT**

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is an ISO certified (ISO 9001:2008, 14001:2004 & 18001:2007) organization. Further, there is a team of professional who conducts regular training programs to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation.

## **CORPORATE SOCIAL RESPONSIBILITY**

In lines with the provisions of Section 135 of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) Policy for the development and benefit of the weaker section of the society and the same is approved by the CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides a road map for its CSR activities. The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy of discharging its CSR responsibilities related to social service through various trusts/societies in addition to its own initiatives and donations made to other non-government organizations.



The CSR Policy has been uploaded on the Company's website [www.adhunikindustries.com](http://www.adhunikindustries.com) and may be accessed at the link <http://www.adhunikindustries.com/images/31433946951.pdf>. Pursuant to the requirements under Section 135 of the Companies Act, 2013 and Rules made thereunder, a report on CSR activities and initiatives taken during the year in the prescribed format is given in **Annexure-B**, which is annexed hereto and forms part of the Board's Report.

The Company has been playing a pro-active role in the socio economic growth and has contributed to all spheres ranging from health, education, rural infrastructure development, hygiene and empowerment of women, environment conservation etc. The Company becomes the part of some of the social programs in India, touching the lives of hundreds of people positively by supporting such programs. As a part of its CSR programs, the Company had organized various programs for distribution of food, clothes and basic necessity items to the weaker section of the society on regular basis for the weaker section of society. The Company had also given donation to M/s. Manav Seva Pratisthan for the purpose of providing education to the children belongs to weaker section of society and to M/s. Haridham Sanatan Sewa Trust for the purpose of animal welfare.

## **PARTICULARS OF EMPLOYEES**

The prescribed particulars of remuneration of employees pursuant to Section 134(3)(q) and Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, are given in **Annexure - C** to the Board's Report and forms part of this report.

## **RISK AND CONCERN**

Risk management is the continuing process to identify, analysis, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. In today's complex business environment, effective risk management is critical to success of any business. The Company has a risk management team, which periodically evaluating the risks associated with the business and taking necessary initiatives to minimize its impact. This also helps the Company in taking business decisions with balanced risks and rewards comparison. The risk management framework ensures compliance with the requirements of relevant Regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **FAMILIARIZATIONS PROGRAMME FOR IDS'**

In terms of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has conducted the Familiarization Programme for Independent Director to familiarize them with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives. The said policy is uploaded on the Company's website [www.adhunikindustries.com](http://www.adhunikindustries.com) and may be accessed at the link <http://www.adhunikindustries.com/investor-14.html>

## **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company, during the period (the Trading Window is closed). The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

The policy on the Code of Conduct of is uploaded on the Company's website [www.adhunikindustries.com](http://www.adhunikindustries.com) and may be accessed at the link [http://www.adhunikindustries.com/code\\_conduct.html](http://www.adhunikindustries.com/code_conduct.html)

## **BOARD EVALUATION**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to sub-section 3(p) of section 134 of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.



In a separate meeting of Independent Directors, held on 13<sup>th</sup> February, 2017, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

## **SUBSIDIARY, JOINT VENTURES AND ASSOCIATES COMPANIES**

The Company does not have any subsidiaries, joint ventures and associate companies. So, the disclosure required is not applicable to the Company.

## **DEPOSITS**

Your Company did not accept any deposits within the meaning of the Companies Act, 2013 and the Rules made there under.

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

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operation in future.

## **INTERNAL CONTROL AND AUDIT**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The CEO and CFO certification provided in the Annual Report discusses the adequacy of the Company's Internal Control System and Audit.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## **INTERNAL FINANCIAL CONTROL SYSTEM**

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

## **AUDITORS AND AUDITOR'S REPORT**

### **STATUTORY AUDITORS**

At the 37th Annual General Meeting (AGM) of the Company held on the 14th day of September, 2016, M/s Sudhir Kumar Jain & Associates, Chartered Accountants, having (Registration No. 318016E) allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of 37th AGM till the conclusion of the 42nd AGM of the Company subject to ratification of such appointment by the Members at every AGM.

The Company has received a letter from the Statutory Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 confirming that their appointment on such ratification will be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for the said appointment.

Therefore ratification of the appointment of M/s. Sudhir Kumar Jain & Associates, Chartered Accountants, Kolkata, as Statutory Auditors of the Company to hold office from the conclusion of 38th AGM of the Company till the conclusion of the 39th AGM is being sought from the members of the Company in the ensuing Annual General Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **COST AUDITORS**

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants (a Cost Audit Firm), as Cost Auditor of the Company w.e.f. 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 to carry out audit of cost records of the Company, who was also the Cost Auditor for the Financial year 2016-17. The remuneration proposed to be paid to them in Financial Year 2017-18 requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. The report issued by the cost auditor for the Financial Year 2016-17 is self-explanatory and do not call for any further comments.



## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the Board has appointed M/s. M R & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure- D** to this Report. The report is self-explanatory and do not call for any further comments.

The Board has also appointed M/s. M R & Associates, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2017-18.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

According to the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, all transactions entered with Related Parties during the financial year 2016-17 were on arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.adhunikindustries.com](http://www.adhunikindustries.com) and may be accessed at the link <http://www.adhunikindustries.com/download/1421230517.pdf>

Your Directors draw attention of the members to Note 28 to the financial statement which sets out related party disclosures.

Moreover during the year under review the Company has entered into materially significant related party transactions and the relevant disclosure of information pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 has been shown in AOC-2, annexed herewith marked as **Annexure- E** to this report.

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company has transferred a sum of Rs. 68,000/- (Rupees Sixty Eight Thousand only) to the Investor Education and Protection Fund (IEPF) being the dividend amount which was due & payable and remained unclaimed and unpaid for a period of 7 (seven) years, as provided in Section 205A and 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Inclusion of the said amount during the year does not have any impact on the profitability of the company.

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

Your Company in its endeavor to provide a safe and healthy work environment for all its employees has developed a policy as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. The company has not received any complaints during the financial year.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual return in form MGT-9 as required under Section 92(3) of the Companies Act, 2013, is marked as **Annexure - F** which is annexed hereto and forms part of the Board's Report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is annexed to the Corporate Governance Report which is a part of Annual Report.



## FORWARD LOOKING AND CAUTIONARY STATEMENTS

Certain statement in this Report concerning to our growth prospects, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could however differ materially from those expressed or implied. The risk and uncertainties relating to these statements include, but are not limited to, important factors that could make a difference to the Company's operations such as global and domestic demand-supply conditions, finished goods prices, raw materials and fuels cost and availability, transportation costs, changes in Government regulations and tax structure, economic developments within India and other factors such as litigation and industrial relations. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

## APPRECIATION

Your Directors would take this opportunity to express their sincere appreciation for the assistance and cooperation received from the Company's customers, suppliers, government authorities, bankers, investors, financial institutions and shareholders during the period under review. Your Directors also sincerely acknowledge the outstanding support and services of the workers, staff and executives of the Company which together contributed towards the efficient operation and management of the Company.

**For and on behalf of the Board**

**Registered office**

14 Netaji Subhas Road  
Kolkata - 700001

Date: 22.05.2017

Sd/-

**Mahesh Kumar Agarwal**

**Chairman**

(DIN: 00507690)

Sd/-

**Jugal Kishore Agarwal**

**Managing Director**

(DIN: 00227460)



## ANNEXURES TO THE BOARD'S REPORT

### Annexure-A

#### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014

##### **A. Conservation of Energy**

##### **i) a) Energy conservation measures taken or impact on conservation of energy;**

Energy conservation dictates how efficiently a Company can conduct its operations. AIL has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The major steps taken by the Company in relation to energy conservation are as under-

- Replaced inefficient motor with energy efficient motors coupled with variable speed drives. Thus, efficiency of the Plant is overall improved.
- Replaced old conventional light fittings by latest generation CFL and LED light fittings in the operational and official floors, thus, power consumption is reduced..
- Effective maintenance and improvement in power factor by installing Capacitor Bank in the plant.
- Rationalization of loan on transformer.

##### **ii) Steps in utilization of alternate sources of energy**

The Company is exploring the ways and ideas through its efficient technical team that how it can use the alternate sources of energy in the energy intensive production line in place of conventional sources of energy, its viability and cost effectiveness in relation to the production cost of the products produced by the Company.

##### **iii) Capital investment on energy conservation equipments**

No capital investment on energy conservation equipment's incurred by the Company during the financial year ended March 31, 2017.

##### **B. Technology Absorption**

- i) The efforts made by the Company towards technology absorption during the year under review are as under:
  - Installation of various machine based testing system to check the quality of the product produced.
- ii) Adhunik Industries Limited finished products are always set a reputable standard in the market in comparison to its peers. With the adoption various advanced methodology in the production process will help the Company to reduce its cost of production and also the quality and durability of the products are also improved.
- iii) The Company had not imported any foreign technology during the last three years.
- iv) The Company had not incurred any major expenditure which can specifically appropriated to Research and Development work.

##### **C. Foreign Exchange Earnings and Outgo**

Total foreign exchange earned and outgo	2016-17	2015-16
Foreign Exchange Inflow (Rs. in Lakhs)	2,899.13	-
Foreign Exchange Outgo (Rs. in Lakhs)	109.67	81.17

**For and on behalf of the Board**

**Registered office**  
14 Netaji Subhas Road  
Kolkata - 700001

Sd/-  
**Mahesh Kumar Agarwal**  
Chairman  
(DIN: 00507690)

Sd/-  
**Jugal Kishore Agarwal**  
Managing Director  
(DIN: 00227460)

Date: 22.05.2017

## Annexure-B

### Report on Corporate Social Responsibility (CSR) Activities / Initiatives (Pursuant to Section 135 of the Act and Rules made thereunder)

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

In line with the provisions of the Companies Act, 2013, the Company has framed its CSR policy for the development of programs and projects for the benefit of weaker section of the society and the same has been approved by the CSR Committee of the Board. The greater emphasis is laid on eradicating hunger, poverty and malnutrition, preventive health care, education, hygiene, environment conservation etc. The Company's CSR policy is placed on its website [www.adhunikindustries.com](http://www.adhunikindustries.com) and the web link for the same is <http://www.adhunikindustries.com/images/31433946951.pdf>

#### 2. The composition of CSR Committee is as under:

Shri Mahesh Kumar Agarwal

Shri Mohan Lal Agarwal

Shri Chandra Shekhar Jalan\*

\*(Appointed w.e.f. 27/05/2016)

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

2013-14, 2014-15 and 2015-16 is Rs. 891.69 Lacs.

#### 4. The prescribed CSR expenditure (two percent of the amount mentioned in item 3 above): Rs. 17.83 Lacs

#### 5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year 2016-17: Rs. 17.83 Lacs
- Amount unspent, if any: Not applicable
- Manner in which the amount spent during the financial year 2016-17 is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended	Projects or programs 1) Local area other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projector programs wise	Amount spent on the projects or programs Subheads: i) Direct expenditure on projects or programs ii) Overheads	Cumulative expenditure upto the reporting period i.e. 2016-17	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
				Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	
i	Organizing programs for distribution of food to the weaker section on regular basis	Hunger, Poverty and	Durgapur, Kolkata, West Bengal	3.61	3.61	3.61	Direct
ii	Responsibility of ensuring animal welfare	Animal welfare	Durgapur, Kolkata, West Bengal	4.00	4.00	4.00	Through implementing agency i.e. Haridham Sanatan Seva Trust
iii	Responsibility for providing education	Education	Kolkata, West Bengal	10.00	10.00	10.00	Through implementing agency i.e. Manav Seva Pratishthan
iv	Supervision of CSR activities	Overheads	Durgapur, Kolkata, West Bengal	0.22	0.22	0.22	Direct
<b>Total</b>				<b>17.83</b>	<b>17.83</b>	<b>17.83</b>	





6. **In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount:** Not Applicable
7. **A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**Registered office**  
14 Netaji Subhas Road  
Kolkata - 700001

Date: 22.05.2017

Sd/-  
**Mahesh Kumar Agarwal**  
**Chairman of the CSR Committee**  
(DIN: 00507690)

Sd/-  
**Jugal Kishore Agarwal**  
**Managing Director**  
(DIN: 00227460)

### Annexure-C

#### DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014 AS AMENDED

Sr. No	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year	Name of the Director	Ratio
		Shri Jugal Kishore Agarwal	63:1
		1. Apart from Managing Director, no director is in receipt of any remuneration from the Company. 2. Sitting Fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Shri Jugal Kishore Agarwal	NIL
		Shri Bikash Roy Chowdhury	NIL
		Shri Bharat Agarwal	31.43%
3	The percentage increase in the median remuneration of employees in the financial year	In the financial year, there was an increase of 0.0021 % in the median remuneration of employees.	
4	The number of permanent employees on the rolls of Company	There were 145 permanent employees on the rolls of the Company as on March 31, 2017.	
5	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 percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016-17 is 8.49 % whereas increase in managerial remuneration for the same financial year was NIL.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid during the year ended 31 <sup>st</sup> March, 2017 is as per the Remuneration Policy of the Company.	

#### Statement pursuant to Section 197(12) read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

SL. No.	Name	Designation / Nature of Duties	Remuneration Received (in Rs.)	Nature of Employment and other terms	Qualification	Experience (in years)	Age (in years)	Date of commencement of employment	Last employment held and Designation	% of Equity Shares held by the employee in the Company
1	Mr. Jugal Kishore Agarwal	Managing Director	30,00,000	As per shareholder's Resolution	Graduate in Commerce and Law	33	66	30/11/2014	Adhunik Steels Limited as Executive	1.06
2	Mr. Bikash Roy Chowdhury	CFO	15,00,000	Permanent	BE-PGDSM	40	71	01/04/2010	Adhunik Corporation Limited as Officer	NIL

SL. No.	Name	Designation / Nature of Duties	Remuneration Received (in Rs.)	Nature of Employment and other terms	Qualification	Experience (in years)	Age (in years)	Date of commencement of employment	Last employment held and Designation	% of Equity Shares held by the employee in the
3	Mr. Chatar Singh	General Manager-Technical	9,34,000	Permanent	B.A.	35	54	08/11/2005	Usha Martin Limited as Manager	NIL
4	Mr. Bharat Agarwal	Company Secretary	7,29,427	Permanent	CA, CS	11	32	01/04/2010	Adhunik Corporation Limited as Manager	NIL
5	Mr. Baljit Singh	Assistant General Manager-Electrical	6,26,800	Permanent	B. Tech., MBA	25	48	04/09/2005	Usha Martin Limited as Senior Manager-Electrical	NIL
6	Mr. Debasish	Manager-Legal	6,00,000	Permanent	B. Com	25	47	01/07/2012	Asia Brown Bovary as Senior Supervisor	NIL
7	Bose Mr. Tushar Chakraborty	Management Representative – ISO	5,85,876	Permanent	M.Com (Hons.), IRCA	40	72	01/11/2008	Tata Iron & Steel Company Limited as Manager-Marketing & Sales	NIL
8	Mr. Ahmed Saif	Officer-Marketing	5,66,072	Permanent	B. Sc. (Hons.), MBA - Marketing	20	49	01/03/2014	Shyam Metaliks Limited as Manager-Public Relation (Marketing)	NIL
9	Mr. Priyabrata Chatterjee	Senior Manager-Marketing	5,44,671	Permanent	B. Com (Hons.), MBA-Marketing	20	50	01/01/2010	Shyam Steel Industries Limited as Manager-Marketing	NIL
10	Mr. Subrata Thakur	Senior Accountant	4,27,200	Permanent	B. Com	15	46	01/04/2005	Adhunik Steels Limited as Accountant	NIL

**Notes:**

- 1) The employees have adequate experience to discharge responsibilities assigned to them.
- 2) None of the employees are relatives of Directors of the Company except Mr. Jugal Kishore Agarwal who is the elder brother of Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal.

**For and on behalf of the Board**

**Registered office**  
14 Netaji Subhas Road  
Kolkata - 700001  
Date: 22.05.2017

Sd/-  
**Mahesh Kumar Agarwal**  
**Chairman**  
(DIN: 00507690)

Sd/-  
**Jugal Kishore Agarwal**  
**Managing Director**  
(DIN: 00227460)

**Annexure-D****Form No. MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

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

**To,****The Members,****ADHUNIK INDUSTRIES LIMITED****14, N. S. Road, 2nd Floor,****Kolkata-700001****West Bengal**

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADHUNIK INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:
  - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

We further report that, there were no actions/ events in pursuance of;

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the specific applicable laws like:

- a) Factories Act, 1948,
- b) Industrial Dispute Act, 1947,
- c) Payment of Wages Act, 1936 and other applicable labour laws,
- d) Environment (Protection) Act, 1986 and other environment laws,

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company had obtained approval from its members for material related party transactions to be entered by the Company for Financial Year 2016-17 under section 188 of the Companies Act, 2013 and other applicable provisions read with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Annual General Meeting held on 14.09.2016.

This Report is to be read with our letter of even date which is annexed “**Annexure A**” and forms an Integral Part of this Report.

**For MR & Associates  
Company Secretaries**

**[M R Goenka]  
Partner  
FCS No.:4515  
C P No.:2551**

**Place : Kolkata  
Date : 22.05.2017**

**“ANNEXURE – A”**

**(TO THE SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017)**

To,  
The Members  
**ADHUNIK INDUSTRIES LIMITED**  
**14, N. S. Road, 2nd Floor,**  
**Kolkata-700001**  
**West Bengal**

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For MR & Associates  
Company Secretaries**

**[M R Goenka]**  
**Partner**  
**FCS No.:4515**  
**C P No.:2551**

**Place : Kolkata**  
**Date : 22.05.2017**

## Annexure - E

### 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)

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:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2016-17.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship	Adhunik Corporation Limited (Enterprise over which KMP/ Shareholders/ Relatives have significant influence)
2.	Nature of contracts/ arrangements/ transactions	Purchase of Raw Materials & Sale of By-Product
3.	Duration of the contracts / arrangements/ transactions	During the F.Y. 2016-17
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Billet and sale of Misrolled, Wastage, End-cutting etc. at arm's length basis (For details of transactions during the year refer Note no. 28 (b) of Audited Financial Statements.)
5.	Date(s) of approval by the Board	27.05.2016
6.	Amount paid as advances, if any:	Nil

**For and on behalf of the Board**

**Registered office**  
14 Netaji Subhas Road  
Kolkata - 700001

Date: 22.05.2017

Sd/-  
**Mahesh Kumar Agarwal**  
**Chairman**  
(DIN: 00507690)

Sd/-  
**Jugal Kishore Agarwal**  
**Managing Director**  
(DIN: 00227460)

**Annexure-F**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L65921WB1979PLC032200
2	Registration Date	23-08-1979
3	Name of the Company	ADHUNIK INDUSTRIES LIMITED
4	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY / LIMITED BY SHARES
5	Address of the Registered office & contact details	14, NETAJI SUBHAS ROAD 2ND FLOOR, KOLKATA-700 001 Tel: +91 33 2243 4355 / Fax: +91 33 2242 8551
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata-700 001. Tel: +91 33 2243 5809 / 5029, Fax: +91 33 2248 4787

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Iron & Steel	241- Manufacture of basic Iron & Steel	100.00

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	NIL	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN	
(Equity share capital breakup as percentage of total equity)	
(i) Category-wise Share Holding	

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	32,31,050	-	32,31,050	6.91%	32,31,050	-	32,31,050	6.91%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	3,18,23,750	-	3,18,23,750	68.05%	3,18,23,750	-	3,18,23,750	68.05%	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>3,50,54,800</b>	<b>-</b>	<b>3,50,54,800</b>	<b>74.96%</b>	<b>3,50,54,800</b>	<b>-</b>	<b>3,50,54,800</b>	<b>74.96%</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI's	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>3,50,54,800</b>	<b>-</b>	<b>3,50,54,800</b>	<b>74.96%</b>	<b>3,50,54,800</b>	<b>-</b>	<b>3,50,54,800</b>	<b>74.96%</b>	<b>-</b>



IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) <b>Category-wise Share Holding (Cont.)</b>									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	91,98,217	-	91,98,217	19.67%	87,22,999	-	87,22,999	18.65%	1.02%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	53,094	1	53,095	0.11%	1,20,129	1	1,20,130	0.26%	-0.14%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	24,52,993	-	24,52,993	5.25%	27,55,229	-	27,55,229	5.89%	-0.65%
c) Others (specify)									
Non Resident Indians	-	-	-	-	2,630	-	2,630	0.01%	-0.01%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	4,645	-	4,645	0.01%	1,07,962	-	1,07,962	0.23%	-0.22%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>1,17,08,949</b>	<b>1</b>	<b>1,17,08,950</b>	<b>25.04%</b>	<b>1,17,08,949</b>	<b>1</b>	<b>1,17,08,950</b>	<b>25.04%</b>	<b>-</b>
<b>Total Public (B)</b>	<b>1,17,08,949</b>	<b>1</b>	<b>1,17,08,950</b>	<b>25.04%</b>	<b>1,17,08,949</b>	<b>1</b>	<b>1,17,08,950</b>	<b>25.04%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,67,63,749</b>	<b>1</b>	<b>4,67,63,750</b>	<b>100.00%</b>	<b>4,67,63,749</b>	<b>1</b>	<b>4,67,63,750</b>	<b>100.00%</b>	<b>-</b>

**(ii) Shareholding of Promoter**

SN	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	Mahesh Kumar Agarwal	5,24,000	1.12%	-	5,24,000	1.12%	-	-
2	Manoj Kumar Agarwal	5,16,550	1.10%	-	5,16,550	1.10%	-	-
3	Ghanshyam Das Agarwal	5,10,500	1.09%	-	5,10,500	1.09%	-	-
4	Jugal Kishore Agarwal	4,94,500	1.06%	-	4,94,500	1.06%	-	-
5	Nirmal Kumar Agarwal	4,89,000	1.05%	-	4,89,000	1.05%	-	-
6	Mohan Lal Agarwal	4,41,500	0.94%	-	4,41,500	0.94%	-	-
7	Rita Agarwal	75,000	0.16%	-	75,000	0.16%	-	-
8	Chandrakanta Agarwal	52,500	0.11%	-	52,500	0.11%	-	-
9	Meena Agarwal	50,000	0.11%	-	50,000	0.11%	-	-
10	Jugal Kishore Agarwal (HUF)	50,000	0.11%	-	50,000	0.11%	-	-
11	Nirmal Kumar Agarwal (HUF)	27,500	0.06%	-	27,500	0.06%	-	-
12	Adhunik Steels Ltd.	3,40,000	0.73%	-	3,40,000	0.73%	-	-
13	Mahananda Suppliers Ltd.	1,66,00,000	35.50%	-	1,66,00,000	35.50%	-	-
14	Sungrowth Share & Stocks Ltd.	1,48,83,750	31.83%	-	1,48,83,750	31.83%	-	-

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
	At the beginning of the year			3,50,54,800	74.96%	3,50,54,800	74.96%
	Changes during the year			No Change during the year			
	At the end of the year			3,50,54,800	74.96%	3,50,54,800	74.96%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares

**1. Shri Nand Kishor Singh #**

At the beginning of the year	01-04-2016		94,905	0.20%	94,905	0.20%
Changes during the year	13-05-2016	Transfer	(750)	0.00%	94,155	0.20%
Changes during the year	20-05-2016	Transfer	750	0.00%	94,905	0.20%
Changes during the year	15-07-2016	Transfer	(119)	0.00%	94,786	0.20%
Changes during the year	05-08-2016	Transfer	(435)	0.00%	94,351	0.20%
Changes during the year	30-09-2016	Transfer	(951)	0.00%	93,400	0.20%
Changes during the year	07-10-2016	Transfer	400	0.00%	93,800	0.20%
Changes during the year	28-10-2016	Transfer	(1,350)	0.00%	92,450	0.20%
Changes during the year	17-03-2017	Transfer	(1,400)	0.00%	91,050	0.19%
At the end of the year	31-03-2017		91,050	0.19%	91,050	0.19%

**(iv) Shareholding Pattern of top ten Shareholders (Cont.)**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
2. Smt. Kavita Gupta #							
	At the beginning of the year	01-04-2016		20,700	0.04%	20,700	0.04%
	Changes during the year	12-08-2016	Transfer	(1,284)	0.00%	19,416	0.04%
	Changes during the year	26-08-2016	Transfer	(12,966)	-0.03%	6,450	0.01%
	Changes during the year	30-09-2016	Transfer	(498)	0.00%	5,952	0.01%
	Changes during the year	04-11-2016	Transfer	(183)	0.00%	5,769	0.01%
	Changes during the year	03-02-2017	Transfer	(275)	0.00%	5,494	0.01%
	Changes during the year	10-02-2017	Transfer	(600)	0.00%	4,894	0.01%
	Changes during the year	17-02-2017	Transfer	(98)	0.00%	4,796	0.01%
	Changes during the year	10-03-2017	Transfer	(150)	0.00%	4,646	0.01%
	At the end of the year	31-03-2017		4,646	0.01%	4,646	0.01%
3. Vrindavan Advisory Services LLP							
	At the beginning of the year	01-04-2016		43,34,606	9.27%	43,34,606	9.27%
	Changes during the year		Transfer	-	0.00%	43,34,606	9.27%
	At the end of the year	31-03-2017		43,34,606	9.27%	43,34,606	9.27%
4. Admirable Advisory Services LLP							
	At the beginning of the year	01-04-2016		13,64,882	2.92%	13,64,882	2.92%
	Changes during the year		Transfer	-	0.00%	13,64,882	2.92%
	At the end of the year	31-03-2017		13,64,882	2.92%	13,64,882	2.92%
5. Integrated Master Securities (P) Ltd. # @							
	At the beginning of the year	01-04-2016		34,90,000	7.46%	34,90,000	7.46%
	Changes during the year	17-06-2016	Transfer	(34,90,000)	-7.46%	-	0.00%
	Changes during the year	05-08-2016	Transfer	12,40,000	2.65%	12,40,000	2.65%
	Changes during the year	12-08-2016	Transfer	6,50,000	1.39%	18,90,000	4.04%
	Changes during the year	26-08-2016	Transfer	(18,90,000)	-4.04%	-	0.00%
	Changes during the year	16-12-2016	Transfer	35,900	0.08%	35,900	0.08%
	Changes during the year	20-01-2017	Transfer	(35,900)	-0.08%	-	0.00%
	Changes during the year	17-02-2017	Transfer	40,500	0.09%	40,500	0.09%
	Changes during the year	23-02-2017	Transfer	29,200	0.06%	69,700	0.15%
	Changes during the year	03-03-2017	Transfer	34,269	0.07%	1,03,969	0.22%
	Changes during the year	10-03-2017	Transfer	(1,03,969)	-0.22%	-	0.00%
	Changes during the year	24-03-2017	Transfer	45,001	0.10%	45,001	0.10%
	Changes during the year	31-03-2017	Transfer	(45,001)	-0.10%	-	0.00%
	At the end of the year	31-03-2017		-	0.00%	-	0.00%

**(iv) Shareholding Pattern of top ten Shareholders (Cont.)**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
6. VSL Securities Private Ltd. #							
	At the beginning of the year	01-04-2016		7,000	0.01%	7,000	0.01%
	Changes during the year	24-06-2016	Transfer	5,000	0.01%	12,000	0.03%
	Changes during the year	05-08-2016	Transfer	(5,000)	-0.01%	7,000	0.01%
	Changes during the year	12-08-2016	Transfer	(7,000)	-0.01%	-	0.00%
	Changes during the year	23-09-2016	Transfer	1,337	0.00%	1,337	0.00%
	Changes during the year	28-10-2016	Transfer	2,034	0.00%	3,371	0.01%
	Changes during the year	23-12-2016	Transfer	(16)	0.00%	3,355	0.01%
	At the end of the year	31-03-2017		3,355	0.01%	3,355	0.01%
7. Anugrah Stock & Broking Pvt. Ltd. #							
	At the beginning of the year	01-04-2016		3,355	0.01%	3,355	0.01%
	Changes during the year	29-04-2016	Transfer	(3,355)	-0.01%	-	0.00%
	Changes during the year	05-08-2016	Transfer	1,055	0.00%	1,055	0.00%
	Changes during the year	12-08-2016	Transfer	(1,055)	0.00%	-	0.00%
	Changes during the year	16-12-2016	Transfer	200	0.00%	200	0.00%
	Changes during the year	30-12-2016	Transfer	(3)	0.00%	197	0.00%
	Changes during the year	13-01-2017	Transfer	(197)	0.00%	-	0.00%
	At the end of the year	31-03-2017		-	0.00%	-	0.00%
8. Shri Deepak Hotilal Thakur							
	At the beginning of the year	01-04-2016		22,89,675	4.90%	22,89,675	4.90%
	Changes during the year	08-04-2016	Transfer	(11,00,000)	-2.35%	11,89,675	2.54%
	Changes during the year	13-05-2016	Transfer	(200)	0.00%	11,89,475	2.54%
	Changes during the year	27-05-2016	Transfer	(3,500)	-0.01%	11,85,975	2.54%
	Changes during the year	03-06-2016	Transfer	(1,000)	0.00%	11,84,975	2.53%
	Changes during the year	10-06-2016	Transfer	(15,729)	-0.03%	11,69,246	2.50%
	At the end of the year	31-03-2017		11,69,246	2.50%	11,69,246	2.50%
9. Shri Prabash Kumar Singh #							
	At the beginning of the year	01-04-2016		3,951	0.01%	3,951	0.01%
	Changes during the year	22-04-2016	Transfer	493	0.00%	4,444	0.01%
	Changes during the year	29-04-2016	Transfer	96	0.00%	4,540	0.01%
	Changes during the year	13-05-2016	Transfer	4	0.00%	4,544	0.01%
	Changes during the year	03-06-2016	Transfer	1,064	0.00%	5,608	0.01%
	Changes during the year	10-06-2016	Transfer	2,820	0.01%	8,428	0.02%
	Changes during the year	24-06-2016	Transfer	1,071	0.00%	9,499	0.02%
	Changes during the year	30-06-2016	Transfer	430	0.00%	9,929	0.02%
	Changes during the year	15-07-2016	Transfer	(279)	0.00%	9,650	0.02%
	Changes during the year	29-07-2016	Transfer	(709)	0.00%	8,941	0.02%
	Changes during the year	12-08-2016	Transfer	(8,941)	-0.02%	-	0.00%
	At the end of the year	31-03-2017		-	0.00%	-	0.00%

**(iv) Shareholding Pattern of top ten Shareholders (Cont.)**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares

**10. Shri Subhash Chand Gupta #**

	At the beginning of the year	01-04-2016		47,713	0.10%	47,713	0.10%
	Changes during the year		Transfer	-	0.00%	47,713	0.10%
	At the end of the year	31-03-2017		47,713	0.10%	47,713	0.10%

**11. Shri Munesh Hotilal Thakur \***

	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	08-04-2016	Transfer	11,00,000	2.35%	11,00,000	2.35%
	Changes during the year	13-05-2016	Transfer	(242)	0.00%	10,99,758	2.35%
	Changes during the year	03-06-2016	Transfer	(2,594)	-0.01%	10,97,164	2.35%
	Changes during the year	10-06-2016	Transfer	(1,025)	0.00%	10,96,139	2.34%
	Changes during the year	17-06-2016	Transfer	(7,564)	-0.02%	10,88,575	2.33%
	At the end of the year	31-03-2017		10,88,575	2.33%	10,88,575	2.33%

**12. Tista Tradelinks Private Limited \* @**

	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	17-06-2016	Transfer	16,00,000	3.42%	16,00,000	3.42%
	Changes during the year	26-08-2016	Transfer	6,90,000	1.48%	22,90,000	4.90%
	Changes during the year	21-10-2016	Transfer	(1,00,000)	-0.21%	21,90,000	4.68%
	Changes during the year	28-10-2016	Transfer	(2,95,000)	-0.63%	18,95,000	4.05%
	Changes during the year	04-11-2016	Transfer	(1,25,800)	-0.27%	17,69,200	3.78%
	Changes during the year	11-11-2016	Transfer	(53,100)	-0.11%	17,16,100	3.67%
	Changes during the year	09-12-2016	Transfer	(18,100)	-0.04%	16,98,000	3.63%
	Changes during the year	16-12-2016	Transfer	32,950	0.07%	17,30,950	3.70%
	Changes during the year	03-03-2017	Transfer	(5,100)	-0.01%	17,25,850	3.69%
	Changes during the year	10-03-2017	Transfer	(1,34,000)	-0.29%	15,91,850	3.40%
	Changes during the year	17-03-2017	Transfer	(1,06,000)	-0.23%	14,85,850	3.18%
	Changes during the year	24-03-2017	Transfer	(1,08,324)	-0.23%	13,77,526	2.95%
	At the end of the year	31-03-2017		13,77,526	2.95%	13,77,526	2.95%

**13. Avantika Adviosry Services LLP \***

	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	26-08-2016	Transfer	12,00,000	2.57%	12,00,000	2.57%
	Changes during the year	20-01-2017	Transfer	44,900	0.10%	12,44,900	2.66%
	Changes during the year	10-03-2017	Transfer	1,03,969	0.22%	13,48,869	2.88%
	At the end of the year	31-03-2017		13,48,869	2.88%	13,48,869	2.88%

**(iv) Shareholding Pattern of top ten Shareholders (Cont.)**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
14. Shri J K Prasad *							
	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	26-10-2016	Transfer	82,000	0.18%	82,000	0.18%
	Changes during the year	04-11-2016	Transfer	15,000	0.03%	97,000	0.21%
	Changes during the year	11-11-2016	Transfer	25,100	0.05%	1,22,100	0.26%
	Changes during the year	09-12-2016	Transfer	(6,000)	-0.01%	1,16,100	0.25%
	At the end of the year	31-03-2017		1,16,100	0.25%	1,16,100	0.25%
15. Smt Poonam Gupta *							
	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	28-10-2016	Transfer	45,000	0.10%	45,000	0.10%
	Changes during the year	04-11-2016	Transfer	84,800	0.18%	1,29,800	0.28%
	Changes during the year	09-12-2016	Transfer	(5,000)	-0.01%	1,24,800	0.27%
	Changes during the year	16-12-2016	Transfer	(20,500)	-0.04%	1,04,300	0.22%
	At the end of the year	31-03-2017		1,04,300	0.22%	1,04,300	0.22%
16. Gist Minerals Technologies Ltd. *							
	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	10-03-2017	Transfer	1,34,000	0.29%	1,34,000	0.29%
	Changes during the year	24-03-2017	Transfer	1,06,000	0.23%	2,40,000	0.51%
	Changes during the year	31-03-2017	Transfer	47,000	0.10%	2,87,000	0.61%
	At the end of the year	31-03-2017		2,87,000	0.61%	2,87,000	0.61%
17. Shri Jivabhai Ambalal Patel *							
	At the beginning of the year	01-04-2016		-	0.00%	-	0.00%
	Changes during the year	31-03-2017	Transfer	1,00,000	0.21%	1,00,000	0.21%
	At the end of the year	31-03-2017		1,00,000	0.21%	1,00,000	0.21%

\* Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017.

# Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

@ Consolidated holding taken

+ The above information is based on the weekly beneficiary position received from Depositories.

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	Shri Jugal Kishore Agarwal	01-04-2016	NOT APPLICABLE	4,94,500	1.06%	4,94,500	1.06%
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2017		4,94,500	1.06%	4,94,500	1.06%
2	Shri Mohan Lal Agarwal	01-04-2016		4,41,500	0.94%	4,41,500	0.94%
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2017		4,41,500	0.94%	4,41,500	0.94%
3	Shri Mahesh Kumar Agarwal	01-04-2016		5,24,000	1.12%	5,24,000	1.12%
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31-03-2017		5,24,000	1.12%	5,24,000	1.12%

Note: No shares held by Shri Chandra Shekhar Jalan, Shri Asit Baran Dasgupta and Smt. Archana Gupta Sha, all independent directors of the Company during the period under review. Further, no shares held by Shri Bikash Roychowdhury, CFO of the Company and Shri Bharat Agarwal, Company Secretary of the Company during the period under review.

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amount in Rs.) Total Indebtedness
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**Indebtedness at the beginning of the financial year**

i) Principal Amount	71,88,01,357	25,00,000	-	72,13,01,357
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>71,88,01,357</b>	<b>25,00,000</b>	<b>-</b>	<b>72,13,01,357</b>

**Change in Indebtedness during the financial year**

* Addition	25,21,21,955	-	-	25,21,21,955
* Reduction	(7,23,92,849)	-	-	(7,23,92,849)
<b>Net Change</b>	<b>17,97,29,106</b>	<b>-</b>	<b>-</b>	<b>17,97,29,106</b>

**Indebtedness at the end of the financial year**

i) Principal Amount	89,85,30,463	25,00,000	-	90,10,30,463
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>89,85,30,463</b>	<b>25,00,000</b>	<b>-</b>	<b>90,10,30,463</b>

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

(Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	<b>Name</b>	<b>Shri Jugal Kishore Agarwal</b>	
	<b>Designation</b>	<b>Managing Director</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	30,00,000
	(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>30,00,000</b>	<b>30,00,000</b>
	Ceiling as per the Act	The remuneration is well within the limits prescribed under Companies Act, 2013.	

**B. Remuneration to other Directors**

(Rs.)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Shri Asit Baran Dasgupta	Shri Chandra Shekhar Jalan	Smt. Archana Gupta Sha	
	Fee for attending board committee meetings	60,000	60,000	45,000	1,65,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>60,000</b>	<b>60,000</b>	<b>45,000</b>	<b>1,65,000</b>
2	Other Non-Executive Directors	Shri Mohan Lal Agarwal	Shri Mahesh Kumar Agarwal		
	Fee for attending board committee meetings	40,000	45,000		85,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>40,000</b>	<b>45,000</b>	<b>-</b>	<b>85,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,00,000</b>	<b>1,05,000</b>	<b>45,000</b>	<b>2,50,000</b>
	<b>Total Managerial Remuneration (Exclusive of Sitting Fees)</b>				<b>30,00,000</b>
	Overall Ceiling as per the Act	The total managerial remuneration is well within the limits prescribed under Companies Act, 2013.			



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd**

(Rs.)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name		Shri Bikash Roychowdhury	Shri Bharat Agarwal	
	Designation	CEO	CFO	CS	
1	Gross salary	NOT APPLICABLE			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		15,00,000	7,29,427	22,29,427
	(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		15,00,000	7,29,427	22,29,427

**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)
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**A. COMPANY**

Penalty	NIL				
Punishment					
Compounding					

**B. DIRECTORS**

Penalty	NIL				
Punishment					
Compounding					

**C. OTHER OFFICERS IN DEFAULT**

Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board

**Registered office**  
 14 Netaji Subhas Road  
 Kolkata - 700001

Date: 22.05.2017

 Sd/-  
**Mahesh Kumar Agarwal**  
 Chairman  
 (DIN: 00507690)

 Sd/-  
**Jugal Kishore Agarwal**  
 Managing Director  
 (DIN: 00227460)

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### A. ECONOMIC OVERVIEW

#### i. INDIAN ECONOMY

India is the world's third-largest producer of crude steel (up from eighth in 2003) and is largely focusing on increasing production. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. The steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels. The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and provides 20,00,000 jobs in the country. India's steel sector posted a robust 11% growth in production in 2016-17 at 101.2 million tonnes (MT) even as domestic consumption remained anaemic mainly due to poor off take from the end-use segments like construction, automobiles and white goods sectors.

India's crude steel production grew by 7.4 per cent year-on-year to 95.6 million tonnes (MT) in 2016. Total production of crude steel during February 2017 grew by 8.5 per cent year-on-year to 8.08 million tonnes (MT).

India's steel exports grew 150.0 per cent year-on-year to 0.75 million tonnes (MT) in February 2017, while steel imports declined 46 per cent year-on-year to 0.49 million tonnes (MT). Total consumption of finished steel grew by 3.4 per cent year-on-year to 76.22 million tonnes (MT) during April 2016-February 2017. In FY17 (1), crude steel production in India was 72.35 million tonnes (MT) with the total crude steel production growing at a CAGR of 12.61 per cent over the last five years and reached 89.79 million tonnes (MT) in FY16.

