

Rathi Steel And Power Ltd.

CIN : L27109DL1971PLC005905

An ISO 9001 : 2000 Company

Works & Corporate Office

A-3 Industrial Area South of G. T. Road Ghaziabad 201009 India

Phone (0120) 2840346 to 51 Fax (0120) 2840352 to 53

Website www.rathisteelandpower.com Email info@rathisteelandpower.com

RSPL/SEC.DEPT/2016-17

9TH September, 2016

To,
Bombay Stock Exchange Limited
Corporate Relationship Deptt.
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001.
Script Code: 504903

Dear Sirs,

Sub: 45th Annual General Meeting of the Company and Annual Report 2015-16.

This to inform you that the 45th Annual Gernal Meeting of the member of the Company will be held Friday, September 30, 2016 at 11.00 AM at The Little Theater Group, Copernicus Marg, New Delhi-110001

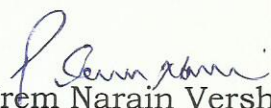
We attached herewith soft copy of the Annual Report for the financial year 2015-16.

Kindly acknowledge the receipt.

Thanking you,

Your faithfully,

For Rathi Steel and Power Limited


(Prem Narain Vershney)
Managing Director

Encl: As Above.

**45TH
ANNUAL - REPORT
2015-2016**

Rathi Steel and Power Ltd.

RATHI STEEL AND POWER LTD.
CIN L27109DL1971PLC005905

BOARD OF DIRECTORS

Shri Pradeep Kumar Rathi (DIN:00012596) - Managing Director *
Shri Prem Narain Varshney (DIN:00012709) - Managing Director ^
Shri Shree Kumar Daga (DIN:00208058) - Independent Director
Shri Dwarka Das Lakhota (DIN:00012380) - Independent Director
Ms Akanksha Garg (DIN:0719311) - Woman Director
*Resigned w.e.f. 28th July, 2016
^Appointed w.e.f. 24th August, 2016

AUDITORS

M/s M. Lal & Co. (Chartered Accountants) III-A,
49 Nehru Nagar
Ghaziabad (U.P.) Pin- 201001

LEGAL ADVISOR

Mr. Shiv Khorana, Advocate
F-7, Second Floor Lajpat Nagar-III New Delhi- 110024

BANKERS

Bank of Baroda
Canara Bank
Syndicate Bank
State Bank of India
Dena Bank
Karur Vyasa Bank Limited
Corporation Bank

REGISTERED OFFICE

Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket- D & E, Sarita Vihar, New Delhi-110076
Ph: 011- 4500 2400
Fax: 011-4500 2410
Web Site: <http://www.rathisteelandpower.com>

CORPORATE OFFICE

Industrial Area No. 1
A-3, South of GT Road
Ghaziabad (U.P.) Pin- 201009
Ph: 0120-2840346-350
Fax: 0120-2840352-353

WORKS:

Unit No. 1
Industrial Area No. 1
A-3, south side of GT Road, Ghaziabad (U.P.) Pin- 201009

Ph: 0120-2840346-350
Fax: 0120-2840352-353

Unit No.2
Vill. Potapalli, Sikirdi, P.S. Burla, Dist. Sambalpur,
Odisha Pin- 768006
Ph: 0663-2541170, 2230495

**REGISTRAR &
SHARE TRANSFER AGENT**

Mas Services Limited
T-34, Second Floor
Okhla Industrial Area, Phase-II, New Delhi- 110020
Ph: 011-26387281-82-83
Fax: 011-26387384
Email: info@masserv.com

NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the Members of Rathi Steel and Power Ltd. (CIN: L27109DL1971PLC005905) will be held at The Little Theater Group, Copernicus Marg, New Delhi-110001 on Friday, September 30th, 2016 at 11:00 A. M. to transact the following Business:

Ordinary Business:

1. Adoption of Financial Statements

To consider and adopt the audited financial statements of the Company for the year ended 31st March, 2016, together with the Report of the Directors and Auditors' thereon

2. Appointment of a Director

To appoint a Director in the place of Ms. AKANKSHA GARG (DIN 07193111), who retires by rotation and, being eligible, seeks re-appointment.

3. Ratification of appointment of Auditors

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

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of Messrs M. Lal & Co, Chartered Accountants (Firm's Registration No. 011148) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 46th Annual General Meeting of the Company to be held in year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

Special Business:

4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- (Rupee fifty thousand) plus out-of-pocket expenses payable to Messrs R. M. Bansal & Co., Cost Accountants, Cost Accountants (Firm's Registration No. 000022) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2017."

5. To appoint Shri Prem Narain Varshney (DIN: 00012709) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Special Resolution:

RESOLVED THAT Pursuant to the provision of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013

including any statutory modification or re-enactment thereof, or any other law and approval(s) as may be necessary in this regard and such condition as may be imposed by any authority while granting such consent(s), permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any committee thereof and any person authorized by the Board in this behalf), consent of the member be and is hereby accord to the appointment of Mr. Prem Narain Varshney as Managing Director of the Company for the period of three years with effect from 24-08-2016 to 23-08-2019 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 and remuneration committee of the Board to alter and vary the terms and condition of the said appointment and /or remuneration as may deem fit and as may be acceptable to Mr. Prem Narain Varshney subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

6. To approve segregation of both the units on slump sale/demerger route basis to unlock the value and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Special Resolution

"RESOLVED THAT pursuant to the provisions of section 180 and all other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum of Association of the Company and subject to requisite approvals, consents, sanctions and permissions of the appropriate authorities, including but not limited to court / tribunal consent of the Shareholders be and is hereby given to reorganize and segregate both the units by a process of demerger / slump sale or any other process as may be permitted by law.

RESOLVED FURTHER THAT Board be and is hereby authorized to consider and approve any proposal to reorganize the businesses of the Company and to examine in-depth all the relevant issues including statutory and legal requirements for a possible reorganization of Company businesses".

By Order of the Board
For **Rathi Steel And Power Limited**

Sd/-

Prem Narain Varshney
(Managing Director)

DIN: 00012709

Place: New Delhi

Date: 29 /08 /2016

Registered Office: Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket -D & E, Sarita Vihar New Delhi- 110076
CIN: L27109DL1971PLC005905
Phone : 011-45002400, Fax : 011-45002410

Email : info@rathisteelandpower.com
Website : www.rathisteelandpower.com

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and the proxy need not be a member of the Company.
2. The Proxy form must be deposited at the registered office of the Company not less than 48 hours before the scheduled hour of commencement of the meeting i.e. by 11:00 A. M. on September 30th, 2016.
3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
4. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
5. The Register of Members and Share Transfer Registers of the Company will remain closed from September 24th, 2016 to September 30th, 2016 (both days inclusive).
6. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No.4 is Annexed hereto.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar M/s Mas Services Limited (Unit Rathi Steel), Phone: (011)26387281-83, Fax: (011) 26387384, E-mail : info@masserv.com
11. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically
12. The details of directors who are proposed to be reappointed/newly appointed are given in Corporate Governance Report. There are no inter-se relationships between the Board Members.
13. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the

Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means.

The cutoff date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be September 23rd, 2016.

The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.

A separate communication containing all necessary instructions and relevant information is being sent separately.

14. The results of voting shall be declared at the Registered Office of the Company within 3 days of the conclusion of the Annual General Meeting by the chairman of the meeting and shall also be displayed at the website of the company www.rathisteelandpower.com

PROCESS FOR MEMBERS OPTING FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause

35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing 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 National Securities Depository Limited (NSDL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through them carefully.

ANNEXURE TO THE NOTICE:**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 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

Based on the recommendation of the Audit Committee, the Board in its meeting appointed Messrs R. M. Bansal & Co., Cost Accountants, to conduct the audit of the steel manufacturing and power generation business for the financial year 2016-17 at fee of Rs. 50,000/- plus out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost

Auditor is to be approved by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors as set out in the Resolution at item No 4 of the convening Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution.

Item 5.

Shri Prem Narain Varshney is eligible to be appointed as Managing Director. Shri Prem Narain Varshney associated with company for last about 28 years. He is at the helm the affairs and plays a pivotal role in running the affairs of the Company. Hence the Board of Directors of the Company (the Board) at its meeting held on 24th August 2016 has, subject to the approval of members, appointed Shri Prem Narain Varshney as Managing Director of the Company for a period of 3 (Three) years, which will expire on 23 August 2019, at the remuneration recommended by Remuneration Committee of the Board and approved by the Board. It is proposed to seek the member's approval for appointment of and remuneration payable to Shri Prem Narain Varshney as Managing Director, in terms of applicable provisions of the Act.

Terms and Conditions

1. The basic Salary at the rate of Rs. 16,140/- (Rupees Sixteen thousand One hundred Forty only) with House Rent Allowance of Rs. 3,500/- (Rupees Three Thousand Five hundred Only) per month with such annual increment as may be decided by the Board of Directors and Remuneration Committee of the Board subject to the limits as specified in the Schedule V of the Companies Act, 2013 and other applicable provision of the Companies Act, 2013;
2. The Managing Director shall be entitled to the following perquisites and facilities: a. Perquisites and other Allowance as per Company's rule b. PF, Gratuity and other benefits as per Company's rule.

Notwithstanding anything herein, where in any financial year during the currency of the tenure of office of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals being obtained.

The Board recommends the resolution for your approval. Except Shri Prem Narain Varshney, none of the other Directors/KMP/ their relatives are, in any way concerned or interested, financially or otherwise, in the resolution set out at Item no.5 of the Notice.

Item 6

As the members are aware that Company is going through deep financial crisis with Net worth of the Company is eroded completely and a reference has been made to BIFR under the law. It is proposed to authorize the Board of directors to consider and approve any proposal to reorganize the businesses of

the Company and to examine in-depth all the relevant issues including statutory and legal requirements for a possible reorganization of Company businesses by way of demerger / slump sale or any other process as may be permitted by law to unlock the value of both the units.