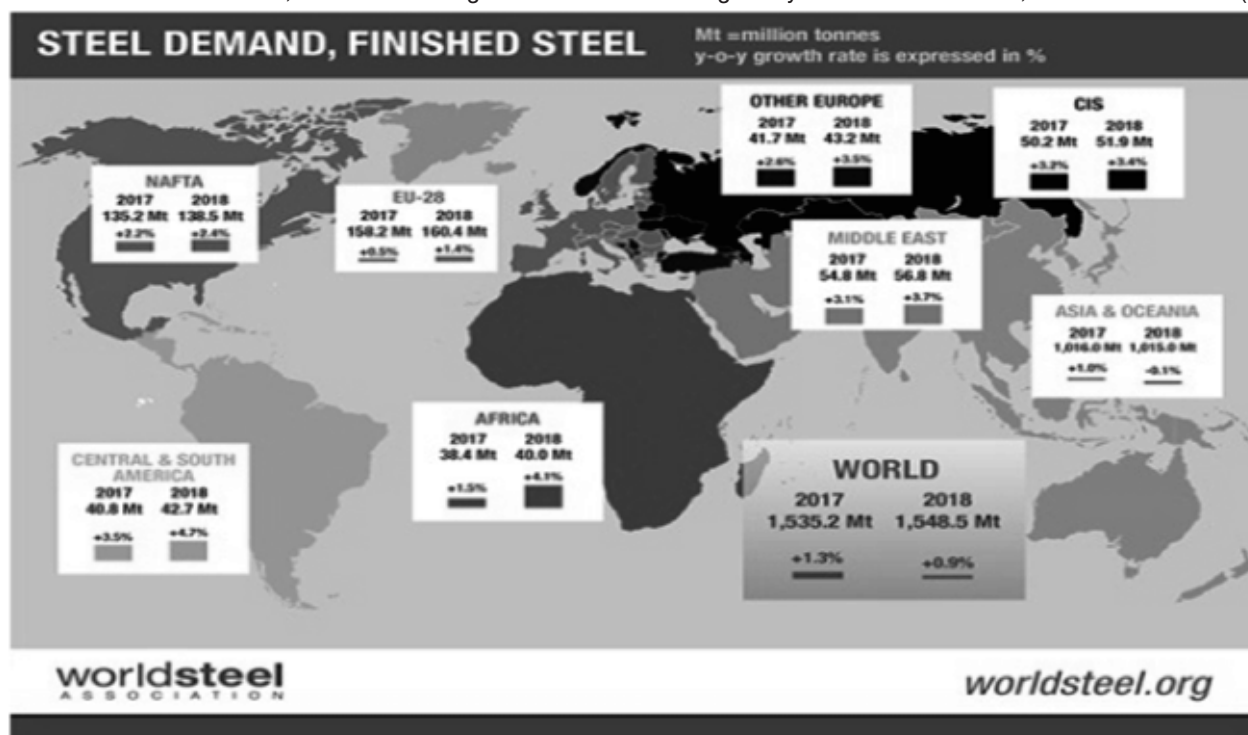
(Source: Indian Brand of Equity Foundation)

#### ii. GLOBAL ECONOMY

World Steel Association provided a comprehensive overview of steel industry activities, stretching from crude steel production to apparent steel use, from indications of global steel trade flows to iron ore production and trade. World crude steel production was 410.5 million tonnes (MT) in the first three months of 2017, up by 5.7% compared to the same period in 2016. Asia produced 280.6 million tonnes (MT) of crude steel, an increase of 5.4% over the first quarter of 2016. The EU produced 42.5 million tonnes (MT) of crude steel in the first quarter of 2017, up by 3.8% compared to the same quarter of 2016. North America's crude steel production in the first three months of 2017 was 29.3 million tonnes (MT), an increase of 7.1% compared to the first quarter of 2016. The C.I.S. produced 25.9 million tonnes (MT) of crude steel in the first three months of 2017, an increase of 4.0% over the same months of 2016.

China's crude steel production for March 2017 was 72.0 million tonnes (MT), an increase of 1.8% compared to March 2016. Japan produced 8.9 million tonnes (MT) of crude steel in March 2017, an increase of 1.8% compared to March 2016.

World steel forecasts that global steel demand will increase by 1.3% to 1,535.2 million tonnes (MT) in 2017, following growth of 1.0% in 2016. In 2018, it is forecast that global steel demand will grow by 0.9% and will reach 1,548.5 million tonnes (MT).



(Source: World Steel Association)



## **B. INDUSTRY STRUCTURE AND DEVELOPMENTS**

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 million tonnes (MT) by 2030. The sector has benefitted from the hike in prices and production, especially since the beginning of the millennium. Driven by rising infrastructure development & growing demand for automotive, steel consumption is expected to reach 104 million tonnes (MT) by 2017. The total finished steel production in FY 17 stood at 83.10 million tonnes (MT).

With the Indian economy expected to grow by approximately 7 per cent in the years to come, sectors such as infrastructure and automobiles will receive a renewed thrust, which would further generate demand for steel in the country. Crude steel production has reached over 72 million tonnes (MT) in FY 17, expanding at a CAGR of 3.61 per cent over 2016-17 with a global share of 5.5 per cent.

## **C. GOVERNMENT INITIATIVES**

The Government of India is aiming to scale up steel production in the country to 300 million tonnes (MT) by 2030. Some of the recent government initiatives in this sector are as follows:

- New National Steel Policy has been formulated by the Ministry of Steel in 2016, which will retain the objectives included in National Steel Policy (NSP) 2005. It aims at covering broader aspects of steel sector across the country including environment and facilitation of new steel projects, growth of steel demand in India & raw materials.
- 100 per cent FDI through the automatic route is allowed in the Indian steel sector.
- The Government of India has approved a joint venture (JV) between MSTC Ltd and Mahindra Inter trade Ltd, for setting up India's first green field auto shredding and recycling facility, which will aid in saving of foreign currency, as a result of import substitution of scrap.

(Source: Indian Brand of Equity Foundation; The Economic Times)

*Your Company is engaged in the production of TMT bars and Wire Rods which are mainly used in the construction industry. As such, the outlook for your Company is closely linked to that of the steel, infrastructure and real estate industry and the demand for TMT and wire rod in particular is influenced by the price & availability of raw materials.*

## **D. OPPORTUNITIES AND THREATS**

The outlook for the global economy is mostly positive with growth picking up in the US, India and Southeast Asia, while several emerging markets are experiencing a deceleration in growth. However, the structural shift in the transitioning Chinese economy could cap this momentum.

Countries and businesses are becoming increasingly interdependent through trade, investment and financial systems across the world. The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming more diverse and global. The businesses that ride the next wave of growth will be those that understand the trends and refine their strategies, business models and portfolios according to a truly global mind-set. The steel producers must find the right balance between globalization and customization.

The steel industry is faced with dwindling investments, financial market turbulence and geopolitical conflicts in many developing regions. The industry's low-growth outlook will persist until other developing regions of sufficient size and strength can support another major growth cycle.

India has enormous scope and untapped potential to increase steel consumption in all most all sectors, especially in automobiles, engineering industries and infrastructure development. The consumption of steel per capita in India is around 65 kg per year, much lower compared to the global average (235 kg), leaving significant headroom for growth. Growing investments for infrastructure, rapid growth in the industrial sector, increase in urban population, and strengthening of rural steel market can raise the country's per capita steel consumption considerably. India's GDP growth is likely to move higher in the coming years due to compulsive focus by policy makers for development of infrastructures & other sectors.

## **E. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The company has identified iron & steel products as its sole operating segment and the same has been treated as primary segment. The Company is mainly involved in the production of steel related rolled products only.

## **F. FUTURE OUTLOOK**

The Indian economy is on the path of gradual recovery. The government has undertaken several steps to unplug the bottlenecks and to revive the business confidence. The Indian economy stands to benefit from the correction in the price of global crude oil, lower inflation, reduced current account deficit, healthier fiscal accounts, increased consumption and a stable INR. India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 million tonnes (MT) by 2030. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

## **G. RISKS AND CONCERNS**

Risk management is the continuing process to identify, analyse, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. The Company is exposed to risks arising out of the dynamic macro-economic environment as well as from internal business drivers. These could adversely impact its ability to create value over the short, medium and long-term.. The Company has a risk management team, which periodically evaluating the risks associated with the business and taking necessary initiatives to minimize its impact. This also helps the Company in taking business decisions with balanced risks and rewards comparison.

Risk Management comprises of three key components as below:

- i) Risk Identification
- ii) Risk assessment and its mitigation
- iii) Risk monitoring and its assurance

Your Company has identified the following aspects as the major risks for its operations:

### **I. Industry Risk**

Demand is dependent on general economic conditions. A downturn can affect business and earnings. The low per capita steel consumption in India coupled with a large population base provides significant growth opportunities to the iron and steel industry. The urgent need towards infrastructure creation and surging consumption growth are visible opportunities that will drive iron and steel demand.

### **ii. Raw Material Risk**

Inability of the Company to procure right quality and quantity of raw material at right price could affect business sustainability. Further, the requirements can partly be mitigated by supply from the group companies.

### **iii. Regulatory Risk**

The Company's business could be affected by potential regulatory and judicial actions.

### **iv. Operational Risk**

The Company's business is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Mismatches between trends in prices of raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect its profitability. Further, the industry is highly cyclical and a decrease in steel prices may adversely impact its financial condition. The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies. However the Company aims to mitigate these risks through development of well-structured processes for effective project planning & management.

### **v. Health, Safety and Environment Risk**

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is an ISO certified (ISO 9001:2008, 14001:2004 & 18001:2007) organization. Further, there is a team of professional who conducts regular training programs to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation.

## **H. KEY CHALLENGES**

With deep integration of China in the global manufacturing supply chain, this sector has slowed as a consequence of weak growth in global trade. Manufacturing exports in emerging economies, in particular in Asia, declined owing to sluggish Chinese demand. The same is true for developed countries, experiencing a reduction in the exports of consumer goods and machinery.

**I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee in which majority of members are Independent Director periodically reviews significant audit findings, adequacy of internal control and compliance with Accounting Standards amongst others with the help of the Internal and Statutory Auditors and reports to the Board on its adequacy. It helps in ensuring the integrity of the accounting system and reliability of all financial and operational information. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

**J. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial year 2016-17 has been an average year for the Company. The Company had faced many challenges in its operating sector due to falling in prices of finished products, spurred by significant imports from countries like China, Korea etc. like many other players operating in the similar sector. With the intervention of government of India and its implementation of various measures and steps in its foreign policy, the impact of the situation was nullified not fully but to some extent. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

**K. HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. There are 145 number of permanent employees employed in your Company. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Directors wish to place on record the excellent co-operation and contribution made by the employees at all levels to the growth and development of the Company.

**L. ENVIRONMENT & SAFETY**

The Company is conscious of the impact of its operations on environment and so the Company aims to be the most reliable and trustworthy business house by carrying out its business operations with utmost regard for environmental safety. The manufacturing units are operated in accordance with sound environment management practices and utmost care is taken to environment protection. All plants, properties and stocks are comprehensively covered under IAR and fire loss policies. Workers are continuously trained and are kept equipped to follow safety norms for stock handling.

The company believes in sustainable development by promoting clean & pollution free environment and making environment eco-friendly. Accordingly various initiatives have been taken for Clean Development Mechanism and reduce the company's environment footprint.

**M. CORPORATE SOCIAL RESPONSIBILITY**

As a measure of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) has now allowed service of documents to members also through electronic mode. As a measure to support such initiative, the Company would endeavour to send all its communications through electronic mode. The Company requests all its Members to be a part of this green initiative and come forward and register their e-mail addresses so that all communications can flow with minimum footprint on the environment. As a part of our social engagement around our plant locations, dedicated CSR teams continue to work tirelessly for upliftment of society and enhance the lives of each individual through education, medical camps, vocational training and employment.

**N. CAUTIONARY STATEMENT**

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied in the Report. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**O. DISCLOSURE OF ACCOUNTING TREATMENT**

The Financial statements were prepared as per the prescribed Accounting Standards.

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders.

The Directors present the Company's Report on Corporate Governance pursuant to the applicable Regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Calcutta Stock Exchange Limited (CSE). The report containing the details of Corporate Governance systems and processes at Adhunik Industries Limited is as follows:

### 1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance is to achieve the highest level of transparency, accountability in all of its interactions with its stakeholders including shareholders, employees, lenders and the Government. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. The Company is always been pro-active to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development. The Company is committed to transparency in all its dealings and places high emphasis on business ethics.

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. The basic philosophy of Corporate Governance of the Company is to achieve business excellence and to dedicate itself for increasing long-term shareholders' value, keeping in view the needs and interests of all its stakeholders.

The key elements of good Corporate Governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect and a commitment to the organization. The Corporate Governance framework of the Company ensures that a timely and accurate disclosure is made on all material matters regarding the Company, including the financial statements, performance, ownership and governance of the Company. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors and enhance the trust and confidence of the stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher levels. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. At Adhunik Industries, our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels.

The Board of Directors and Management of Adhunik Industries commits themselves to:

- i. Enhancement of Shareholders Value through prudent and informed decision making in a transparent environment.
- ii. Continuous improvement in systems and processes and review of decision making process through implementation of modern control tools.
- iii. Ensure safety, health and environment management by making it an integral part of the Company's business strategy and to actively promote awareness of safety, health and environment issues throughout the Company and to our business partners.
- iv. Continuous improvement and review of Environment Management Plan (EMP) for all its facilities in order to reduce environmental footprint.





- v. Achieve excellence in all activities by implementing Total Productive Maintenance (TPM) with the involvement of all employees to reduce cost, increase productivity and improve quality continuously with the aim of achieving "Zero Failure, Zero Defect and Zero Accident".

## **2) APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established five Committees to discharge its responsibilities in an effective manner. AIL's Company Secretary acts as the Secretary to all Committees. The Managing Director (MD) provides overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation of decisions taken by the Board. In the operations and functioning of the Company, the MD is assisted by the Directors of the Company.

The Board of Directors ('The Board') is at the core of our Corporate Governance practice and oversees how the management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

## **3) BOARD OF DIRECTORS**

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth and seeks accountability for their fulfillment. The Board of the Company comprises an adequate blend of Professional, Executive and Independent Directors.

## **4) BOARD COMPOSITION**

The composition of Board of Directors is in conformity with the Corporate Governance Code. The Board has a strength of 6(Six) Directors as on March 31, 2017. The Board comprises 1 (One) Executive and 5 (Five) Non-Executive Directors out of which 3 (Three) are Independent Directors and rest are Non-Independent Directors. The chairman of the company is a non-executive director.

The Company has appointed Shri Chandra Shekhar Jalan as Additional Non Executive Independent Director with effect from 27<sup>th</sup> May, 2016. Therefore, his position as a director of the Company and as a member of various committees will be effective from 27<sup>th</sup> May, 2016, which is within the limit prescribed by the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **5) MEETINGS, ATTENDANCE AND AGENDA OF THE BOARD MEETING**

During the FY 2016-17, the Board met four times on May 27, 2016, August 12, 2016, November 10, 2016 and February 13, 2017. The maximum time gap between any two consecutive meetings was not more than 120 (One Hundred and Twenty) days. All the agenda items are supported by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating and financial performance and annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to concerned officials and departments.

The composition and category of Directors on the Board, their attendance at the Board Meeting and the last Annual General Meeting and the Directorship/ Chairmanship / Membership and/or Chairmanship of Committee of each Director in other companies as on 31<sup>st</sup> March, 2017 are as under:

Sr. No.	Name of Director	DIN	Attendance		Category of Directors	Other Directorship (other than AIL)			Other committee			No. of shares and convertible instruments held	Relationship between directors inter-se
			Board Meeting (2016-17)	Last AGM held on 14/09/16		Indian Public Companies (Refer Note 3)	Others (Refer Note 4)	Total	Member Ship	Chairman Ship	Total		
1	Shri Mahesh Kumar Agarwal (Chairman)	0050 7690	3	Yes	Non Independent & Non Executive	5	2	7	Nil	Nil	Nil	5,24,000	Brother of Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal
2	Shri Jugal Kishore Agarwal (Managing Director)	0022 7460	4	Yes	Non Independent & Non Executive	9	5	14	2	Nil	2	4,94,500	Brother of Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal
3	Shri Mohan Lal Agarwal	0104 7906	4	Yes	Non Independent & Non Executive	9	1	10	3	Nil	3	4,41,500	Brother of Mr. Jugal Kishore Agarwal and Mr. Mahesh Kumar Agarwal
4	Smt. Archana Gupta Sha	0708 9290	3	Yes	Independent & Non Executive	1	Nil	1	1	Nil	1	Nil	NA
5	Shri Asit Baran Dasgupta	0247 6594	4	Yes	Independent & Non Executive	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
6	Shri Chandra Shekhar Jalan	0102 3586	4	Yes	Independent & Non Executive	1	1	2	Nil	Nil	Nil	Nil	NA

(NOTE : Shri Chandra Shekhar Jalan has been appointed w.e.f. 27<sup>th</sup> May, 2016.)

- For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 is excluded.
- In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership / Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.
- Includes Directorships in private companies that are either holding or subsidiary company of a public company.
- Includes Directorships in private limited companies (other than private companies that are either holding or subsidiary company of a public company), foreign entities, companies under Section 8 of the Companies Act, 2013, alternate Directorships and Directorship/Memberships of Managing Committees of various Chambers/Institutions.
- None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he/she is a Director. Further, the Director on the Board serving as a whole time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he/she is a Director.
- Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies and at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with the Regulation 25 and 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
- Shri Mohan Lal Agarwal (DIN: 01047906), who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the notice.





## **6) INDEPENDENT DIRECTORS (IDs)**

In accordance with the provisions of Companies Act, 2013 and clarifications/circulars issued from time to time, the members of the Company has approved the appointment of Shri Chandra Shekhar Jalan (DIN: 01023586) as an Independent Director of the Company to hold office for a period of 5 (Five) consecutive years from the date of the Thirty Seventh Annual General Meeting (AGM) of the Company held on September 14, 2016. In this regard, the Company has issued formal letter of appointment to the Independent Director and the same is also hosted on the website of the Company.

All the Independent Directors of the Company furnished a declaration at the time of their appointment as well as annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All requisite declarations were placed before the Board.

## **7) SELECTION OF NEW DIRECTORS**

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the Nomination and Remuneration committee, which consists mostly of Independent directors. The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Nomination and Remuneration committee makes recommendations to the Board on the induction of new directors.

## **8) PERFORMANCE EVALUATION OF INDEPENDENT DIRECTOR'S**

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of every Independent Director pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

## **9) MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met on February 13, 2017 without the presence of the Chairman, Managing Director, CFO, the Non-Executive Non Independent Directors and the Management Team. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

The Independent Directors hold a unanimous opinion that the non-independent Directors including Chairman are actively participates in the conduct of business and day-to-day affairs of the Company and offers fruitful suggestions to the management of the Company on various matters.

The Managing Director has abundant knowledge, experience, skills and understanding of the Board's functioning. He is actively handling all the day to day affairs of the Company in an efficient manner and under his dynamic leadership the Company is able to achieve its desired goals in a planned manner.

## **10) INDEPENDENT DIRECTORS' INDUCTION, FAMILIARIZATION AND TRAINING:**

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company, latest developments in the Company's business and the external environment effecting the industry as a whole. The details of such training imparted are also required to be disclosed in the Annual Report.

In this relation, the Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The Company had been taken the following initiatives for training of its Independent Directors as under-



- a) The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- b) Such programs / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- c) The programs / presentations also familiarizes the Independent Directors with their roles, rights and responsibilities.
- d) When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- e) The Company circulate news and articles related to the industry on a regular basis and provide specific regulatory updates from time to time;
- f) At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.
- g) Quarterly presentations on operations made to the Board which generally includes information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.
- h) Quarterly results / press release of the Company are sent to the Directors.

The details of such familiarization programs have been placed on the website of the Company and may be accessed at the link <http://www.adhunikindustries.com/download/1491315733.pdf>

## **11) CODE OF CONDUCT OF INDEPENDENT DIRECTORS**

As per the provisions of Section 149(8) of the Companies Act, 2013, the Company and Independent Directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a Code for Independent Directors of the Company and the same has also been posted on the website of the Company.

## **12) BOARD BUSINESS**

The normal business of the Board, *inter-alia* includes:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and remuneration of board of directors with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- f. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing board of director's evaluation framework.