By order of the Board
For Rathi Steel And Power Limited

Sd/-
Prem Narain Varshney
(Managing Director)
DIN: 00012709

Registered Office: Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket -D & E, Sarita Vihar New Delhi- 110076
CIN: L27109DL1971PLC005905
Phone : 011-45002400, Fax : 011-45002410
Email : info@rathisteelandpower.com
Website : www.rathisteelandpower.com

Place: New Delhi
Date: 29/08 /2016

ANNEXURE TO ITEMS 2 OF THE NOTICE

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the director	Ms Akanksha Garg	Mr Prem Narain Varshney
Director Identification Number (DIN)	07193111	00012709
Date of Birth	24/02/1997	10/07/1952
Nationality	Indian	Indian
Date of Appointment on Board	30/05/2015	01-09-1997
Qualification	Pursuing graduation	Post Graduation
Shareholding in RSPL	NIL	NIL
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NIL	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	NIL	Audit Committee, Stakeholders Relationship Committee, Risk Management Committee

Annexure A to the notice

Instructions for the voting through electronic means

The procedure and instructions for e-voting as given in the Notice of the 45th Annual General Meeting are again reproduced hereunder for easy reference:

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):
 - a. Open e-mail and open PDF file viz."RSPL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "Rathi Steel and Power Limited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ranjeet@ranjeetcs.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 45th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- G. 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.
- H. Shri Ranjeet Kumar Verma, Practicing Company Secretary (Membership No. FCS 6814 & CP No. 7463), Proprietor, M/s. Ranjeet Verma & Associates., Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- I. 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.
- J. 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.
- K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.rathisteelandpower.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 45th Annual Report together with the Audited Statement of Accounts of Rath Steel & Power Limited for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	CURRENT YEAR (RS. IN LACS)	PREVIOUS YEAR (RS. IN LACS)
Revenue from operation	59734.73	66882.35
EBIDTA	(4959.11)	696.68
Interest	1785.26	5040.18
Depreciation	2361.16	3186.63
Profit after Tax (PAT)	(9105.53)	(8239.23)
Dividend	NIL	NIL

2. OPERATIONAL REVIEW:

During the year under review, the Company achieved revenue from operation of Rs. 59734.73 lacs against previous year Rs. 66882.35 Lacs. The Company incurred loss of Rs. 9105.53 lacs against previous year loss of Rs. 8239.23 lacs. Company expects to do better if there is an improvement in overall industrial scenario.

3. DIVIDEND

No dividend has been recommended.

4. CAPACITY EXPANSION

Company is having very good reputation in the market for value added stainless steel products being manufactured at its Ghaziabad unit. In order to cater to growing demand of its value added products Company is considering to enhance the capacity.

5. REFERENCE UNDER SECTION 15 AND OTHER APPLICABLE PROVISIONS OF CHAPTER III OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985

In line with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), a reference had been made with the Hon'ble BIFR by within the prescribed time and reference has been registered with Board of Industrial and Financial Reconstruction as case no.126/2015. Hearings are going on to declare the Company as sick company and once the Board declares the Company as a sick Company, rehabilitation/revival scheme will be prepared.

6. ECONOMIC SCENARIO AND OUTLOOK

The economic environment facing the steel industry continues to be challenging with China's slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low

oil and other commodity prices. The global steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector. In 2016, while we are forecasting another year of contraction in steel demand in China, slow but steady growth in some other key regions including NAFTA and EU is expected. Growth for steel demand in all markets except China is expected in 2017

7. Future outlook :

Grow in the emerging economy: In India, we endeavour to position ourselves to leverage growth, from an emerging economy and are always looking to expand our Steel capacity at regular intervals. The Company is planning to make new investments at Ghaziabad Unit for purpose of increasing the Capacity of Special Steel Products.

In order to unlock the value of both the units and to increase the shareholders value and also to find out long term viable solution with its lenders, Company is considering to segregate both the unit on slump sale/demerger route basis subject to necessary approval from all the authorities. In order to give effect for the same Company is seeking shareholders approval. All the other necessary approvals will be obtained once approval from shareholders are obtained

8. CORPORATE DEBT RESTRUCTURING

The debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism in the year 2013-14. Due to delay in implementation of approved restructuring scheme Company could not start operations at Orissa unit nor was the implementation of setting up of rolling mill at Orissa and even its Ghaziabad unit is operating at lower than desired capacity utilization. Due to these delays Company could not meet its obligations as CDR per restructuring scheme. Company has since submitted revival scheme in line with RBI Guidelines to all the lenders

9. CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

10. RISK MANAGEMENT POLICY

Risk management policy of the Company promotes a proactive approach in reporting, evaluating and mitigating risks associated with the business. Mechanisms for identification and prioritisation of risks include business risk environment scanning and focused discussions in the Risk Management Group (at Senior Management Level) and Risk Management Committee meetings.

Although non-mandatory, the Company has constituted a Risk Management Committee (RMC) to oversee the risk management efforts in the Company under the Chairmanship of Mr. Prem Narain Varshney, Whole time Director. The details of the Committee along with its terms of reference are set

out in the Corporate Governance Report, forming part of the Annual Report.

A risk assessment update is provided to the RMC on periodical basis. The Committee assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls. Some of the risks identified are set out in the Management Discussion and Analysis which forms part of the Annual Report.

11. INTERNAL FINANCIAL CONTROLS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure, both capital and revenue. The Company uses an established ERP system to record day to day transactions for accounting and financial reporting.

The Company's internal audit function monitors and assesses the adequacy and effectiveness of the Internal Financial Controls. The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The Audit Committee satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed. Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of the Report.

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Protected disclosures can be made by a whistleblower through several channels. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

13. RELATED PARTY TRANSACTIONS

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of clause 49 of the listing agreement. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions

made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors Appointment/Re-appointment

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Akanksha Garg, Director of the Company, retires by rotation at the ensuing AGM, and being eligible, has offered herself for re-appointment.

Independent Directors

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation in terms of Section 149(13) of the Act. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and the Listing Regulations. Details of Familiarisation programme for Independent Director is provided separately in the Corporate Governance Report.

Key Managerial Personnel (KMP)

Mr. Shyam S Bageshara has been appointed as the Chief Financial Officer and KMP with effect from 01st July, 2015 after the resignation of Mr. Anil Gupta as CFO.

Mr. Pradeep Kumar Rathi, Managing Director (resigned), Mr. P. N. Varshney, (Managing Director), Mr. Udit Rathi, CEO (resigned) and Ms. Sakshi Sethi, Company Secretary (resigned) are the other KMP as per the definition under Section 2(51) and Section 203 of the Act.

Board Evaluation

Pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, and that of its Committees and Individual Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The criteria for performance evaluation of the committees included aspects such as composition of committees, effectiveness of committee meetings, etc.

The Board and the 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, 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 feedback received from the Directors on the performance of the Board, its Committees and individual directors was also discussed.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2015-16.

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

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

16. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS

Pursuant to Regulation 34 of the Listing Regulations, the

Management Discussion and Analysis and the Corporate Governance Report are presented in a separate section forming part of the Annual Report.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, are provided in Annexure -1 to this Report.

18. AUDITORS

I. Auditors and their report:

In the AGM held on 30th September, 2014, M/s. M. Lal & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of three years. At the AGM held on 30th September, 2015, the shareholders ratified the appointment of M. Lal & Co for a period of one year. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

II. Cost Auditors and Cost Audit report:

In view of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, R. M. Bansal & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the FY 2016-17. The remuneration proposed to be paid to them requires approval of the shareholders of the Company. In view of this, approval for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

III. Secretarial audit

In terms of Section 204 of the Act and Rules made there under, M/s. Ranjeet Verma & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure-2 to this Report. The report is self-explanatory and do not call for any further comments.

IV. Internal Auditors

M/s Rajiv S Agarwal & Co. Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

19. DISCLOSURES

i. Details of Board meetings

During the year, 11 (eleven) Board meetings were held and the details of which are provided in the Corporate Governance Report.

ii. Composition of Audit Committee:

The Audit Committee comprises 3 (three) Members all of which are Independent Directors. During the year, 6 (six) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report.

Listing Regulations

The Securities and Exchange Board of India (SEBI) has, by its notification dated 2nd September, 2015, issued the (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Regulations became effective from 1st December, 2015 and have replaced the Listing Agreements. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. The Company has entered into Listing Agreement with BSE Limited during the month of January, 2016. Pursuant to the Listing Regulations, the following policies were approved and adopted by the Board:

(i) Policy on determination of Materiality for disclosures of events or information.

(ii) Policy for preservation of documents, to classify documents in two categories, viz. documents which need to be preserved permanently and documents which need to be preserved for not less than 8 years after completion of the relevant transactions.

(iii) Archival Policy, to determine the period, for which information is required to be disclosed on the Company's website. Policy on Materiality and Archival Policy are also available on the website of the Company under 'Investor Relations' section.

Particulars of Employees

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has One Executive Director and no sitting fees have been paid to any director during the year. Details enclosed as **Annexure-4** to this Report

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

A detailed note on ongoing litigations/court orders has been provided in the notes to account.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is enclosed as Annexure -3 to this Report.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support

extended by the Company's Unions and all the employees for their dedicated service.

CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

By order of the Board

Sd/- Dwarka Das Lakhota Director DIN: 00012380	Sd/- Prem Narain Varshney Managing Director DIN: 00012709
---	--

New Delhi
24th August, 2016

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Managing Director and the Whole-time Directors. In addition, the Company has adopted the Code of Conduct for the Non-Executive Directors. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the Financial Year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31, 2016

Sd/-
Prem Narain Varshney
Managing Director
DIN: 00012709

New Delhi
August 24, 2016

ANNEXURE TO THE DIRECTORS' REPORT:

ANNEXURE-1

I. CONSERVATION OF ENERGY

- A. Energy Conservation measures taken
- All the staff members are strictly instructed to switch off all the lights and equipments after office hours when not in use.
 - Optimization of capacity utilization thus reducing specific consumption of energy.
 - Strict control of quality input for saving electricity consumption.
 - Minimization of handling loss.
- (B) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy.
- The company is studying the feasibility of adding variable frequency drives for various applications wherever suitable, to bring down the energy consumption subject to techno-commercial viability of the proposal.
- (C) The impact of above (a) and (b) for reduction of energy consumption and consequent impact on cost of production of goods.
- (D) The per ton power consumption has been as under:

Form-A

Disclosure of particulars with respect to conservation of energy.