Other responsibilities of Board *inter-alia* includes:

- a. To provide strategic guidance to the listed entity, ensure effective monitoring of the management and should be accountable to the listed entity and the shareholders.
- b. To set a corporate culture and the values by which executives throughout a group will behave.
- c. To act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- d. To encourage continuing directors training to ensure that the members of the board of directors are kept up to date.
- e. Where decisions may affect different shareholder groups differently, the Board treats all shareholders fairly.
- f. To maintain high ethical standards and take into account the interests of stakeholders.
- g. To exercise objective independent judgement on corporate affairs.
- h. To consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- i. To ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- j. To be able to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- k. When committees of the board are established, their mandate, composition and working procedures is well defined and disclosed by the board.
- l. To be able to commit themselves effectively to their responsibilities.
- m. In order to fulfil their responsibilities, members of the board of directors have access to accurate, relevant and timely information.
- n. The Board and senior management facilitate the Independent Directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

### 13) CODE OF CONDUCT

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company's Code of Conduct, adopted by the Board of Directors is applicable to all the Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company [http://www.adhunikindustries.com/code\\_conduct.html](http://www.adhunikindustries.com/code_conduct.html).

The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code is designed from three interlinked fundamental principles viz. good corporate governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

All members of the Board, the executive officers and senior management officials have affirmed compliance to the Code of Conduct as on March 31, 2017.

No employee including key managerial personnel or director or promoters have enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the company as per Regulation 26(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A declaration by the Managing Director is attached and forms part of the Annual Report of the Company.

### 14) BOARD MEETINGS

In compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

#### a) Scheduling and selection of agenda items for Board Meetings:

- i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.



- ii) The meetings are usually held at the Company's Corporate Office at 2/1A, Sarat Bose Road, "Lansdowne Towers" 6<sup>th</sup> Floor, Kolkata-700 020.
- iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman and majority of directors, may bring up any matter for the consideration of the Board.
- iv) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

The Managing Director and the Company Secretary in consultation with the other concerned persons in senior management finalize the agenda papers for the Board meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.

**b) Board Material Distributed in Advance**

Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda with the consent of majority of the directors including at least one independent director. In exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

**c) Recording Minutes of Proceedings at Board/Committee Meetings**

The Company Secretary records the minutes of the proceedings of each Board / Committee meeting. Draft minutes and signed minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are entered in the minute's book within 30 days from the conclusion of the meeting.

**d) Post Meeting Follow Up Mechanism**

The guidelines for Board and Committee meetings facilitate an effective post meeting follow up, review and reporting process of the decisions taken by the Board and Board Committee thereof. The important decisions taken by the Board/Committees meetings are communicated to the respective departments/division concerned promptly. Action taken report on the decisions/minute of the previous meeting(s) is placed at the meeting of the Board/Committee for their noting.

## **15) BOARD COMMITTEES**

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

The Board Committees plays crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management and Finance Committee as on March 31, 2017. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

### **I. AUDIT COMMITTEE**

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

During the year under review, 4 (Four) meetings of the Audit Committee were held on May 27, 2016, August 12, 2016, November 10, 2016 and February 13, 2017. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year. The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Shri Mahesh Kumar Agarwal	Member
3.	Shri Chandra Shekhar Jalan*	Member
4.	Smt. Archana Gupta Sha	Member

\* appointed w.e.f. 27.05.2016

**a) Attendance record of Audit Committee:**

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Asit Baran Dasgupta (Chairman)	Independent Non-Executive	4	4
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	4	3
Smt. Archana Gupta Sha	Independent Non-Executive	4	3
Shri Chandra Shekhar Jalan*	Independent Non-Executive	4	4

\* appointed w.e.f. 27.05.2016

Mr. Asit Baran Dasgupta is the Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. Statutory Auditors, Internal Auditors, Managing Director and the Chief Financial Officer of the Company are permanent invitees to Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process with a view to ensuring accurate and timely disclosures, with highest levels of transparency, integrity and quality of financial reporting.

**b) Powers of The Audit Committee:**

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal and professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

**c) The Role of Audit Committee Includes:**

The terms of reference, role and scope of Audit Committee are in line with those prescribed under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Company *inter alia*, performs the following functions:

1. Oversight the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;

- c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Modified opinion(s) in the draft audit report;
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - 8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  - 9. Scrutiny of inter-corporate loans and investments;
  - 10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - 11. Evaluation of internal financial controls and risk management systems;
  - 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;
  - 13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 14. Discussing with the internal auditors any significant findings and follow up there on;
  - 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - 16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 18. To review the functioning of the Whistle Blower mechanism;
  - 19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## **II. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee ("the Committee") shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, under the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The Nomination and Remuneration Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statute, rule and regulation which the Committee deems relevant, make recommendations to the Board of Directors in respect to the appointment, reappointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensure 'fit and proper' status of the existing/proposed Directors of the Company in accordance with RBI Circular on Corporate Governance, issued from time to time, and other matters specified.

The details of composition of Nomination and Remuneration Committee are as under-

S. No.	Name	Chairman / Member
1	Smt. Archana Gupta Sha	Chairman
2	Shri Mahesh Kumar Agarwal	Member
3	Shri Chandra Shekhar Jalan*	Member

\* appointed w.e.f. 27.05.2016

The Committee shall be responsible for:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board for diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- Other policy as per the requirements of the Acts.

2 (Two) meeting of the Committee was held during the financial year on May 27, 2016 and August 29, 2016.

**a) Attendance record of Nomination and Remuneration Committee:**

Name of the Member	Category	Number of meetings	Meetings attended
Smt. Archana Gupta Sha (Chairman)	Independent Non-Executive	2	2
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	2	2
Shri Chandra Shekhar Jalan*	Independent Non-Executive	1	1

\*appointed w.e.f. 27.05.2016

**b) Remuneration Policy**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and Senior Management. The details of which forms part of the Directors' Report.

**c) Details of remuneration paid/payable to the Directors during the financial year 2016-17**

The Company has paid remuneration by way of salary to its Managing Director only and the same is within the limits specified under Schedule V of the Companies Act, 2013 and duly approved by the Board and shareholders of the Company.



**Remuneration paid to the Directors (Figures in Rs.)**

Particulars of Remuneration	Name of Directors						Total
	Mahesh Kumar Agarwal	Mohan Lal Agarwal	Chandra Shekhar Jalan*	Asit Baran Dasgupta	Archana Gupta Sha	Jugal Kishore Agarwal	
Salary	-	-	-	-	-	30,00,000	30,00,000
Benefits	-	-	-	-	-	-	-
Bonuses	-	-	-	-	-	-	-
Sitting fees of all Board and Committee Meetings	45,000	40,000	60,000	60,000	45,000	-	2,50,000
Stock Options	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-
Details of fixed component	-	-	-	-	-	-	-
Performance linked incentives	-	-	-	-	-	-	-
Performance criteria	-	-	-	-	-	-	-
Service Contracts	-	-	-	-	-	-	-
Notice Period	-	-	-	-	-	-	-
Severance fees	-	-	-	-	-	-	-
Details of stock option (if any)	-	-	-	-	-	-	-
Whether Option issued at a discount	-	-	-	-	-	-	-
Period over which option accrued/exercisable	-	-	-	-	-	-	-

\*appointed w.e.f. 27.05.2016

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee shall act in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee ('the Committee') comprised of 3 (Three) members including one Independent Director. The details of composition of the Stakeholders Relationship Committee are as under:-

Sl. No.	Name	Category	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	Chairman
2.	Shri Mohan Lal Agarwal	Non Independent Non-Executive	Member
3.	Smt. Archana Gupta Sha	Independent Non-Executive	Member

Mr. Bharat Agarwal, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

**Terms of Reference:**

Stakeholders Relationship Committee inter alia approves transfer & transmission of shares, issue of duplicate/re-materialized shares and consolidation and splitting of certificates, redressal of complaints from investors etc.

Stakeholders Relationship Committee has been empowered to deal with and disposal of the instruments of transfer of physical shares in the Company including power to reject transfer of physical shares in terms of the provisions of Companies Act, 2013, Securities Contract (Regulations) Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders, debenture holders and other security holders of the Company including complaints related to non-receipt of balance sheet and non-receipt of declared dividends.

No meeting of Stakeholder Relationship Committee held in financial year 2016-17 as no requirements arose during the year.

**a) Status of Investors' Complaints:**

Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2017	Nil
Number of complaints not solved to the satisfaction of shareholders	N. A.
Number of complaints pending as on 31st March, 2017	Nil

E-mail ID earmarked for redressing Investors queries in terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in)

**IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014, the Board of Directors of the Company had constituted a Committee called "Corporate Social Responsibility Committee".

While aiming to generate maximum profit for our shareholders through the year, we also keep a steadfast eye on our social and environmental responsibilities, to fulfill the needs and expectations of the larger society that we are part of. Our CSR is not limited to philanthropy, but encompasses holistic community development, institution-building, and sustainability-related initiatives.

The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy of discharging its CSR responsibilities related to social service through various trusts/societies in addition to its own initiatives and donations made to other non-government organizations.

The CSR Policy has been uploaded on the Company's website and may be accessed at the link <http://www.adhunikindustries.com/images/31433946951.pdf>

1 (One) meeting of the Corporate Social Responsibility Committee of the Company was held during the year 2016-17 on May 27, 2016. The attendance of each member of the Committee is given below:

Shri Mahesh Kumar Agarwal (Chairman)	1	1
Shri Mohan Lal Agarwal	1	1
Shri Chandra Shekhar Jalan*	1	1

\*appointed w.e.f. 27.05.2016.

**V. MANAGEMENT AND FINANCE COMMITTEE**

The Company has also constituted a Management and Finance Committee. Following are the major terms of reference of the Committee:

- Reviewing the management and take decision regarding taking further loans, equipment finance, car loans for employees and/or other financial assistance
- Opening and closure of Bank Account(s) as and when required.
- Reviewing financial and risk management policies.
- To sub-delegate any of the powers of the Committee to the Managing Director, Directors/or the Key Managerial Personnel.
- To look after and supervise the keeping and maintaining of the records to be kept and maintained under the provisions of the Companies Act and/or other legislation governing the affairs of the Company and ensure compliance with the provision of such law and to do all such acts, deeds and things as may be necessary or expedient to ensure compliance with such laws and also to appear and represent the Company before any Officer or authority appointed under any such laws for the time being in force.

The Management and Finance Committee ('the Committee') comprised of 3 (Three) members of which all are Non-Independent Director. The details of composition of the Management and Finance Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Jugal Kishore Agarwal	Chairman
2.	Shri Mohan Lal Agarwal	Member
3.	Shri Mahesh Kumar Agarwal	Member

No meeting of Management and Finance Committee held in financial year 2016-17 as no requirements arose during the year.

#### 16) SHAREHOLDERS COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Shareholders seeking information related to their shareholding may contact the Company directly or through Registrars and Transfer Agents, details of which are available on the Company's website. The Company ensures that complaints and suggestions of its shareholders are responded in a timely manner.

#### 17) ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

#### 18) NEWS RELEASES, PRESENTATIONS, AMONG OTHERS:

Official news releases and official media releases are sent to Stock Exchanges on regular basis.

#### 19) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. There were also no investor's complaint pending against the company as on March 31, 2017 on SCORES, the web based compliant redressal system of SEBI.

#### 20) WEBSITE MAINTENANCE

The Company's web site [www.adhunikindustries.com](http://www.adhunikindustries.com) contains a separate dedicated section "Investor's Corner" where shareholders information is available. The quarterly and annual results of the Company and shareholding pattern and other details are posted on the Company's website. The Company also posts on its website all its official news releases, important announcements and presentations.

#### 21) DISCLOSURES

##### (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

Transactions effected with the related parties are disclosed under Note No. 28 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of Accounting Standard AS 18 as notified by the Companies (Accounting Standards) Rules, 2006.

A Statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. All these transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. There was materially significant related party transaction entered into by the Company with the Related Parties during the period and the same was entered with the prior approval of the shareholders at the 37<sup>th</sup> Annual General Meeting with M/s. Adhunik Corporation Limited, an enterprise over which KMP/ Shareholders/ Relatives have significant influence.

Prior approval of Audit Committee is obtained for all Related Party Transactions except for the Related Party Transactions for which omnibus approval is granted by the Audit Committee from time to time. The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and may be accessed at the link <http://www.adhunikindustries.com/download/1421230517.pdf>

**(ii) Policy for Determining Materiality of an event or information and for making disclosures to Stock Exchanges:**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the Stock Exchanges which is effective from December 1, 2015 and same is available on the company's website [www.adhunikindustries.com](http://www.adhunikindustries.com) and on the weblink <http://www.adhunikindustries.com/download/1462281289.pdf>. The Board has authorized Key Managerial Personnel of the Company, viz. the Managing Director or CFO or Company Secretary or all or any of them, to determine materiality of an event or information and for making disclosures to the Stock Exchanges under the said regulation.

**(iii) Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards

**(iv) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

There was no instance of non-compliance for which penalties/strictures imposed on the Company by stock exchange(s) or the SEBI or any other statutory authorities, on any matter related to capital markets during the last three years.

**(v) There were no inter-se or pecuniary relationships or transactions with the Non-Executive Directors.**

**(vi) Whistle Blower Policy (Vigil Mechanism)**

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company. The Company affirms that none of the employees have been denied access to the Audit Committee.

**(vii) Policy against Sexual and Workplace Harassment**

Company in its endeavor to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential.

**(viii) Shareholding of Directors in the Company as on March 31, 2017.**

Name of Directors	Number of equity shares
Shri Jugal Kishore Agarwal	4,94,500
Shri Mohan Lal Agarwal	4,41,500
Shri Mahesh Kumar Agarwal	5,24,000

**(ix) Code for prevention of Insider Trading practices**

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for prevention of Insider Trading.

The new code viz. "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" has been framed and adopted. The Codes requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the connected persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Codes.

The Board of Directors and connected persons have confirmed compliance with the Codes.

**(x) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this Regulation.**

The Company has complied with the all mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. However the Company had not adopted discretionary Requirements as specified in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(xi) Disclosure of commodity price risks or foreign exchange risk and hedging activities**

The Company generally exports its finished goods to neighbouring countries of India such as Nepal, Bhutan, Bangladesh etc. The export made by the Company is normally supported by 100% advance payment from the overseas customers or backed by Foreign Letter of Credit issued by their bankers in favor of the Company and sometimes executed in Indian currency only. So, there is minimum foreign exchange risk and commodity price risk as well associated with the transactions of the Company.

**22) MEANS OF COMMUNICATION**

**a) Quarterly Results/ Half Yearly/ Annual Results:**

The Quarterly, Half-yearly and Yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

**b) Newspaper Publications:**

The Financial results are regularly submitted to the stock exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and published in one English Daily (Business Standard) and one Bengali Daily (Aajkal).

**c) Website:**

For the financial results and other relevant information, shareholders may log on to the website of the Company [www.adhunikindustries.com](http://www.adhunikindustries.com)

**d)** News and press release as available are posted on the website of the company [www.adhunikindustries.com](http://www.adhunikindustries.com). During the year under review there were no such news releases.

**e)** As the company does not have any institutional investors and angel investors, so no presentation made to institutional investors or to the analysts.

**f)** Email id: [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in)

**g)** The Management Discussion and Analysis report is a part of Annual Report.

**23) GENERAL BODY MEETINGS**

**A) Details of Previous Annual General Meeting:**

The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	Number of special resolutions passed
2015-16	September 14, 2016	02.30 pm	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	1
2014-15	September 17, 2015	10:30 am	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	2
2013-14	September 18, 2014	10:30 am	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	5

**B) Postal Ballot**

No resolution was passed through Postal Ballot in 2016-17. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## 24) GENERAL SHAREHOLDERS' INFORMATION

### a) AGM DETAILS

Day and date	Thursday, September 21, 2017.
Venue	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700 017.
Time	<b>02.30 PM</b>
Book closure dates	15 <sup>th</sup> September, 2017 to 21 <sup>st</sup> September, 2017 (Both day inclusive)

### b) REGISTRAR & SHARE TRANSFER AGENTS

M/s Maheshwari Datamatics Private Limited.  
 23, R. N. Mukherjee Road, 5th Floor  
 Kolkata- 700 001  
 Tel no. 91-33-22435809/5029  
 Fax no. 91-33-22484787  
 E-mail- [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

### c) CEO/CFO CERTIFICATION

The CEO and CFO certification issued in accordance with the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges for the year is annexed and forms part of the Annual Report.

### d) SHARE TRANSFER SYSTEM

The Registrars and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchange.

### e) MARKET PRICE DATA

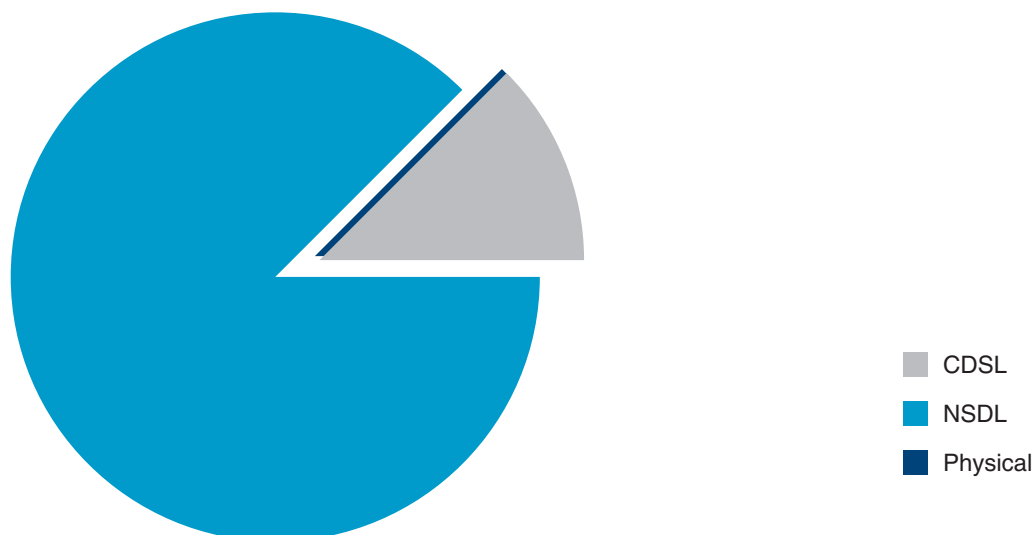
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
April, 16	99.70	85.50	2,02,635	-	-	-
May, 16	102.00	81.00	3,19,183	-	-	-
June, 16	97.20	53.05	6,10,382	-	-	-
July, 16	103.95	88.30	4,15,378	102.00	85.10	6,95,019
August, 16	201.50	94.00	25,28,279	193.95	88.20	6,71,368
September, 16	126.00	95.00	5,90,382	124.80	93.30	5,33,480
October, 16	122.90	95.60	7,35,114	122.00	93.00	7,01,916
November, 16	143.00	99.05	4,48,555	143.00	91.25	4,96,868
December, 16	132.00	100.00	6,32,009	122.05	101.00	5,91,058
January, 17	120.00	102.15	4,70,449	114.90	102.30	7,71,649
February, 17	127.75	95.00	5,89,417	123.20	90.55	7,34,458
March, 17	122.10	100.80	13,12,166	122.05	100.00	7,57,349

Note: a) The shares of the Company get listed with NSE w.e.f. July 1, 2017.

b) The Company's shares are not actively traded presently on Calcutta Stock Exchange, therefore the market price data are not available.