S. No.	PARTUCULARS		
A.	Power and Fuel Consumption	Current Year	Previous year
1.	ELECTRICITY		
	Ghaziabad Unit		
	(a) Purchase Units		
	(i) Rolling Mill Unit (A-3)	19879110	12299523
	(ii) SMS Unit (C-4)	22696461	16814720
	(b) Total Amount (In Rs.)		
	(i) Rolling Mill Unit (A-3)	159358053	102704729
	(ii) SMS Unit (C-4)	182739641	130145067
	(c) Rate / Unit		
	(i)Rolling Mill Unit (A-3)	8.02	8.35
	(ii) SMS Unit (C-4)	8.05	7.74
	Odisha Unit		
	(a) Purchase Units (KWH)	-	-
	(b) Total Amount (In Rs.)	-	-
	(c) Rate / Unit	-	-
	Own Generation	-	-
2.	GAS & FUELS		
	(a) Natural Gas / Furnace Oil (SCM / Litre)	6299507	1784165
	(b) Natural Gas Rs./ SCM	41.75	42
	(c) FO Rs. / Liter	32.65	31.40

3.	OTHER GENERATION	NIL	NIL
B.	CONSUMPTION PER MT OF PRODUCTION		
	Ghaziabad Unit		
	Electricity (in unit)		
	(i) Rolling Mill Unit (A-3)	197 per MT	193 per MT
	(ii) SMS Unit (C-4)	536 per MT	562 per MT
	Natural Gas / FO (SCM / Litre)	41.75	42.00
	Odisha Unit		
	Electricity (KWH) per ton Billet	-	-

Note: Previous year figures have been regrouped / rearranged wherever necessary.

(2) TECHNOLOGY ABSORPTION

FORM B

Disclosure of Particulars with Respect to Technology Absorption

A. Research and Development

The Company is doing in house R&D activities to improve operational efficiencies and yield of its products.

B. Technology Absorption, Adaptation & Innovation

(1) Efforts in brief, made towards technology absorption and innovation. - The company has always tried to adopt the best and latest technologies to manufacture its products. It is due to this very reason that over the years the company has witnessed very positive response and quick adaptation of the various products and grades of steel that have been manufactured from time to time. For instance, the company was amongst the first in the country to adopt the TOR® technology in the 1970s and was again amongst the first to make a quick transformation to THERMEX® technology for manufacturing TMT bars at its Ghaziabad plant.

In the area of special steel as well, the company has installed the most modern and suitable technology for manufacturing of high quality stainless steel products in the steel melting shop at Ghaziabad and has also installed the most modern mono-block to finish superior quality of wire rods. In addition to the above, the company has also continuously upgraded and modernized the rolling mills to adhere to the international standards.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new Export market for products and services and export plans. The Company is in continuous process to promote its products in other countries to increase its market share. The Company promptly responds to the enquiry/ information received from the prospective buyers.

2. Total Foreign Exchange used and earned:

Expenditure in Foreign Currency : Rs. 221732254

FOB Value of exports : Rs.NIL

Annexure-2

Form No. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016)

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

To,

The Members,

RATHI STEEL AND POWER LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RATHI STEEL AND POWER LIMITED ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verification of the RATHI STEEL AND POWER LIMITED ("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 March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by RATHI STEEL AND POWER LIMITED ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

i. The Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

As per the records examined by us we have not found any instance of foreign exchange transaction which falls under FDI, ODI and ECB.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. Other laws especially applicable to the company-

1. Factories Act, 1948
2. Employee's state insurance Act, 1948, and the rules made there under,
3. The Contract Labour (regulation and abolition) act, 1970
4. Environmental Pollution Act, 1986.
5. The Electricity Act, 2003
6. Industrial Dispute Act, 1947
7. The Child Labour Act, 1970
8. The water (prevention and control of pollution) Act 1974 read with water (Prevention and control of Pollution) Rules, 1975
9. Environment Protection Act, 1986
10. Air (Prevention and control of pollution) Act, 1981 read with air (Prevention & control of pollution) Rules, 1982.

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

a. Secretarial Standards issued by the Institute of Company Secretaries of India

b. The Listing agreements entered into by the Company with the Stock Exchanges.

During the period under review, the company has compiled with the provisions of the Act, Rules, Regulation, Guidelines, Standards etc. mentioned above

In our opinion, and to the best of our information and

according to the records and explanation provided to us, we have found the following observations:

As per Companies Act, 2013

1. Delay in the appointment of women directors:

As per the records examined by us we observe that women Director has been appointed after the lapse of prescribed time period i.e. on 30th May 2015.

2. Non compliance in filing of e-form SH-7:

According to the provision of section 61(1) (a) of the Companies Act, 2013, e-form SH-7, required to be filed to the registrar for the increase in authorized share capital within 30 days of passing the resolution.

During the period under review we have found that as per MCA records paid up share capital (765048590) is exceeding the Authorized share capital (650000000), then we examine the minutes book and records of the company and leads to the conclusion that the company has actually called an EGM and approved its authorized share capital but has not yet failed e-form SH-7 at MCA.