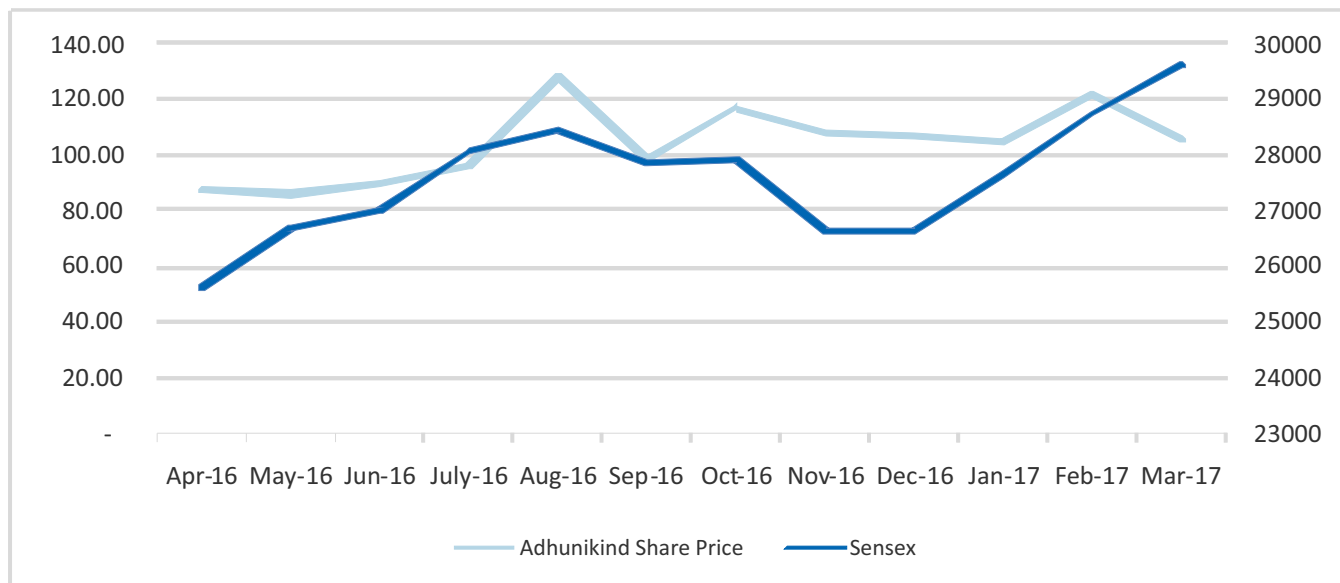
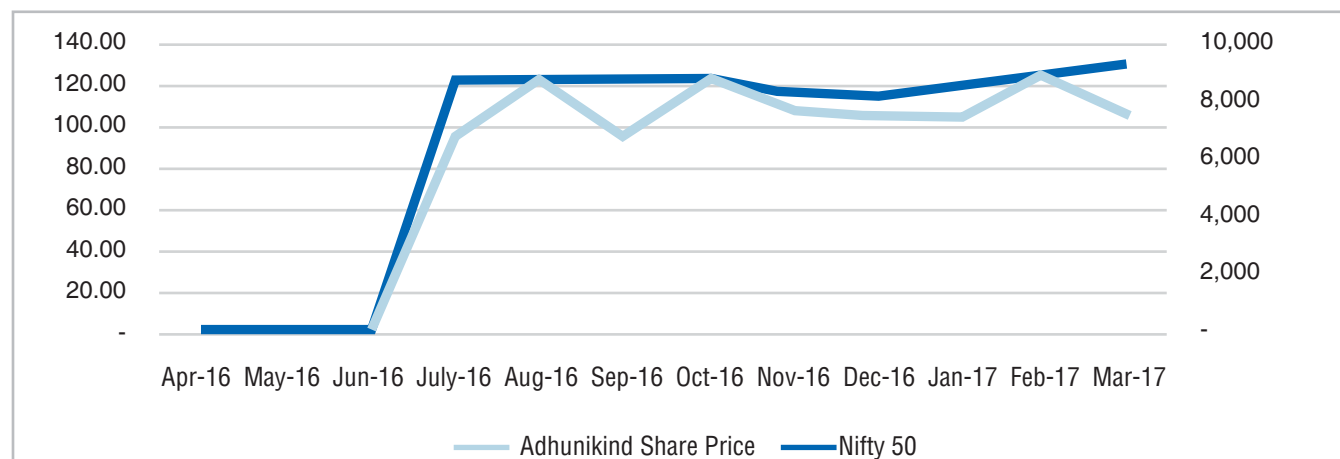
**f) DETAILS OF DEMAT AND PHYSICAL SHARES AS ON MARCH 31, 2017**

Description	Number of Holders	Number of Shares	% of Equity
CDSL	1001	52,51,946	11.23%
NSDL	606	41,51,1803	88.77%
Physical	1	1	0.00%
<b>Total</b>	<b>1608</b>	<b>4,67,63,750</b>	<b>100.00%</b>

**No. of Shares**

**g) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017**

Category (Share)	Shareholders		No of Shares	
	Number	% to total	Number	% to total
Upto 500	1530	95.1493	63,301	0.1354
501-1000	24	1.4925	17,855	0.0382
1001-2000	12	0.7463	17,794	0.0381
2001-3000	5	0.3109	11,993	0.0256
3001-4000	2	0.1244	6,846	0.0146
4001-5000	2	0.1244	8,742	0.0187
5001-10000	2	0.1244	12,000	0.0257
10001 and above	31	1.9279	4,66,25,219	99.7038
<b>Total</b>	<b>1608</b>	<b>100.0000</b>	<b>4,67,63,750</b>	<b>100.0000</b>



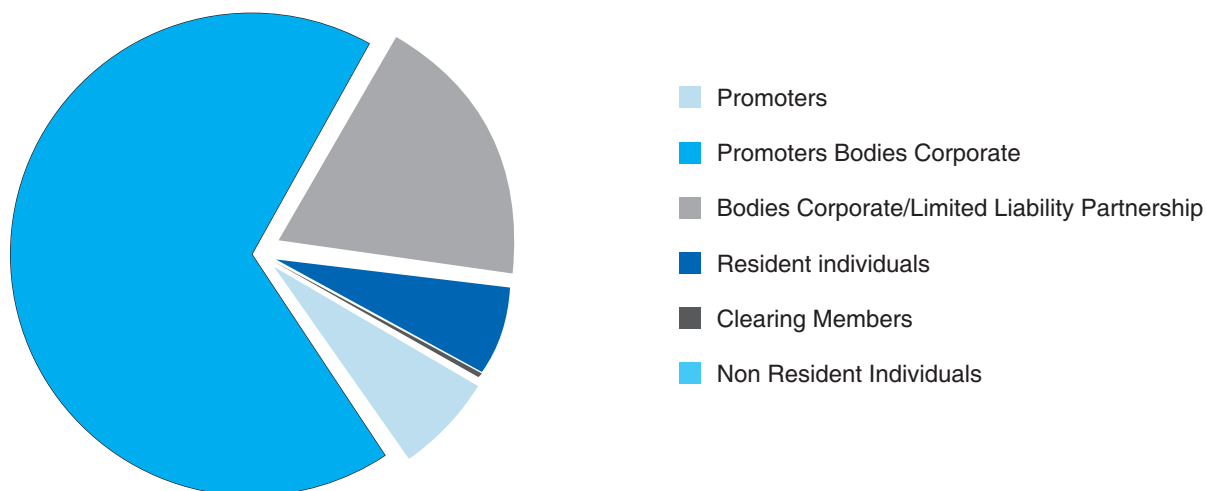
**Details of performance of Adhunik Industries in comparison with BSE Sensex:**

**Details of performance of Adhunik Industries in comparison with NSE Sensex:**


Note: Equity Shares of the Company get listed with NSE w.e.f. July 1, 2016.

**h) CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2017**

S. No.	Category	Numbers of holders	Number of shares	% to equity
1	Promoters	11	32,31,050	6.9093
2	Promoters Bodies Corporate	3	3,18,23,750	68.0522
3	Bodies Corporate\ Limited Liability Partnership	42	87,22,999	18.6533
4	Resident Individuals	1526	28,75,359	6.1487
5	Clearing Members	22	1,07,962	0.2309
6	Non Resident Individuals	4	2,630	0.0056
	<b>Total</b>	<b>1608</b>	<b>4,67,63,750</b>	<b>100.0000</b>

i) **SHAREHOLDING PATTERN AS ON MARCH 31<sup>ST</sup>, 2017**



j) **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2016-17 to NSDL and CDSL, the depositories. As on 31<sup>st</sup> March, 2017, 4,67,63,749 Equity Shares of the Company representing almost 100.00 % of the issued and subscribed share capital stood dematerialized.

k) **LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE**

Name of the Stock Exchange	Stock code / Symbol
National Stock Exchange of India Ltd.* Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai-400 051	ADHUNIKIND
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001.	538365
The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001.	10028188
ISIN No.-	INE452L01012

\* Listed on NSE on 01.07.2016.

The annual listing fee for the year 2016-17 has been paid to the above stock exchanges.

l) **DEPOSITORY SERVICES**

National Securities Depository Limited  
Trade World, A Wing, 4th & 5th Floors,  
Kamala Mills Compound,  
Lower Parel, Mumbai-400013  
Tel.: (022) 2499 4200; Fax: (022) 2497 6351  
E-mail: [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

Central Depository Services (India) Limited  
 Phiroze Jeejeebhoy Towers, 17th Floor,  
 Dalal Street, Mumbai-400001  
 Tel.: (022) 2272 3333; Toll free: 1800-200-5533  
 Fax: (022) 2272 3199  
 E-mail: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
 Website: [www.cdslindia.com](http://www.cdslindia.com)

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL up-to 31st March, 2017.

**m) FINANCIAL CALENDAR TENTATIVE**

Financial Year 2017-18		
1	First quarter results	Within August 14, 2017
2	Second quarter and half-year results	Within November 14, 2017
3	Third quarter results	Within February 14, 2018
4	Annual Result	Within May 30, 2018

**n) DIVIDEND HISTORY**

Financial year	Dividend per share (Rs.)	Total dividend (Rs. in lakhs)
2016-17	Nil	NIL
2015-16	Nil	Nil
2014-15	Nil	Nil
2013-14	Nil	Nil
2012-13	Nil	Nil
2011-12	Nil	Nil
2010-11	1.00	467.64
2009-10	1.00	467.64
2008-09	1.00	2.00
2007-08	1.00	2.00

**o) SECRETARIAL AUDIT**

The Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 1956 (as applicable), Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Secretarial Audit Report for the financial year ended March 31, 2017 is provided in the Annual Report.

**p) OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

Not applicable

q) **PLANT LOCATION :**

**Rolling Mill**

Raturia Industrial Area, Angadpur  
Durgapur-713 215, West Bengal, India

**Wind Mill**

Nandurbar, Dhule, Maharashtra

r) **INVESTORS CORRESPONDENCE**

All queries of investors regarding the Company's shares or other matters may be sent at the following addresses:

The Company Secretary                      or  
Adhunik Industries Limited  
Lansdowne Towers  
2/1A, Sarat Bose Road  
Kolkata – 700020  
Tel no. 91-33-30517100  
Fax no. 91-33-22890285  
E-mail: [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in)

M/s Maheshwari Datamatics Pvt. Limited.  
23, R. N. Mukherjee Road, 5<sup>th</sup> Floor  
Kolkata- 700 001  
Tel no. 91-33-22435809/5029  
Fax no. 91-33-22484787

**For and on behalf of the Board**

**Registered office**  
14 Netaji Subhas Road  
Kolkata - 700001

Date: 22.05.2017

Sd/-  
**Mahesh Kumar Agarwal**  
**Chairman**  
(DIN: 00507690)

Sd/-  
**Jugal Kishore Agarwal**  
**Managing Director**  
(DIN: 00227460)

**DECLARATION BY CEO ON CODE OF CONDUCT**

**To**  
**The Members**  
**M/s. Adhunik Industries Limited**

I, Jugal Kishore Agarwal, Managing Director of Adhunik Industries Limited hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2017.

**Place: Kolkata**  
**Date: 22.05.2017**

**Jugal Kishore Agarwal**  
**Managing Director**  
**(DIN: 00227460)**

**Company Secretary Certificate regarding compliance of conditions of Corporate Governance**

To the Members of

M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited, for the year ended 31.03.2017, as stipulated in Regulation 17-27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Kolkata  
Date: 22.05.2017

**For MR & Associates**  
**Company Secretaries**

**M R Goenka**  
**Partner**

### CEO AND CFO COMPLIANCE CERTIFICATE

We, Jugal Kishore Agarwal, Managing Director and Bikash Roy Choudhury, Chief Finance Officer, responsible for the finance function certify that:

- (A) We have reviewed financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief :
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the audit committee :
- a. significant changes, if any, in internal control over financial reporting during the year;
  - b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Kolkata  
Date: May 22, 2017.

**Jugal Kishore Agarwal**  
Managing Director  
DIN:00227460

**Bikash Roy Chowdhury**  
Chief Finance Officer

## Independent Auditors' Report

To the Members of

Adhunik Industries Limited,

### Report on the Financial Statements

We have audited the accompanying financial statements of Adhunik Industries Limited ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, 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 Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement 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,

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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 2017 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the **Annexure 'A'** statement of the matters specified in paragraph 3 and 4 of the order to the extent applicable.



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 appears from our examination of those books [and proper accounts adequate for the purposes of our audit have been received from the branches not visited by us]
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the accounts received from the branches not visited by us.
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- g) with respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, please refer to our separate report in **Annexure 'B'** and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule, 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to our 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 as referred to in Note 33 to the financial statements.
  - ii. the Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosure in the financial statements as regards its holdings and dealing in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and the representations provided by the management we report that the disclosures are in accordance with the Books of Account maintained by the company and produced to us by the management.

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**  
(Chartered Accountants)  
Firm Regn No: 318016E

Place : Kolkata  
Date : The 22<sup>nd</sup> Day of May, 2017

CA. S Jain  
(Partner)  
Membership No. 053537

## Annexure 'A' to the Independent Auditors Report

### **The Annexure referred to in our report to the members of Adhunik Industries Limited ('The Company') for the year ended March' 2017.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The company has a regular programme of physical verification of its fixed asset by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size of the company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable property held in the name of the company.
- ii. The company has a regular programme of physical verification of its inventory by which inventories are physically verified in regular intervals by the management.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph 3 of clause iii (a) and iii (b) of the order are not applicable to the company.
- iv. According to information and explanation given to us and on the basis of examination of the books of accounts, the company has complied provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and security.
- v. According to the information and explanation given to us, the company has not accepted any deposits, and accordingly, the provisions of paragraph 3 of clause v of the Order are not applicable to the Company.
- vi. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, and we are of the opinion that prima facie such prescribed accounts and records have been made and maintained.
- vii. (a) According to the records, the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable to the Company with appropriate authorities during the year.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six month from the date they became payable.
- (b) According to the information and explanations given to us, there is no material dues of income tax or service tax or custom duty or excise duty or value added tax or cess which have not been deposited on account of any dispute;
- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the company has not defaulted in repayment of dues to a financial institution or bank.
- ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised;



- x. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, there is no any fraud by the company and any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, managerial remuneration has been paid/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 and according to the information and explanation given to us, the company is not a nidhi company. Therefore, the provisions of paragraph 3 of clause xii of the order is not applicable to the company.
- xiii. Based on our audit procedures and on the information and explanations given to us, we report that transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year covered by our audit. Consequently, the provisions of paragraph 3 of clause xiv of the order is not applicable to the company.
- xv. Based on our audit procedures and on the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, the provisions of paragraph 3 of clause xv of the order is not applicable to the company.
- xvi. Based on our audit procedures and on the information and explanations given to us, the company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**  
(Chartered Accountants)  
Firm Regn No: 318016E

Place : Kolkata  
Date : The 22<sup>nd</sup> Day of May, 2017

CA. S Jain  
(Partner)  
Membership No. 053537

## **Annexure 'B' to the Independent Auditor's Report**

### **Report on the Internal Financial Controls over financial reporting 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 Adhunik Industries Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the 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 the 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 were 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 auditors' 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 the 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**

(Chartered Accountants)

Firm Regn No: 318016E

Place : Kolkata

Date : The 22<sup>nd</sup> Day of May, 2017

CA. S Jain

(Partner)

Membership No. 053537

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**BALANCE SHEET AS AT 31st MARCH' 2017**

PARTICULARS	Notes	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>A. Shareholders' Funds</b>			
Share Capital	3	46,76,37,500	46,76,37,500
Reserves and Surplus	4	58,23,21,263	55,92,98,041
		<b>1,04,99,58,763</b>	<b>1,02,69,35,541</b>
<b>B. Non-Current Liabilities</b>			
Long Term Borrowing	5	25,00,000	4,45,10,000
Deferred Tax Liabilities (Net)	6	9,40,93,141	9,07,71,498
Other long term Liabilities	7	6,00,63,787	5,90,92,389
		<b>15,66,56,928</b>	<b>19,43,73,887</b>
<b>C. Current Liabilities</b>			
Short Term Borrowing	8	86,44,87,225	61,23,65,270
Trade Payable	9	52,45,68,959	65,16,71,472
Other Short Term Liabilities	10	15,75,35,267	21,58,60,037
Short Term Provisions	11	39,84,250	33,39,003
		<b>1,55,05,75,701</b>	<b>1,48,32,35,782</b>
		<b>2,75,71,91,392</b>	<b>2,70,45,45,210</b>
<b>ASSETS</b>			
<b>A. Non Current Assets</b>			
Fixed Assets			
a) Tangible Asset	12	54,13,05,677	57,30,33,077
Non Current Investments	13	4,00,000	4,00,000
Long Term Loans and Advances	14	65,35,015	76,92,396
		<b>54,82,40,692</b>	<b>58,11,25,473</b>
<b>B. Current Assets</b>			
Inventories	15	88,07,87,205	81,18,73,524
Trade Receivables	16	87,86,37,011	82,31,18,406
Cash & Bank Balances	17	7,37,36,506	7,17,07,027
Short Term Loans and Advances	14	37,57,89,978	41,67,20,780
		<b>2,20,89,50,700</b>	<b>2,12,34,19,737</b>
		<b>2,75,71,91,392</b>	<b>2,70,45,45,210</b>
<b>Summary of Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**

Firm Regn No: 318016E  
Chartered Accountants

**CA. S. JAIN**  
(Partner)

Membership No. 053537

Place : Kolkata

Date : The 22nd Day of May, 2017

**For & on behalf of the Board of Directors of  
Adhunik Industries Limited**
**Mahesh Kumar Agarwal**  
Chairman  
DIN : 00507690

**Jugal Kishore Agarwal**  
Managing Director  
DIN : 00227460

**Bikash Roy Chowdhury**  
Chief Financial Officer

**Bharat Agarwal**  
Company Secretary

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH' 2017**

PARTICULARS	Notes	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>INCOME</b>			
Revenue from Operations (Gross)	18	4,07,35,33,035	4,54,31,76,337
Less: Excise Duty	18	33,01,72,886	44,24,10,524
<b>Revenue from Operations (Net)</b>		<b>3,74,33,60,149</b>	<b>4,10,07,65,813</b>
Other Income	19	79,58,912	67,78,220
<b>Total Revenue (A)</b>		<b>3,75,13,19,061</b>	<b>4,10,75,44,033</b>
<b>EXPENSES</b>			
Purchases & Raw Materials Consumed	20	3,28,53,86,558	3,59,11,75,060
(Increase)/Decrease in Inventories	21	(9,41,13,637)	(8,60,19,816)
Employee Benefit Scheme	22	2,20,99,821	1,83,60,290
Finance Costs	23	15,37,51,764	17,55,64,463
Depreciation and Amortization Expenses	12	3,70,78,902	3,45,23,395
Other Expenses	24	31,23,44,358	32,44,14,206
<b>Total Expenses (B)</b>		<b>3,71,65,47,766</b>	<b>4,05,80,17,599</b>
<b>Profit /( Loss ) Before Extraordinary &amp; Exceptional Item and Taxes</b>		<b>3,47,71,295</b>	<b>4,95,26,434</b>
<b>Exceptional &amp; Extraordinary Item</b>		-	-
<b>Profit /( Loss ) Before Taxes</b>		<b>3,47,71,295</b>	<b>4,95,26,434</b>
Tax Expenses			
Current Tax		84,26,430	1,35,64,786
Deferred Tax		33,21,643	13,81,435
Income Tax for earlier years		-	1,18,37,451
<b>Total Tax Expenses</b>		<b>1,17,48,073</b>	<b>2,67,83,672</b>
<b>Profit/(Loss) for the year from Continuing Operation</b>		<b>2,30,23,222</b>	<b>2,27,42,762</b>
<b>Earning per Equity Share (Nominal Value of share ₹ 10)</b>			
<b>Basic</b>		0.49	0.49
<b>Diluted</b>		0.49	0.49
<b>Summary of Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**

Firm Regn No: 318016E

Chartered Accountants

**CA. S. JAIN**
**(Partner)**

Membership No. 053537

Place : Kolkata

Date : The 22nd Day of May, 2017

**For & on behalf of the Board of Directors of  
Adhunik Industries Limited**
**Mahesh Kumar Agarwal**
**Chairman**

DIN : 00507690

**Jugal Kishore Agarwal**
**Managing Director**

DIN : 00227460

**Bikash Roy Chowdhury**
**Chief Financial Officer**
**Bharat Agarwal**
**Company Secretary**



**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2017**

PARTICULARS	31st. March 2017 (₹)		31st. March 2016 (₹)	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before Tax and extra ordinary item		3,47,71,295		4,95,26,435
Adjustment for :				
Depreciation	3,70,78,902		3,45,23,395	
Loss on sale of Fixed Assets	-		23,942	
Gratuity	6,45,247		4,55,828	
Interest Income	(52,84,652)		(58,63,715)	
Interest Paid	15,37,51,764		17,55,64,463	
		18,61,91,261		20,47,03,913
Operating Profit before working Capital changes		22,09,62,556		25,42,30,348
Adjustments for :				
(Increase)/Decrease in Trade and Other Receivable	(1,05,96,641)		(9,85,21,676)	
(Increase)/Decrease in Inventories	(6,89,13,681)		40,68,67,545	
Increase/(Decrease) in Trade Payables & Liabilities	15,40,73,035		2,79,49,992	
		(23,35,83,357)		33,62,95,861
Cash Generated from Operations		(1,26,20,801)		59,05,26,209
Income Tax (Paid) / Refund		(1,12,60,211)		(5,62,10,403)
Cash Flowbefore extraordinary items		(2,38,81,012)		53,43,15,806
Extra-Ordinary items		-		-
<b>Net Cash used in Operating Activities A</b>		<b>(2,38,81,012)</b>		<b>53,43,15,806</b>
<b>B. Cash flow from Investing Activities</b>				
Purchase of Fixed Assets		(53,51,502)		(5,71,45,284)
Decrease in CWIP		-		1,61,48,812
Sale of Fixed Assets		-		21,000
Interest Income		52,84,652		58,63,715
Fixed Deposit made / matured during the year		(37,50,575)		48,38,412
<b>Net Cash used in investing Activities B</b>		<b>(38,17,425)</b>		<b>(3,02,73,345)</b>
<b>C. Cash Flow from Financing Activities</b>				
Interest Paid		(15,37,51,764)		(17,55,64,463)
Increase/(Decrease) in Secured Loan		17,97,29,105		(27,92,51,356)
Increase/(Decrease) in Unsecured Loan		-		(5,22,07,395)
<b>Net Cash from financing Activities C</b>		<b>2,59,77,341</b>		<b>(50,70,23,214)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(17,21,096)</b>		<b>(29,80,753)</b>
Cash and Cash Equivalent as at the Opening of the year		76,52,883		1,06,33,636
<b>Cash and Cash Equivalent as at the close of the year</b>		<b>59,31,787</b>		<b>76,52,883</b>
Note : 1) Cash and Cash Equivalents comprises of :				
Cash in Hand		59,454		38,64,624
Balances with Scheduled Banks on :				
-Current Account (including Bank Overdrawn)		58,72,333		37,88,259
-Fixed Deposit Account (including margin money)		6,78,04,719		6,40,54,144
		<b>7,37,36,506</b>		<b>7,17,07,027</b>
Less: Fixed Deposit not considered as cash and cash equivalent		6,78,04,719		6,40,54,144
Cash & Cash Equivalents in Cash Flow Statement		<b>59,31,787</b>		<b>76,52,883</b>
2) This Cash Flow Statement has been prepared under indirect method.				
3) Previous Year Figure have been regrouped wherever necessary.				

As per our report of even date

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**

Firm Regn No: 318016E  
Chartered Accountants

**CA. S. JAIN**  
(Partner)

Membership No. 053537

Place : Kolkata

Date : The 22nd Day of May, 2017

For & on behalf of the Board of Directors of  
Adhunik Industries Limited

**Mahesh Kumar Agarwal**  
Chairman  
DIN : 00507690

**Jugal Kishore Agarwal**  
Managing Director  
DIN : 00227460

**Bikash Roy Chowdhury**  
Chief Financial Officer

**Bharat Agarwal**  
Company Secretary

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017****1) CORPORATE INFORMATION:**

Adhunik Industries Ltd ("the company") is a public limited company, having manufacturing facilities at Durgapur, West Bengal. Its equity shares are listed in Stock Exchanges in India. The Company is primarily engaged in the manufacture and sale of iron and steel products.

**2) SIGNIFICANT ACCOUNTING POLICIES:****(I) Basis of Accounting:**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

**(II) Presentation and disclosure of financial statement:**

The Company has prepared financial statements as per schedule III notified under the Companies Act 2013. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**(III) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and result of operation during the reported year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**(IV) Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from sale of goods and services rendered is recognized when significant risks and rewards of ownership of products and services have passed to the customers.
- (b) Claims made in respect thereof is accounted as income in the year of receipts or acceptance by the client or evidence of acceptance received by the client.
- (c) Dividend is recognized on cash basis.
- (d) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (e) Revenue in respect of rejected/scrapped materials is recognized as and when these are sold or amount there against is ascertained.

**(V) Fixed Assets:**

- (a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection/commissioning expenses, and interest, etc upto the date the asset is put to use.
- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.

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- (c) Expenditure on New Projects and Substantial Expansion: Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction activity or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion are capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

**(VI) Depreciation:**

- (a) The Classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method based on the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. The residual value has been considered as 5% for the assets.
- (c) Depreciation includes the amount written off in respect of leasehold land over the respective lease period.
- (d) Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.
- (e) Discarded Fixed Assets awaiting disposal are valued at estimated realizable value and disclosed separately.
- (f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.

**(VII) Fixed Assets acquired under lease:****(a) Finance Lease**

- (i) Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment after discounting them at an appropriate discount rate at the inception of the lease term and disclosed as leased assets. Lease Payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expenses account.
- (ii) Lease assets capitalized, if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.

**(b) Operating Lease**

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss Account on a straight line basis over the lease term.

**(VIII) Investments:**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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- (a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realizable value.
- (b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (c) By-products are valued at net realizable value.
- (d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

**(X) Cash & Cash Equivalents:**

Cash and cash equivalents in the Cash Flow comprise cash at bank and in hand (including cheques / drafts in hand), balance lying in banks in current account (including overdraft) and deposits with maturity within 12 months.

**(XI) Excise Duty:**

Excise Duty on Finished Goods stock lying at the factories is accounted for at the point of manufacture of goods and is accordingly considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date.

**(XII) Employees Benefits:**

- i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of Financial Year.
- iii. Actuarial gain/losses are immediately taken to the Profit & Loss Account and are not deferred.

**(XIII) Borrowing Costs:**

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

**(XIV) Provisions:**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(XV) Taxation:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**(XVI) Segment Reporting:**

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment.

**(XVII) Contingent Liabilities:**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

**(XVIII) Earning per share:**

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

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

**(XIX) Impairment of Assets:**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

**(XX) Foreign Currency Translation:**

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

**Conversion:** Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value determined.

**Exchange Difference:** Exchange differences are recognized as income or as expenses in the period in which they arise.

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**

NOTE 3 : SHARE CAPITAL	31st. March 2017		31st. March 2016	
	No. Of Shares	(₹)	No. Of Shares	(₹)
<b>Authorised Shares</b>				
Equity Shares of ₹ 10/- each	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
<b>Total</b>	<b>10,00,00,000</b>	<b>1,00,00,00,000</b>	<b>10,00,00,000</b>	<b>1,00,00,00,000</b>
<b>Issued, Subscribed and Fully Paid Up Share</b>				
Equity Shares of ₹ 10 each fully paid up	4,67,63,750	46,76,37,500	4,67,63,750	46,76,37,500
<b>Total</b>	<b>4,67,63,750</b>	<b>46,76,37,500</b>	<b>4,67,63,750</b>	<b>46,76,37,500</b>
<b>a) Reconciliation of the number of Equity shares</b>	31st. March 2017		31st. March 2016	
	No. Of Shares	(₹)	No. Of Shares	(₹)
Outstanding at the beginning of the year	4,67,63,750	46,76,37,500	4,67,63,750	46,76,37,500
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>4,67,63,750</b>	<b>46,76,37,500</b>	<b>4,67,63,750</b>	<b>46,76,37,500</b>
<b>b) Details of Shareholders holding more than 5 percent of equity shares</b>	31st. March 2017		31st. March 2016	
Name of Shareholder	No. Of Shares	(₹)	No. Of Shares	(₹)
Mahananda Suppliers Limited	1,66,00,000	35.50	1,66,00,000	35.50
Sungrowth Share & Stocks Limited	1,48,83,750	31.83	1,48,83,750	31.83
Vrindavan Advisory Services LLP	43,34,606	9.27	43,34,606	9.27
Integrated Master Securities (P) Limited	-	-	34,90,000	7.46
<b>c) Terms/ Rights attached to Equity Share</b>	<p>The Company has only one class of issued shares i.e. equity shares having nominal value of ₹10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend (if any) proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after payment of all the preferential amounts, in proportion to their shareholding.</p>			

NOTE 4 : RESERVES AND SURPLUS	31st. March 2017	31st. March 2016
	(₹)	(₹)
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statement	55,92,98,041	53,65,55,278
Add : Net Profit for the year as per Statement of Profit and Loss	2,30,23,222	2,27,42,762
<b>Net Surplus/(Deficit) in the statement of Profit and Loss</b>	<b>58,23,21,263</b>	<b>55,92,98,041</b>
<b>Total Reserve and Surplus</b>	<b>58,23,21,263</b>	<b>55,92,98,041</b>

NOTE 5 : LONG TERM BORROWING	Non Current Portion		Current Maturities	
	31st. March 2017	31st. March 2017	31st. March 2017	31st. March 2017
	(₹)	(₹)	(₹)	(₹)
<b>(a) Term loans</b>				
Indian rupee loan from banks (Secured)	-	4,20,10,000	3,40,43,238	6,44,26,087
<b>(b) Other loans and advances</b>				
From Bodies Corporate (Unsecured)	25,00,000	25,00,000	-	-
<b>Total Long Term Borrowings</b>	<b>25,00,000</b>	<b>4,45,10,000</b>	<b>3,40,43,238</b>	<b>6,44,26,087</b>

Indian Rupee Term loan from Banks are secured by way of :

a) The rupee term loan from banks are secured by way of pari passu first charge by way of mortgage of the company's immovable fixed assets both present and future at factory at Raturia, Angadpur, Durgapur, West Bengal and first charge by way of hypothecation of the Company's movable assets, save and except asset purchased on lease and hire purchase basis.

b) Guarantee and certain collateral securities have been provided by the Promoters/ Directors in their personal capacity.

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<b>NOTE 6 : DEFERRED TAX LIABILITIES (NET)</b>		
The Company has recognised deferred tax arising on account of timing difference being the difference between the accounting income, that originate in one period and is capable of reverse in or more subsequent periods in compliance with Accounting taxable income and Accounting Standard (AS 22) - Accounting for taxes on income. The major component of deferred tax liabilities arising on account of timing difference are as follows:		
	31st. March 2017 (₹)	31st. March 2016 (₹)
a) Difference between WDV of Fixed Assets as per Company Act and IT Act	9,53,85,831	9,18,54,838
b) Others	(12,92,690)	(10,83,340)
<b>Total Deferred Tax Liabilities (Net)</b>	<b>9,40,93,141</b>	<b>9,07,71,498</b>

<b>NOTE 7 : OTHER LONG TERM LIABILITIES</b>		
	31st. March 2017 (₹)	31st. March 2016 (₹)
Trade Payables (including Acceptance)	6,00,63,787	5,90,92,389
<b>Total Other Long Term Liabilities</b>	<b>6,00,63,787</b>	<b>5,90,92,389</b>

<b>NOTE 8 : SHORT TERM BORROWING</b>		
	31st. March 2017 (₹)	31st. March 2016 (₹)
Cash Credit from Banks (Secured)	86,44,87,225	61,23,65,270
<b>Total Short Term Borrowings</b>	<b>86,44,87,225</b>	<b>61,23,65,270</b>
Cash Credit from banks are secured by way of : a. First charge by way of hypothecation on stock, book debts and other current assets of the company related to factory at Raturia, Andagpur, Durgapur. b. Second charge on other assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them to the company related to factory at Raturia, Andagpur, Durgapur. c. Guarantee and certain collateral securities have been provided by the Directors/Promoters in their personal capacity.		

<b>NOTE 9 : TRADE PAYABLES</b>		
	31st. March 2017 (₹)	31st. March 2016 (₹)
a) Due to Micro, Small & Medium Enterprises	-	-
b) Trade Payable ( Including Acceptance)	52,45,68,959	65,16,71,472
<b>Total Trade Payable</b>	<b>52,45,68,959</b>	<b>65,16,71,472</b>
Trade Payable include ₹ NIL (₹ NIL) due to small scale and ancillary industry undertakings (SSI) to the extent such parties have been Identified from the available documents / informations As per information available with the Company, none of the parties from whom the Company procure goods or receives services are enterprises covered under The Macro, Small and Medium Enterprise Development Act,2006 (the Act)		

<b>NOTE 10: OTHER CURRENT LIABILITIES</b>		
	31st. March 2017 (₹)	31st. March 2016 (₹)
a) Current maturities of long-term debt (Refer Note 5)	3,40,43,238	6,44,26,087
b) Advance from customers	12,14,22,288	12,46,21,290
c) Unpaid/Unclaimed Dividends	1,36,000	2,04,000
d) Statutory Dues	19,33,741	2,66,08,660
<b>Total Other Current Liabilities</b>	<b>15,75,35,267</b>	<b>21,58,60,037</b>

<b>NOTE 11 : SHORT TERM PROVISION</b>		
	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Provision for Employee Benefits</b>		
Provision for gratuity	39,84,250	33,39,003
<b>Total Short Term Provision</b>	<b>39,84,250</b>	<b>33,39,003</b>



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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**
**Note 12: FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2016 (₹)	Addition During the Year (₹)	Sale/ Adjustment (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)	For the Year (₹)	Sale/ Adjustment (₹)	As at 31st March, 2017 (₹)	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
<b>Tangible Assets</b>										
Leasehold Land	84,29,270	-	-	84,29,270	11,80,644	98,387	-	12,79,031	71,50,239	72,48,626
Freehold Land	17,00,000	-	-	17,00,000	-	-	-	-	7,00,000	17,00,000
Factory Building	17,34,13,783	-	-	17,34,13,783	4,61,58,600	54,10,352	-	5,15,68,952	12,18,44,831	12,72,55,183
Plant & Machinery	67,57,10,556	53,51,502	-	68,10,62,058	24,10,12,599	3,07,19,899	-	27,17,32,498	40,93,29,560	43,46,97,957
Furniture	6,63,212	-	-	6,63,212	6,15,417	15,869	-	6,31,286	31,926	47,795
Office Equipment	44,72,863	-	-	44,72,863	34,07,540	2,93,504	-	37,01,044	7,71,819	10,65,322
Vehicle	38,55,727	-	-	38,55,727	32,25,007	4,42,528	-	36,67,535	1,88,192	6,30,719
Computer	28,93,611	-	-	28,93,611	25,06,138	98,363	-	26,04,501	2,89,110	3,87,474
<b>Total</b>	<b>87,11,39,022</b>	<b>53,51,502</b>	<b>-</b>	<b>87,64,90,524</b>	<b>29,81,05,945</b>	<b>3,70,78,902</b>	<b>-</b>	<b>33,51,84,847</b>	<b>54,13,05,677</b>	<b>57,30,33,077</b>
<b>Previous Year's Total</b>	<b>81,41,72,024</b>	<b>5,71,45,285</b>	<b>1,78,287</b>	<b>87,11,39,022</b>	<b>26,37,15,895</b>	<b>3,45,23,395</b>	<b>1,33,345</b>	<b>29,81,05,945</b>	<b>57,30,33,077</b>	

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NOTE 13: NON CURRENT INVESTMENT		Number of Shares	Face Value per Share (₹)	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Long Term, Quoted (Other than Trade)</b>					
<b>Fully Paid Equity Shares</b>					
- In Adhunik Metaliks Ltd		40,000	10	4,00,000	4,00,000
(The market value is ₹. 2,78,000)					
<b>Total Non Current Investment</b>				<b>4,00,000</b>	<b>4,00,000</b>
NOTE 14 : LOANS AND ADVANCES		Non Current		Current	
		31st. March 2017 (₹)	31st. March 2016 (₹)	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>a. Security Deposits</b>					
Unsecured, considered good		65,35,015	76,92,396	8,59,80,000	8,59,80,000
		(A)		8,59,80,000	8,59,80,000
<b>b. Advances recoverable in cash or in kind</b>					
Secured, considered good		-	-	-	-
Unsecured, considered good		-	-	15,07,91,818	9,83,13,367
		(B)		15,07,91,818	9,83,13,367
<b>c. Other loans and advances</b>					
Prepaid Expenses		-	-	2,58,710	1,35,552
Advance Payment to Supplier		-	-	1,63,333	9,86,41,959
Balance with IT Authorities (Net of Prov. for Taxation)		-	-	2,62,53,414	2,34,19,633
Balance with statutory/government authorities		-	-	11,23,42,703	11,02,30,269
		(C)		13,90,18,160	23,24,27,413
<b>Total Loans and Advances (A+B+C)</b>		<b>65,35,015</b>	<b>76,92,396</b>	<b>37,57,89,978</b>	<b>41,67,20,780</b>
NOTE 15 : INVENTORIES				31st. March 2017 (₹)	31st. March 2016 (₹)
Raw Materials and Components				36,43,80,126	38,08,61,745
Finished Goods and Rejected Materials				49,90,84,607	40,49,70,970
Stores & Spares				1,73,22,472	1,47,83,562
Stock in Transit				-	1,12,57,247
<b>Total Inventories</b>				<b>88,07,87,205</b>	<b>81,18,73,524</b>
NOTE 16 : TRADE RECEIVABLE				31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Unsecured, considered good unless stated otherwise</b>					
<b>Outstanding for the period exceeding six months from the date they are due for payment</b>					
Unsecured, considered good				2,43,51,371	2,61,51,371
Doubtful				-	-
				(A)	2,43,51,371
<b>Other receivables</b>					
Unsecured, considered good				85,42,85,640	79,69,67,035
Doubtful				-	-
				(B)	85,42,85,640
<b>Total Trade Receivable (A+B)</b>				<b>87,86,37,011</b>	<b>82,31,18,406</b>
NOTE 17 : CASH AND BANK BALANCES				31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Cash and cash equivalents</b>					
<b>Balances with banks</b>					
On Current Accounts				58,72,333	37,88,259
Deposit (includes Margin Money) with original maturity less than twelve months				6,78,04,719	6,40,54,144
<b>Cash In Hand</b>				59,454	38,64,624
<b>Total Cash and Bank Balance</b>				<b>7,37,36,506</b>	<b>7,17,07,027</b>

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**

<b>NOTE 18 : REVENUE FROM OPERATION</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
Sales	3,87,33,88,332	4,03,20,58,028
Business & Other Service Income	20,01,44,703	51,11,18,309
<b>Revenue from Operation (Gross)</b>	<b>4,07,35,33,035</b>	<b>4,54,31,76,337</b>
Less: Excise Duty	33,01,72,886	44,24,10,524
<b>Total Revenue from Operation (Net)</b>	<b>3,74,33,60,149</b>	<b>4,10,07,65,813</b>

<b>DETAILS OF REVENUE FROM OPERATION</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
<b>Sales</b>		
Iron & Steel product	3,87,33,88,332	4,03,20,58,028
	<b>3,87,33,88,332</b>	<b>4,03,20,58,028</b>
<b>Services Rendered</b>		
Business & Other Service Income	20,01,44,703	51,11,18,309
	<b>20,01,44,703</b>	<b>51,11,18,309</b>

<b>NOTE 19: OTHER INCOME</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
<b>Interest Income On</b>		
- Bank Deposits	48,34,696	54,67,278
- Others	4,49,956	3,96,437
Unspent liabilities and provisions no longer required written back	-	6,35,697
Others	26,74,260	2,78,808
<b>Total Other Income</b>	<b>79,58,912</b>	<b>67,78,220</b>

<b>NOTE 20 : PURCHASES &amp; RAW MATERIAL CONSUMED</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
Inventory at the beginning of the year	38,08,61,745	88,14,73,315
Add. Purchases	3,25,61,86,748	3,07,70,72,258
Freight	1,27,18,191	1,34,91,232
	<b>3,64,97,66,684</b>	<b>3,97,20,36,805</b>
Less: Inventory at the end of the year	36,43,80,126	38,08,61,745
<b>Total Purchases &amp; Raw Material Consumed</b>	<b>3,28,53,86,558</b>	<b>3,59,11,75,060</b>

<b>DETAILS OF PURCHASES</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
<b>Purchase</b>		
Iron & Steel product	3,25,61,86,748	3,07,70,72,258
	<b>3,25,61,86,748</b>	<b>3,07,70,72,258</b>