3. Filing of e-forms

During the period under review some of the e-forms have been filed with the additional fees as prescribed under section 403 of the companies act, 2013.

In respect of other laws specifically applicable to the company, we have relied on the information/records produced by the company during the course of our audit and reporting is limited to that extent.

4. The coal block allotted to the company has been cancelled by the Supreme Court in the month of September 2014. A charge sheet was also filed against the company and its officials. The matter has been duly reported by the company to the exchanges. The case is presently running under CBI special court.

We further report

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 the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

We further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, we report that there were no instances of:

I. Redemption / buy back of securities

II. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

III. Foreign technical collaborations.

**FOR RANJEET VERMA & ASSOCIATES
COMPANY SECRETARIES**

SD/-

**CS RANJEET KUMAR VERMA
PROPRIETOR
M.NO- FCS6814
CP NO- 7463**

Date : 09/06/2016

Appendix A'

To,

The Members,
Rathi Steel and Power Limited
Sarita Vihar, New Delhi-110076

My report of June 2016 is to be read along with this letter.

1. The Maintenance of the Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these

secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in the secretarial records. I believe that processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and books of accounts of the company.
4. Wherever required I have obtained the management representation about the compliances of laws, rules and regulation and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification procedures on test check 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.

ANNEXURE -3**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 2016**

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

I. REGISTRATION & OTHER DETAILS:		
I	CIN	L27109DL1971PLC005905
ii	Registration Date	17/12/1971
iii	Name of the Company	RATHI STEEL AND POWER LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
V	Address of the Registered office & contact details	Chauhan Market, Madanpur Khadar, Near Local, Shopping Complex, Pocket-D & E, Sarita Vihar, New Delhi-110076
Vi	Whether listed company	YES
Vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	"M/s. Mas Services Limited (Unit Rathi Steel). T-34, Second Floor, Okhla Ind. Area, Phase-II, New Delhi- 110020,"

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	Steel	24105	99.90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Associate	Subsidiary/	"% of shares held"
1	N.A.				

IV	SHAREHOLDING PATTERN
	(Equity Share capital Break up as % to total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- April 2015]				No. of Shares held at the end of the year [As on 31-March 2016]				% change during the year	
		Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	8,245,219		8,245,219	26.34%	8,245,219	0	8245219	26.34%	0.00%	
b) Central Govt. or State Govt.										
c) Bodies Corporates	7,867,695		7,867,695	25.13%	7,867,695		7,867,695	25.13%	0.00%	
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	16112914		16,112,914	51.47%	16112914	0	16112914	51.47%	0.00%	

(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	16112914	0	16112914	51.47%	16112914	0	16112914	51.47%	0.00%	0
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	686913		686913	2.19%	686,913		686,913	2.19%	0.00%	
b) Banks/FI	2177646		2177646	6.96%	2061435		2061435	6.58%	-0.38%	
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	2864559		2864559	9.15%	2,748,348		2,748,348	8.77%	-0.38%	
(2) Non Institutions										
a) Bodies corporates										
i) Indian	2027767	51014	2078781	6.64%	0		0	0	-6.64%	
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	5204318	522073	5726391	18.29%	6053808	573087	6626895	21.17%	2.88%	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4044397		4044397	12.92%	3650926		3650926	11.66%	-1.26%	
c) NBFC REGISTERED WITH RBI					3000		3000	0.01%	0.01%	
Any Other (Body corp)					1674985		1674985	5.35%	5.35%	
Non-resident indian./ OCB	396311		396311	1.27%	410241		410241	1.31%	0.04%	
Clearing Member	84758		84758	0.27%	80802		80802	0.26%	-0.01%	
SUB TOTAL (B)(2):	11757551	573087	12330638	39.38%	11873762	573087	12446849	39.76%	0.38%	
Total Public Shareholding (B)= (B)(1)+(B)(2)	14622110	573087	15195197	48.53%	14622110	573087	15,195,197	48.53%	0.00%	

C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	30735024	573087	31308111	100.00%	30735024	573087	31308111	100%	0.00%	0

(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	Mr. UDIT RATHI UR	740231	2.36%	2.36%	740231	2.36%	2.36%	0.00%
2	Mr. PRADEEP KUMAR RATHI	7504988	23.97%	23.97%	7,504,988	23.97%	23.97%	0.00%
3	M/s ARCHIT SECURITIES PVT LTD	4035223	12.89%	12.89%	4035223	12.89%	12.89%	0.00%
4	M/s DBG LEASING AND HOUSING LIMITED	3832472	12.24%	12.24%	3832472	12.24%	12.24%	0.00%

(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	No changes during the year			0.00%		0.00%
	Changes during the year	No changes during the year			0.00%		0.00%
	At the end of the year	No changes during the year			0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	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	SYNDICATE BANK						
	At the beginning of the year			1,091,536	3.49%	1,091,536	3.49%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,091,536	3.49%	1,091,536	3.49%
2	ANUPAMA SARDA						
	At the beginning of the year			901,696	2.88%	901,696	2.88%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			901,696	2.88%	901,696	2.88%
3	LIC NOMURA MF SPECIAL UNIT SCHEME						
	At the beginning of the year			686,913	2.19%	686,913	2.19%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			686,913	2.19%	686,913	2.19%