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**

<b>NOTE 21 : (INCREASES)/DECREASE IN INVENTORIES</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
<b>Inventory at the end of the year</b>		
Finished Goods	49,90,84,607	40,49,70,970
<b>Less: Inventory at the beginning of the year</b>		
Finished Goods	40,49,70,970	31,89,51,154
<b>Total (Increases)/Decrease in Inventories</b>	<b>(9,41,13,637)</b>	<b>(8,60,19,816)</b>

<b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
Salaries & Bonus	1,60,31,939	1,42,78,315
Contribution to Provident Fund	19,72,635	18,76,147
Gratuity	6,45,247	4,55,828
Staff Welfare Expense	4,50,000	2,50,000
Managing Directors' Remuneration (Refer Note 25 below)	30,00,000	15,00,000
<b>Total Employee Benefit Expenses</b>	<b>2,20,99,821</b>	<b>1,83,60,290</b>

<b>NOTE 23 : FINANCE COST</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
Interest to Banks on Term Loans	90,33,614	2,26,39,465
Others	14,47,18,150	15,29,24,998
<b>Total Finance Cost</b>	<b>15,37,51,764</b>	<b>17,55,64,463</b>

<b>NOTE 24 : OTHER EXPENSES</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
Consumption of Stores and Spares	2,41,18,940	1,83,67,607
Excise Duty on Inventory.	(1,29,20,044)	1,03,35,268
Power and Fuel	17,30,63,125	15,78,47,344
Operation & Maintenance Charges	1,11,86,094	1,06,61,524
Freight and Forwarding Charges	1,26,04,774	1,94,90,598
Rent	3,43,000	3,51,435
Rates and Taxes	7,14,180	6,80,587
Fees and Subscription	5,69,594	4,28,359
Insurance	3,57,517	3,20,562
Repair & Maintenance	5,20,59,991	4,65,37,301
Motor Vehicle & Travelling Expenses	19,63,929	64,87,416
Selling & Distribution Expenses	2,08,53,042	1,85,67,913
Payment to Statutory Auditor (Refer Note 24.1 below)	4,03,300	1,68,400
Commission Charges	-	9,420
Consultancy Charges	40,200	6,82,250
Bank Commission, Letter of Credit and Charges	1,55,11,762	1,88,62,249
Accounts & Finance Charges	43,41,600	43,29,000
Listing Fees	11,21,650	2,26,250
Foreign Exchange Loss	1,09,171	16,863
Loss on Sale of Asset	-	23,942
Others Administrative Expenses (Refer Note 24.2 below)	59,02,533	1,00,19,918
<b>Total Other Expenses</b>	<b>31,23,44,358</b>	<b>32,44,14,206</b>

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**

<b>NOTE 24.1 : PAYMENT TO STATUTORY AUDITOR</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
As Auditor		
- Audit Fees	1,25,000	75,000
- Tax Audit Fees	25,000	25,000
- Limited Review Fees	33,000	33,000
- Others	2,20,300	35,400
	<b>4,03,300</b>	<b>1,68,400</b>

<b>NOTE 24.2 : OTHER ADMINISTRATIVE EXPENSES INCLUDE</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
- Directors' Sitting Fees	2,50,000	2,65,000
- CSR Activities	17,83,385	19,56,795
	<b>20,33,385</b>	<b>22,21,795</b>

<b>NOTE 25 : DIRECTOR'S REMUNERATION</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
<b>a) Director's Remuneration Paid</b>		
Basic	15,00,000	7,50,000
House Rent Allowance	2,90,000	1,45,000
Bonus	2,50,000	1,25,000
Other	9,60,000	4,80,000
	<b>30,00,000</b>	<b>15,00,000</b>
<b>b) Computation of Profit for the purpose of Director's Remuneration</b>		
Profit before tax as per profit & loss account	3,47,71,295	4,95,26,434
Add : Depreciation	3,70,78,902	3,45,23,395
Director's Remuneration	30,00,000	15,00,000
	<b>7,48,50,197</b>	<b>8,55,49,830</b>
Less : Depreciation as per Companies Act, 2013	3,70,78,902	3,45,23,395
Director's Remuneration	30,00,000	15,00,000
<b>Net profit as per Section 198 of Companies Act, 2013</b>	<b>3,47,71,295</b>	<b>4,95,26,434</b>

<b>NOTE 26 : EARNING PER SHARE</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
Net Profit after tax (₹)	2,30,23,222	2,27,42,762
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	4,67,63,750	4,67,63,750
Basic Earnings per Share (in ₹)	0.49	0.49
Weighted average No. of Equity Shares outstanding in calculation of Diluted EPS	4,67,63,750	4,67,63,750
Diluted Earning per Share (in ₹)	0.49	0.49
Nominal Value of Share	10	10

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**

<b>NOTE 27: EMPLOYEE BENEFITS:</b> Disclosure pursuant to Accounting Standard-15 (revised) *Employee Benefits.		
<b>PARTICULARS</b>	<b>31st. March 2017 (₹)</b>	<b>31st. March 2016 (₹)</b>
<b>a) Defined Contribution Plan</b>		
Employer's Contribution to Provident and Other Funds	19,72,635	18,76,147
<b>b) Defined Benefit Plan</b>		
The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method as on 31st March, 2015 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective plans.		
(i) Net Employee Benefit expense (recognized in Employee Benefit Expense)		
Current Service Cost	5,25,697	4,69,610
Interest Cost on benefit plans	2,50,425	2,30,654
Net Actuarial (gains)/losses recognized in the year	(1,30,875)	(2,44,436)
Total Employer expense recognized in the Statement of Profit and Loss	6,45,247	4,55,828
(ii) Actual Return on Plan Assets	N.A.	N.A.
(iii) Net Assets/ (Liabilities) recognized in the Balance Sheet	39,84,250	33,39,003
(iv) Movement in Defined Benefit Obligation		
Opening defined benefit obligation	33,39,003	28,83,175
Current Service Cost	5,25,697	4,69,610
Interest Cost on benefit plans	2,50,425	2,30,654
Benefit paid	-	-
Net Actuarial (gains)/losses recognized in the year	(1,30,875)	(2,44,436)
Closing defined benefit obligation	39,84,250	33,39,003
(v) Movement in fair value of Plan Assets	N.A.	N.A.
(vi) Major categories of plan assets as a percentage of the fair Value of total plan assets	N.A.	N.A.
(vii) Actuarial Assumptions		
Mortality Table	IALM (2006-2008)	IALM (2006-2008)
	Ultimate	Ultimate
Discount Rate per annum Compounded	7.50%	8.00%
Rate of increase in salaries per annum	6.00%	6.00%
(viii)(a) The estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employee market.		
(b) The gratuity liabilities is unfunded. Accordingly, information regarding Planned Assets is not applicable.		
(ix) The above information is certified by the actuary.		

**ADHUNIK INDUSTRIES LIMITED**

CIN : L65921WB1979PLC032200

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**
**Note 28: DISCLOSURE IN RELATION TO RELATED PARTIES:**

Related party disclosure is identified by the management in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

**a) Name of Related Parties and nature of relationship**

<b>Key Management Personnel</b>	<p><b>Managing Director</b> Mr. Jugal Kishore Agarwal</p> <p><b>Director</b> Mr. Mohan Lal Agarwal Mr. Chandra Shekhar Agarwal Mr. Mahesh Kumar Agarwal Mr. Asit Baran Dasgupta Ms. Archana Gupta Sha</p> <p><b>Chief Financial Officer</b> Mr. Bikash Roy Chowdhury</p> <p><b>Company Secretary</b> Mr. Bharat Agarwal</p>
<b>Relatives of Key Management personnel</b>	<p>Mr. Ghanshyam Das Agarwal (Brother of Director) Mr. Manoj Kumar Agarwal (Brother of Director) Mr. Nirmal Kumar Agarwal (Brother of Director ) Mr. Sachin Agarwal ( Son of Director ) Mr. Naveen Agarwal ( Son of Director )</p>
<b>Enterprises over which Key Management Personnel / Relatives have significant influence</b>	<p>Adhunik Corporation Ltd. Adhunik Infotech Ltd. Adhunik Power &amp; Natural Resource Ltd. Adhunik Alloys &amp; Power Ltd. Sungrowth Share &amp; Stocks Ltd. Mahananda Suppliers Ltd. Adhunik Metaliks Ltd. and its subsidiary</p>



**ADHUNIK INDUSTRIES LIMITED**

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**
**b) Aggregated Related Party Disclosures:**

Nature of Transactions	Name of Related Party	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Remuneration to KMP</b>	Mr. Jugal Kishore Agarwal Mr. Bikash Roy Chowdhury Mr. Bharat Agarwal	30,00,000 15,00,000 7,29,427	15,00,000 15,00,000 5,54,998
<b>Directors Sitting Fees</b>	Mr. Chandra Shekhar Jalan Mr. Asit Baran Dasgupta Mr. Mahesh Kumar Agarwal Mr. Mohan Lal Agarwal Mr. Shyam Bhadur Singh Ms. Archana Gupta Sha	60,000 60,000 45,000 40,000 - 45,000	- 60,000 60,000 40,000 45,000 60,000
<b>Purchase of Raw Material</b> Billet	Adhunik Corporation Ltd.	34,77,32,159	16,29,81,859
<b>Sale of Finished Goods &amp; Byproducts</b> Wire Rod TMT Bar Coal Misrolled,Wastage,E.Cutting Etc	Adhunik Alloys & Power Ltd. Adhunik Metaliks Ltd. Adhunik Metaliks Ltd. Adhunik Corporation Ltd. Adhunik Corporation Ltd.	7,50,582 - - - 14,77,72,899	8,06,532 9,78,500 1,65,51,452 1,58,75,167 8,75,45,480
<b>Expenditure for services/others</b> Rent Accounts & Finance Maintenance Charges	Mr. Mahesh Kumar Agarwal Adhuniik Infotech Ltd. Adhuniik Infotech Ltd.	- 3,44,750 49,64,400	6,000 3,41,805 43,29,000

**c) Outstanding Balance Related Party:**

Nature of Relationship	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Key Managerial Persons/ Relatives of Key Management Personnel</b>		
<b>Balance outstanding as at the year-end – Debit</b>	-	-
<b>Balance outstanding as at the year-end – Credit</b>		
Mr. Jugal Kishore Agarwal	14,90,000	-
Mr. Bikash Roy Chowdhury	1,00,560	1,10,280
Mr. Bharat Agarwal	44,515	51,424
<b>Enterprises over which key Management Personnel/Relatives having significant influence</b>		
<b>Balance outstanding as at the year-end – Debit</b>		
Adhunik Alloys & Power Ltd.	-	1,25,596
Adhunik Metaliks Ltd.	-	61,57,126
Adhunik Corporation Ltd.	64,13,905	-
<b>Balance outstanding as at the year-end – Credit</b>		
Adhunik Corporation Ltd.	-	4,48,82,087
Adhunik Infotech Limited	60,66,830	88,51,802

**ADHUNIK INDUSTRIES LIMITED**

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH' 2017**
**Note 29: DISCLOSURE ON SPECIAL BANK NOTES (SBN)**

During the year the Company had specified bank notes or denomination note as defined in MCA notification G.S.R. 308 Edated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08,2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Special Bank Note (SBN)	Other Denomination Notes	Total
	(₹)	(₹)	(₹)
Closing Balance as at 8th November 2016	25,04,500	4,96,874	30,01,374
Transactions between 9 <sup>th</sup> November 2016 and 30 <sup>th</sup> December 2016	-	-	-
Add: Withdrawal from bank accounts	-	18,14,000	18,14,000
Add: Receipts for permitted transactions	-	240	240
Add : Receipts for non-permitted transactions (if any)	-	-	-
Less : Paid for permitted transactions	-	13,14,632	13,14,632
Less : Paid for non-permitted transactions (if any)	-	-	-
Less: Deposited in bank accounts	25,04,500	-	25,04,500
Closing balance as at 30th December 2016	-	9,96,482	9,96,482

NOTE 30 : VALUE OF IMPORTS CALCULATED ON CIF BASIS:	31st. March 2017 (₹)	31st. March 2016 (₹)
Stores & Spares	1,09,66,662	59,89,021

NOTE 31 : EXPENDITURE IN FOREIGN CURRENCY:	31st. March 2017 (₹)	31st. March 2016 (₹)
Travelling Expenses	-	21,28,065

NOTE 32 : EARNINGS IN FOREIGN EXCHANGE:	31st. March 2017 (₹)	31st. March 2016 (₹)
Export of steel materials	28,99,12,888	-

NOTE 33: CONTINGENT LIABILITIES (to the extend not provided for)	31st. March 2017 (₹)	31st. March 2016 (₹)
<b>Contingent Liabilities</b> Outstanding guarantees and counter guarantees to various bank, in respect of the guarantees given by those banks in favor of various government authorities, suppliers and others.	3,09,61,500	3,15,00,000

**NOTE 34:** In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

**NOTE 35:** The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account.

**NOTE 36:** In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed.

**NOTE 37:** Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

**NOTE 38:** Unclaimed dividend of earlier years aggregating to Rs. 2,04,000/- deposited in separated bank account, an amount of Rs 68,000/- which is liable to transferred to Investor Education Protection Fund (IEPF) has been duly transferred during the year. Inclusion of the said amount does not have any impact on the profitability of the company.

**NOTE 39:** Previous year figures has been regrouped / rearranged where ever necessary.

Signatories to Schedules 1 to 39.

As per our report of even date

**FOR SUDHIR KUMAR JAIN & ASSOCIATES**

Firm Regn No: 318016E

Chartered Accountants

**CA. S. JAIN**

(Partner)

Membership No. 053537

Place : Kolkata

Date : The 22nd Day of May, 2017

**For & on behalf of the Board of Directors of  
Adhunik Industries Limited**

**Mahesh Kumar Agarwal**

Chairman

DIN : 00507690

**Bikash Roy Chowdhury**

Chief Financial Officer

**Jugal Kishore Agarwal**

Managing Director

DIN : 00227460

**Bharat Agarwal**

Company Secretary



**Adhunik**

# 37th ANNUAL GENERAL MEETING





**Note**

SHAREHOLDER'S

# FACTORY VISIT

ON 25th APRIL, 2017





**Adhunik Industries Ltd.**

Corporate Office: Landsdowne Towers, 2/1A, Sarat Bose Road, Kolkata - 700020  
Registered Office: 14, N. S. Road, 2nd Floor, Kolkata - 700001  
West Bengal, India, Telefax: 033 022428551/53  
Works: Raturia, Angadpur, Durgapur - 713215  
Web: [www.adhunikindustries.com](http://www.adhunikindustries.com), Trade Enquiry: +91 33 30517100, 9007477753



**Adhunik**

**ADHUNIK INDUSTRIES LIMITED**

CIN-L65921WB1979PLC032200

Regd. Office : 14, N.S.ROAD, 2ND FLOOR, KOLKATA-700001

Phone:033-3051 7100, Fax- 033-2289 0285

Website: [www.adhunikindustries.com](http://www.adhunikindustries.com), E-mail-[info@adhunikgroup.com](mailto:info@adhunikgroup.com)

**Notice**

**NOTICE IS HEREBY GIVEN THAT THE 38<sup>th</sup> ANNUAL GENERAL MEETING OF ADHUNIK INDUSTRIES LIMITED WILL BE HELD ON THURSDAY, THE 21<sup>st</sup> DAY OF SEPTEMBER, 2017 AT 02.30 P.M AT BHARATIYA BHASHA PARISHAD, 36-A, SHAKESPEARE SARANI, KOLKATA – 700 017 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the Company as at 31<sup>st</sup> March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mohan Lal Agarwal (DIN: 01047906) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of sections 139, 141, 142 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendation of Audit committee, and pursuant to the resolution passed by the members at the 37th Annual General Meeting (AGM) held on September, 14, 2016, the appointment of M/s. Sudhir Kumar Jain & Associates, Chartered Accountants having Registration no. 318016E allotted by the Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company [for 5 (five) years till the conclusion of the 42nd Annual General Meeting (AGM) of the Company] 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, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company plus applicable service tax.”

**SPECIAL BUSINESS**

4. To approve the remuneration of Cost Auditors for the financial year ending March 31, 2018 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Dipak

Lal & Associates, Cost Accountants, Kolkata appointed as Cost Auditor (Membership No. 28441), at a sum of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus service tax and out-of-pocket expenses), as approved by the Board of Directors based on the recommendation of the Audit Committee to conduct the audit of the cost records maintained by the company for the financial year 2017-18, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

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

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Jugal Kishore Agarwal (DIN:00227460) as Managing Director of the Company, for a period of 3 (Three) years with effect from November 30, 2017 and will be liable to retire by rotation and on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Jugal Kishore Agarwal (DIN: 00227460), subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and deeds and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve related party transactions and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Meetings of Board and its Powers) Rules, 2014



**Notice (Cont.)**

(including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Related Party Transactions to be entered by the company for Financial Year 2017-18 of a value of Rs. 2,66,00,00,000/- (Rupees Two Hundred and Sixty Six Crores only) with the related party."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to perform and execute all such deeds, matters and things including delegate such authority and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, and if thought fit, to pass the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least 10 days in advance of the dispatch of the document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

**For and on behalf of the Board**

**Regd. Office:**  
14, N. S. Road, 2nd Floor  
Kolkata-700 001.  
Dated: August 11, 2017

Sd/-  
Jugal Kishore Agarwal  
**Managing Director**  
(DIN No: 00227460)

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

*In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A PROXY FORM IN FORM MGT-11 FOR THE AGM IS ENCLOSED HERewith.*

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members/proxies should bring duly filled Attendance slips along with their copy of Annual Report to the meeting. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting are annexed hereto.
5. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and SS-2 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declaration for their appointment/re-appointment.
6. Electronic copy of the Annual Report 2016-17 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2016-17 is being sent in the permitted mode.

**Notice (Cont.)**

7. Electronic copy of the Notice of the 38<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. The notice and Annual Report is also available on the company's website [www.adhunikindustries.com](http://www.adhunikindustries.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection between 10.00A.M. to 4.00 P.M. on all working days except Saturdays, Sundays and Holidays.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants. Members holding shares in physical form are required to submit their PAN details to the company.
10. The Register of Members and Share Transfer Books of the Company will remain closed from 15<sup>th</sup> September, 2017 to 21<sup>st</sup> September, 2017 (both day inclusive).
11. Members are requested to quote their folio number / DP ID, Client ID in all correspondences.
12. Member's holding Company's shares in electronic form are required to bring details of Depository Account such as DP ID, Client ID number for their identification.
13. Members holding shares in physical form are requested to immediately notify change in their addresses, if any, to the Registrar and Transfer Agent of the Company, quoting their Folio Number (s) with a self-attested copy of address proof, i.e. Voter Identity Card, Electric / Telephone (BSNL) Bill or Driving License or Passport before September 14, 2017.
14. Members are requested to address all correspondence to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata-700001.
15. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendments Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instruction for remote e-voting are annexed to the notice.
16. Pursuant to applicable Section(s) and rules of Companies Act, 2013 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claim shall lie against the fund or the Company. So, members are advised to claim the same from the Company immediately. Members who have not so far encashed their Dividend warrants for the Accounting years ended 31.03.2010 to 31.03.2011 as provided may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.
17. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
19. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" in 2011 by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent to the shareholders in Electronic Mode. To support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members who hold shares in physical form are requested to submit their e-mail address to the Company /Registrar & Share Transfer Agent, Maheshwari Datamatics Private Limited. We are sure you would appreciate the "Green Initiative" taken by MCA and solicit your patronage and support to participate in such initiative.



**Notice (Cont.)**

20. Route map along with landmark to the venue of the Annual General Meeting is annexed to this notice. Members may also note that the notice along with the route map will also be available in the website of the Company ([www.adhunikindustries.com](http://www.adhunikindustries.com)) for download.

**21. VOTING THROUGH ELECTRONIC MEANS (Instruction for remote e-voting):**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. 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.
- IV. The instructions for remote e-voting are as under:
  - (i) The remote e-voting period begins on Monday, 18<sup>th</sup> September, 2017(10:00 a.m. IST) and ends on Wednesday, 20<sup>th</sup> September, 2017 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 14<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

(iii) Click on "Shareholders" tab to cast your votes.

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> </ul>
Dividend Bank OR Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records for the said demat account for login.</p> <ul style="list-style-type: none"> <li>If both details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting

**Notice (Cont.)**

through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant ADHUNIK INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app **m-Voting** available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same in his E-mail Id- [goenkamohan@gmail.com](mailto:goenkamohan@gmail.com).

- 21. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- 22. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 14<sup>th</sup> September, 2017.
- 23. Members holding shares in dematerialized mode are requested to intimate the changes pertaining to their bank account details, NECS mandates, email addresses, nominations, change of addresses, change of names etc. if any, to their Depository Participant (DP) only before 14<sup>th</sup> September, 2017. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records
- 24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- 25. The Board of Directors of the Company has appointed CS Mohan Ram Goenka failing him CS Sneha Khaitan, Partner, MR & Associates, Practising Company Secretaries, Kolkata, as the Scrutinizer to scrutinize the remote e-voting process as well as the voting through Ballot Paper at the AGM in a fair and transparent manner.
- 26. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 14th September, 2017 may obtain the User Id and password by sending a request at [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in) or to the Registrar at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). However, if the member is already registered with CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting.



**Notice (Cont.)**

27. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
28. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
29. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.adhunikindustries.com](http://www.adhunikindustries.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing and same shall simultaneously be communicated to the Stock Exchanges.

**EXPLANATORY STATEMENT**

[PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013]

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO. 4**

The Board of Directors on the recommendation of Audit Committee has approved the appointment and remuneration of M/s. Dipak Lal & Associates, Cost Accountants, (Membership No. 28441) as cost auditor of the Company, for a remuneration of Rs. 25,000/- (plus service tax and out-of-pocket expenses) to conduct the audit of the cost records maintained by the Company for the financial year ending on 31st March, 2018.

M/s. Dipak Lal & Associates, Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. M/s. Dipak Lal & Associates, Cost Accountants have vast experience in the field of cost audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof and as amended from time to time), the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or

interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**ITEM NO. 5**

Mr. Jugal Kishore Agarwal (DIN: 00227460) is an Industrialist with more than 33 years of vast experience in the Steel sector. The Company will be immensely benefited by his re-appointment as the Managing Director, as the Board feels that the Company would achieve new high of success under his dynamic leadership, guidance and would increase the stakeholder's value.

The Board of Directors of the Company (the 'Board'), at its meeting held on 11th August, 2017 has, subject to the approval of members, re-appointed Mr. Jugal Kishore Agarwal (DIN: 00227460) as Managing Director, for a period of 3 (three) years from the expiry of his present term on November 29, 2017. The remuneration has been recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the members' approval for the reappointment of and remuneration payable to Mr. Jugal Kishore Agarwal as Managing Director in terms of applicable provisions of the Act.

Subject to the ceiling laid down in Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration by way of salary, bonus and perquisites to the Managing Director shall be paid as follows:

- A) **Salary:** Basic Salary of Rs 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month.
- B) **Benefits, Perquisites and Allowances:** In addition to Salary referred to in (A) above, the Managing Director shall be entitled to reimbursement of Credit Card expenses, tour expenses including foreign tour, professional encouragement, uniform allowances, Club expenses, children education allowances including hostel expenses, medical allowances, other allowances as under-
  - a) **Dearness Allowance:** Rs. 40,000/- (Rupees Forty Thousand only) per month.
  - b) **Medical Allowance:** Rs. 1,250/- (Rupees One Thousand Two Hundred and Fifty only) per month.
  - c) **Transport Allowance:** Rs. 1,600/- (Rupees One Thousand Six Hundred only) per month.
  - d) **Leave Travel Allowance:** Rs. 8,333/- (Rupees Eight Thousand Three Hundred Thirty Three only) per month.

**Notice (Cont.)**

- e) **Uniform Allowance:** Rs. 1,250/- (Rupees One Thousand Two Hundred Fifty only) per month.
- f) **Professional Pursuit Allowance:** Rs. 5,000/- (Rupees Five Thousand only) per month.
- g) **Books and Periodicals Allowance:** Rs. 1,250/- (Rupees One Thousand Two Hundred Fifty only) per month.
- h) **Gas, Electricity, Water, Furnishings and others:** The expenditure incurred by the Company on Gas, Electricity, Water, furnishings and others shall be valued as per the Income Tax Rules as applicable.

- C) **Other Payments and Provisions:** Company's contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity Fund as per the Rules of the Company.

The overall amount of allowances, perquisites and provisions as mentioned in Clause (B) and (C) of this shall not exceed Rs. 1,00,000/- (Rupees One Lacs only) per month.

- D) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, wherein any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration in terms of the provisions of schedule V of the Companies Act, 2013 subject to the limits mentioned in Clause (A), (B) & (C) above.

Mr. Jugal Kishore Agarwal, Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal are interested and concerned in the Resolution mentioned at in Item No. 5 of the Notice. Other than Mr. Jugal Kishore Agarwal, Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Jugal Kishore Agarwal under section 190 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

except with the consent of the Board of Directors given by a resolution at a meeting of the Board. It is further provided that in case of a Company having paid up share capital of not less than such amount or transactions not exceeding such sums as are prescribed in the rules framed in this regard, no contract or arrangement shall be entered into except with the prior approval of the company by a Resolution. It is further provided that nothing in Section 188(1) shall apply to any transactions entered into by the Company which are entered in its ordinary course of business and are at arm's length.

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all related party transactions even though exempted under Section 188(1) of the Companies Act, 2013 if entered in the ordinary course of business and are at arm's length, have to be approved by the Members by way of a Resolution.

The Company in the course of its business is required to enter into contracts or arrangements with its "Related Parties" as defined under Section 2 (76) the Companies Act, 2013, during the Financial Year 2017-18. These transactions are estimated at Rs. 2,66,00,00,000/- (Rupees Two Hundred and Sixty Six Crores only) for F.Y. 2017-18 which are of value exceeding 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statement of the Company.

Mr. Jugal Kishore Agarwal, Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal are interested and concerned in the Resolution mentioned at in Item No. 6 of the Notice. Other than Mr. Jugal Kishore Agarwal, Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

**ITEM NO. 6**

As per the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and subject to such conditions as prescribed in rules framed in this regard, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein

**Notice (Cont.)**

The key details as required under Rule 15 of the Companies (Meetings of Boards and its Powers) Rules, 2014 are as below:-

Sl. No.	Name of Party	Name of Related Director/ KMP	Nature of Relationship	Nature and particulars of the Contract	Material terms of Contract	Item	Manner of price determination	Estimated Value (Rs. in Lacs)
1	Adhunik Power & Natural Resources	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Other Income	-	Interest Income	Arm's length pricing	500.00
2	Adhunik Power & Natural Resources	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Sale of Goods	Ex-Factory	TMT, Rolled, Misc Stores and Spares	Arm's length pricing	1,000.00
3	Adhunik Metaliks Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Purchase of Raw Materials	Ex-Factory	Silico Manganese & Stores items	Arm's length pricing	1,000.00
4	Adhunik Metaliks Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Sale of Goods	Ex-Factory	TMT, Rolled, Misc Stores and Spares	Arm's length pricing	1,000.00
5	Adhunik Corporation Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Sale of Goods	FOR	Coal/ Misroll/End Cutting	Arm's length pricing	2,000.00
6	Adhunik Corporation Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Purchase of Goods	FOR	Billets	Arm's length pricing	15,000.00



**Notice (Cont.)**

Sl. No.	Name of Party	Name of Related Director/ KMP	Nature of Relationship	Nature and particulars of the Contract	Material terms of Contract	Item	Manner of price determination	Estimated Value (Rs. in Lacs)
7	Adhunik Alloys & Power Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Purchase of Goods and Service	Ex-Factory	Billets	Arm's length pricing	3,000.00
8	Adhunik Alloys & Power Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Sale of Goods and Service	Ex-Factory	TMT, Misc Stores and Spares	Arm's length pricing	1,000.00
9	Adhunik Infotech Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Purchase of Service	-	Office Rent & IT and Accounting Maintenance Services	Arm's length pricing	100.00
10	Futuristic Steel Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Sale of Goods and Service	Ex-Factory	TMT, Rolled, Misc Stores and Spares	Arm's length pricing	1,000.00
11	Adhunik Steels Limited	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel/ Shareholders/ Relatives have significant influence	Sale of Goods and Service	Ex-Factory	TMT, Rolled, Misc Stores and Spares	Arm's length pricing	1,000.00
<b>Total</b>								<b>26,600.00</b>



**Notice (Cont.)****ITEM NO. 7**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 11th August, 2017 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval of the Member.

**ANNEXURE TO ITEMS 2 AND 5 OF THE NOTICE**

Details of Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting  
[in pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

<b>Name of the Director</b>	<b>Mohan Lal Agarwal</b>	<b>Jugal Kishore Agarwal</b>
DIN	01047906	00227460
Date of Birth	10/05/1965	05/10/1951
Date of Appointment	27/08/2003	30/11/2014
Date of first appointment on Board	27/08/2003	30/11/2009
Qualification	Graduate in Commerce	Graduate in Commerce and Law
Expertise in specific functional area	He has over 21 years of experience in the iron and steel sector.	He has over 33 years of experience in the iron and steel sector.
Terms and conditions of Appointment/Re-appointment	Tenure as a Director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013.	Refer item No. 5 of the Notice
Details of remuneration sought to be paid	Sitting Fees not exceeding 1% of the net profits in the aggregate for all of the non-executive directors.	Rs. 30,00,000/- per annum.
Remuneration last drawn (2016-17)	Sitting Fees not exceeding 1% of the net profits in the aggregate for all of the non-executive directors.	Rs. 30,00,000/- per annum.
Shareholding in the Company	4,41,500	4,94,500
No. of Board meetings attended during the F.Y. 2016-17	4/4	4/4
List of Public Companies in which holds directorship as on 31.03.2017	Adhunik Metaliks Limited Orissa Manganese & Minerals Ltd Adhunik Alloys & Power Limited Adhunik Corporation Limited Zion Steel Limited Adhunik Steels Limited Adhunik Power & Natural Resources Limited Mahananda Suppliers Ltd Sungrowth Share & Stocks Limited	Adhunik Metaliks Limited Orissa Manganese & Minerals Ltd Adhunik Alloys & Power Limited Adhunik Corporation Limited Zion Steel Limited Adhunik Steels Limited Adhunik Power & Natural Resources Limited Mahananda Suppliers Ltd. Sungrowth Share & Stocks Limited



**Notice (Cont.)**

Name of the Director	Mohan Lal Agarwal	Jugal Kishore Agarwal
Chairmanship/Membership of committees of Directors of other public Companies (includes only Audit Committees and Stakeholders Relationship Committee) as on 31.03.2017	1)Mahananda Suppliers Limited- Audit Committee 2) Zion Steel Limited- Audit Committee 3)Adhunik Corporation Limited- Audit Committee	1)Mahananda Suppliers Limited- Audit Committee 2)Adhunik Alloys & Power Limited- Audit Committee
Relationships between directors inter-se	Brother of Mr. Jugal Kishore Agarwal and Mr. Mahesh Kumar Agarwal	Brother of Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal
Justification for choosing the appointee for appointment as an Independent Director	Not Applicable	Not Applicable

**Statement pursuant to the requirement of Clause (B), Section II, Part-II of Schedule V of the Companies Act, 2013 as amended from time to time for Remuneration proposed to be paid to Mr. Jugal Kishore Agarwal.**

**I. GENERAL INFORMATION:**

**1. Nature of Industry**

The company has identified iron & steel products as its sole operating segment. The Company mainly involves in the production of steel related rolled products only.

**2. Date or expected date of commencement of commercial production**

Not applicable

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not Applicable

**4. Financial performance based on given indicators**

**(Rs. in Lakhs)**

Particulars	Year ended	
	31st March, 2017	31st March, 2016
Total Revenue	37,513.19	41,075.44
Expenses	35,257.17	38,479.30
<b>EBIDTA</b>	<b>2,256.02</b>	<b>2,596.14</b>

Particulars	Year ended	
	31st March, 2017	31st March, 2016
Depreciation and Amortization Expenses	370.79	345.23
Finance Costs	1537.52	1,755.65
<b>Profit Before Tax</b>	<b>347.71</b>	<b>495.26</b>
Total Tax expense	117.48	267.83
<b>Profit After Tax</b>	<b>230.23</b>	<b>227.43</b>
Profit brought forward from earlier year	5,592.98	5,365.55
Profit available for Appropriation	5,823.21	5,592.98
Paid up Equity Share Capital	4,676.38	4,676.38
Net Worth	10,499.59	10,269.36

**5. Foreign investments of collaboration, if any- NIL**

**Notice (Cont.)****II. INFORMATION ABOUT THE MANAGING DIRECTOR****(1) Background details**

Mr. Jugal Kishore Agarwal (00227460) is a graduate in Commerce and Law with an experience of over 33 years in the iron and steel sector.

**(2) Past remuneration**

His remuneration for the last 3 years was Rs. 30.00 Lacs per annum.

**(3) Recognition or awards**

Excellence in marketing, policy making and public relations.

**(4) Job profile and his suitability**

Responsible for managing the overall affairs of the management of the Company

**(5) Remuneration proposed**

As per the details provided under item no. 5 of this notice.

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Looking into the present market scenario, industry standard, size of the company and Mr. Jugal Kishore Agarwal, being responsible for the overall affairs of the Company and also efforts put into by him for the overall affairs of the Company, the remuneration recommended by the Board of Directors are as per the industry norms.

**(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

In addition to the remuneration and perquisites detailed above, Mr. Jugal Kishore Agarwal holds 494,500 equity shares of the Company. Apart from that, Mr. Jugal Kishore Agarwal is the brother of Mr. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal, the other two directors of the Company.

**III. OTHER INFORMATION:****(1) Reason of loss or inadequate profits**

The main reason for losses / inadequate profit in the company is due to overall downfall in iron and steel industry, increased cost of production, lower sales realization etc.

**(2) Steps taken or proposed to be taken for improvement**

The Company is taking various steps for the improvement in profit of the Company such as adoption of new marketing strategies, exploring of new market and reduction in cost of the Company.

**(3) Expected increase in productivity and profits in measurable terms**

Although the market conditions and general business sentiments have improved in recent past for iron & Steel industry, the productivity and profitability cannot be quantified in measurable terms due to uncertainties involved.

**For and on behalf of the Board**

**Registered office**  
14 Netaji Subhas Road  
Kolkata - 700001  
Date : August 11, 2017

Sd/-  
**Jugal Kishore Agarwal**  
**Managing Director**  
(DIN: 00227460)



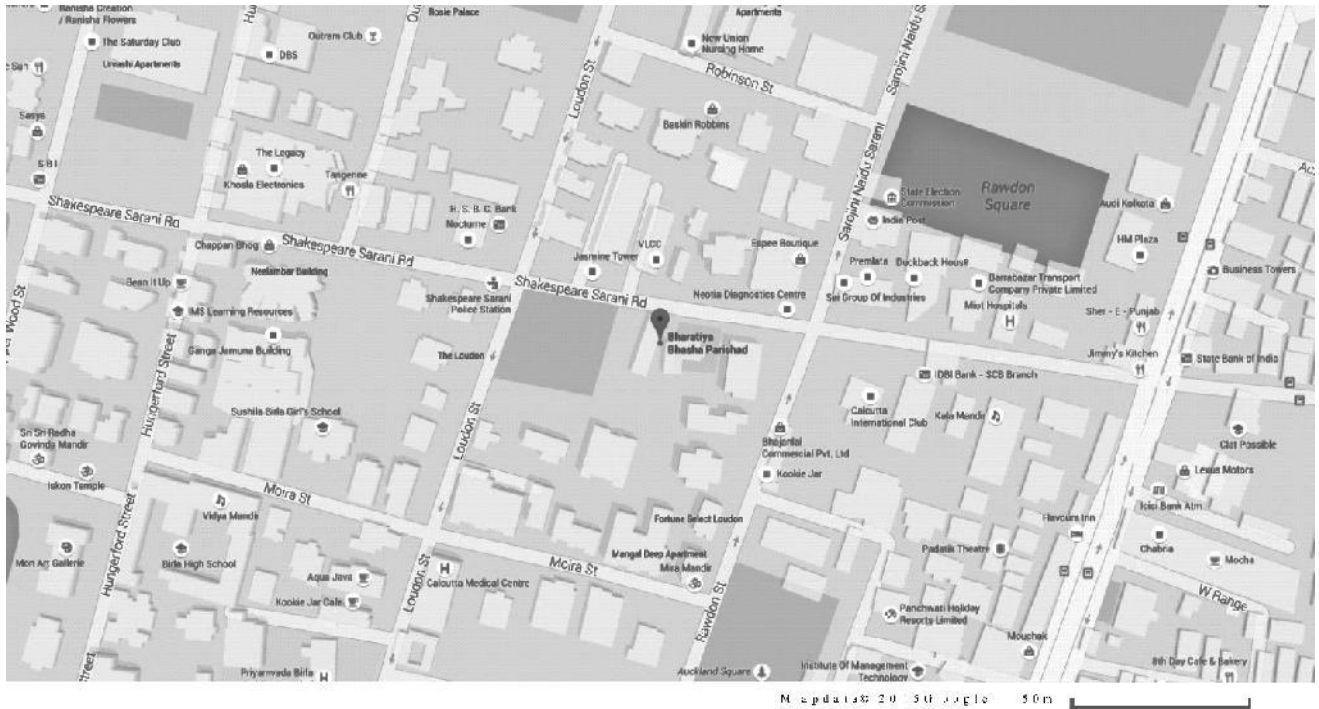
**Adhunik**

**Route Map of venue of 38<sup>th</sup> Annual General Meeting of M/s. Adhunik Industries Limited**

**Venue**

Bharatiya Bhasha Parishad

36-A, Shakespeare Sarani, Kolkata-700 017



**ADHUNIK INDUSTRIES LIMITED**

CIN-L65921WB1979PLC032200

**Regd. Office: 14, N.S.ROAD, 2nd FLOOR, KOLKATA-700001**

Phone: 033-3051 7100, Fax- 033-2289 0285

Website: [www.adhunikindustries.com](http://www.adhunikindustries.com), E-mail-[info@adhunikgroup.com](mailto:info@adhunikgroup.com)

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I / We, ....., hereby record my presence at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 21<sup>st</sup> September, 2017 at 02.30 PM at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017.

Name of the Shareholder: \_\_\_\_\_

DP ID No.\* \_\_\_\_\_

Client ID No.\* \_\_\_\_\_

Folio Number: \_\_\_\_\_

Number of Equity Shares held: \_\_\_\_\_

\*Applicable for shares held in electronic form.

Member's/Proxy Name (in Block letters)

Signature of the Attending Shareholder / Proxy



**Adhunik****ADHUNIK INDUSTRIES LIMITED**

CIN-L65921WB1979PLC032200

**Regd. Office: 14, N.S.ROAD, 2nd FLOOR, KOLKATA-700001**

Phone: 033-3051 7100, Fax- 033-2289 0285

Website: [www.adhunikindustries.com](http://www.adhunikindustries.com), E-mail-[info@adhunikgroup.com](mailto:info@adhunikgroup.com)**Form No. MGT-11****PROXY FORM**

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name: ..... E-mail Id: .....  
Address: .....  
Signature: ..... or failing him
2. Name: ..... E-mail Id: .....  
Address: .....  
Signature: ..... Or failing him
3. Name: ..... E-mail Id: .....  
Address: .....  
Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **38<sup>th</sup> Annual General Meeting** of the Company, to be held on Thursday, the 21<sup>st</sup> September, 2017 at 02.30 PM at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions No.	Particulars	For	Against
1.	Consider and adopt the audited balance sheet of the Company as on 31 <sup>st</sup> March 2017 and the statement of profit and loss for the financial year ended on that date together with the reports of the Auditors and Directors thereon.		
2.	Re-appointment of Mr. Mohan Lal Agarwal(DIN: 01047906) who retires by rotation and being eligible, seeks re-appointment.		
3.	Ratification of appointment of Statutory Auditors of the Company, and to fix their remuneration.		
4.	Fixation of remuneration of Cost Auditors.		
5.	Re-appointment of Mr. Jugal Kishore Agarwal (DIN:00227460) as Managing Director of the Company.		
6.	Approval of Related Party Transactions.		
7.	Approval to charge expenses for delivery of the documents pursuant to any request made by the shareholder		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of shareholder \_\_\_\_\_

Signature of the proxy holder \_\_\_\_\_

Affix Revenue  
Stamp of Rs. 1/-



**Adhunik**

**Notes:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.