4	MODERN FERRO ALLOYS PRIVATE LIMITED						
	At the beginning of the year			500,000	1.60%	500,000	1.60%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			500,000	1.60%	500,000	1.60%
5	PUNJAB NATIONAL BANK						
	At the beginning of the year			486,676	1.55%	486,676	1.55%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			486,676	1.55%	486,676	1.55%
6	ESKAY ENCLAVE PRIVATE LIMITED						
	At the beginning of the year			430,300	1.37%	430,300	1.37%
	Changes during the year			-	-	-	-
	At the end of the year			430,300	1.37%	430,300	1.37%
7	ANIRUDH RATHI						
	At the beginning of the year			427,482	1.37%	427,482	1.37%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			427,482	1.37%	427,482	1.37%
8	DENA BANK - INVESTMENT						
	At the beginning of the year			369,161	1.18%	369,161	1.18%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			369,161	1.18%	369,161	1.18%
9	EXIM SCRIPT DEALERS PVT. LTD						
	At the beginning of the year			601473	1.92%	601473	1.92%
	Changes during the year	Various Dates	Transfer	331022	1.06%	331022	1.06%
	At the end of the year			270451	0.86%	270451	0.86%
10	ASISH AGRAWAL						
	At the beginning of the year			225,041	0.72%	225,041	0.72%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			225,041	0.72%	225,041	0.72%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	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	Mr. UDIT RATHI UR						
	At the beginning of the year			740,231	2.36%	740,231	2.36%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			740,231	2.36%	740,231	2.36%

2	Mr. PRADEEP KUMAR RATHI						
	At the beginning of the year			7,504,988	23.97%	7,504,988	23.97%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			7,504,988	23.97%	7,504,988	23.97%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	54736.50	31.82	0	54768.32
ii) Interest due but not paid	753.52	0	0	753.52
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	55490.02	31.82	0	55490.02
Change in Indebtedness during the financial year				
* Addition	5795.90	0	0	5795.90
* Reduction	8.68	0	0	8.68
Net Change	5787.22	0	0	5787.22
Indebtedness at the end of the financial year				
i) Principal Amount	59505.22	31.82		59537.04
ii) Interest due but not paid	1772.02			1772.02
iii) Interest accrued but not due				
Total (i+ii+iii)	61277.24	31.82	0	61309.06

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
	Name	PRADEEP KUMAR RATHI	PREM NARAIN VARSHNEY	(Rs/Lac)
	Designation	Managing director	Whole-time director	
1	Gross salary	2880000	227490	31.07
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			-
	(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 (A)	2880000	227490	31.07
	Ceiling as per the Act			-

								-
B. Remuneration to other Directors								
SN.	Particulars of Remuneration	Name of Directors						Total Amount
		DWARKA DAS LAKHOTIA	SHREE KUMAR DAGA					(Rs/Lac)
1	Independent Directors							
	Fee for attending board committee meetings							-
	Commission							-
	Others, please specify							-
	Total (1)	-	-	-	-	-	-	-
2	Other Non-Executive Directors							-
	Fee for attending board committee meetings							-
	Commission							-
	Others, please specify							-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	-
	Total Managerial Remuneration							-
	Overall Ceiling as per the Act							

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD						
SN.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount
	Name	CEO	CFO	CS		(Rs/Lac)
	Designation	UDIT RATHI	* ANIL KUMAR GUPTA	** Shyam S Bageshara	Sakshi Sethi	
1	Gross salary	28,80,000	52230	297061	174048	34.03
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					-
	(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	28,80,000	52,230	29,7061	17,4048	34.03

* Resigned on 01st July, 2015

** Appointed on 01st July, 2015

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)

A. COMPANY

Penalty	NA					
Punishment						
Compounding						
B. DIRECTORS						
Penalty	NA					
Punishment						
Compounding						
C. OTHER OFFICERS IN DEFAULT						
Penalty	NA					
Punishment						
Compounding						

Annexure 4

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:

(a) The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:

Directors	Ratio to median Remuneration
Sh. Pradeep Kumar Rath	28.18
Sh. Prem Narain Varshney	2.12
Sh. Shree Kumar Daga	NIL
Sh. Dwarka Das Lakhotia	NIL
Ms. Akanksha Garg	N.A.

(b) The percentage increase in remuneration of each Director, Chief Executive officer, Chief Financial officer, Company Secretary or Manager, if any, in the financial year;

Name of person	% increase in remuneration
Sh. Pradeep Kumar Rath	Nil
Sh. Prem Narain Varshney	5%
Sh. Udit Rath	Nil
Sh. Shyam S Bageshra	N.A. (Being employed part of the year)
Ms. Sakshi Sethi	N.A. (Being employed part of the year)

c) The percentage increase in the median remuneration of employees in the financial year – 5%

(d) The number of permanent employees on the rolls of company: As on 31.03.2016 employees are 156

(e) The explanation on the relationship between average increase in remuneration and company performance: On an average, employees received an increase of 5%. The Increase in remuneration is in line with the market trends and company's performance.

In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance apart from an individual's performance.

(f) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:

Particulars	Rs/Lac
Remuneration of Key Managerial Personnel (KMP)	65.11
Revenue from operations	59735
Remuneration (as % of revenue)	0.11%

Profit before tax (PBT)	(9105.53)
Remuneration (as % of PBT)	N.A.

(G) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31 March 2016	As at 31 March 2015	Variation (%)
Closing rate of share at BSE	Rs.	3.15	3.30	(4.55%)
EPS	Rs.	(29.08)	(26.32)	(10.49%)
Market Capitalisation	Rs./lac	986.21	1033.17	(4.55%)
Price Earning Ratio	Ratio	N.A.	N.A.	N.A.

(H) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in salaries of the eligible employees in 2015-16 was about 5% which is in line with increase in the salary of Whole Time Director of the Company.

(i) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company

Particulars	MD	WT Director	C.S.	CEO	CFO
	Rs/lac	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration	28.80	2.27	1.74	28.80	3.49
Revenue	59735				
Remuneration (as% revenue)	0.05%	0.00%	0.00%	0.05%	0.01%
Profits before tax (PBT)	(9105.53)				
Remuneration (as % of PBT)	N.A.	N.A.	N.A.	N.A.	N.A.

(j) The key parameters for any variable component of remuneration availed by the directors: NIL

(k) The Ratio of the Remuneration of the highest paid Director to that of Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year: NIL

(l) Affirmation that the remuneration is as per the remuneration policy of the company

The company's remuneration policy is driven by the success and performance of the individual employees and the Company. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

India is the world's third-largest producer of crude steel (up from eighth in 2003) and is expected to become the second-largest producer by 2016. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

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.

Market Size

India's crude steel production grew by 4.9 per cent year-on-year to at 8 Million Tonnes (MT) in May 2016. Total steel production in the country is expected to increase by 7 per cent in 2016.

Opportunities and Threats

The world market for steel will reach \$1.3 trillion in 2015, with production levels to reach 1,694.73 million tonnes whilst consumption will reach 1,545.50 million tonnes. The market has been declining over the past few years as a result of the large oversupply of steel that pressured prices downwards. The global recession that hit the commodities sector hard also contributed to the shrinking growth. As a result, the steel market is expected to grow at a slow rate in the first half of the forecast period (2015-2020) before accelerating at a higher rate in the second half of the forecast period (2020-2025).

Future Outlook

The economic environment facing the steel industry continues to be challenging with China's slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low oil and other commodity prices. The global steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector. In 2016, while we are forecasting another year of contraction in steel demand in China, slow but steady growth in some other key regions including NAFTA and EU is expected. Growth for steel demand in all markets except China is expected in 2017.

“to hive off both the units to unlock shareholder's value and arrive at a long term sustainable solution – Company is working out various options in consultations with lenders”

Planning to increase the Capacity of stainless steel

products at Ghaziabad Unit

Grow in the emerging economy: In India, we endeavour to position ourselves to leverage growth, from an emerging economy and are always looking to expand our Steel capacity at regular intervals. The Company is considering to make new investments at Ghaziabad Unit to increase the Capacity of Special Products.

Risk & Concerns

The Company on regular basis reviews its Risk Management Policy and takes proactive steps to safeguard and minimize any adversity related to the Market, Technology, People, Environment/Regulatory, Financial and Opportunity Risks. Wherever necessary, the Company takes adequate insurance coverage of its assets for safeguarding from unforeseen risks.

Internal Control System and their adequacy

The Company has adequate internal control system and well laid-down policies and procedures for all its operations and financial functions. The procedures are aligned to provide assurance for maintaining proper accounting controls, monitoring efficient and proper usage of all its assets and reliability of financial and operational reports. The internal control system is ably supported by the Internal Audit Department which carries out extensive audit of various functions throughout the Company. The Company's Board has an Audit Committee which comprises of three members, all of whom are Independent Directors. The Audit Committee reviews significant findings of the internal audit.

Financial Performance

During the year under review, the Company has achieved revenue from operation of Rs. 59734.73 lacs against previous year of Rs. 66882.35 Lacs. The Company has incurred loss of Rs. 9105.53 lacs against previous year loss of Rs. 8239.23 lacs. Company expects to do better if there is an improvement in overall industrial scenario.

Human Resources and Industrial Relation

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various Human Resource initiatives are taken to align the HR Policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Technical and safety training programmes are given periodically to workers.

Industrial relations in the organization continued to be cordial during the year under review.

Corporate Governance Report

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's

Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

BOARD OF DIRECTORS

i) Composition

The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on 31st March, 2016, the Board comprised five Directors, out of which three are Non-Executive Directors and one Managing Director. Out of three Non-Executive Directors, two (i.e. 66.66%) are Independent Directors (including one woman Independent Director).

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

Details of Directors, categories and attendance records are as under-

Name/ Designation of Directors	Executive/ Non Executive/ Independent	No. of Position held in other companies		No. of Board Meetings Attended	Attendance at Last AGM
		Board #	Committee		
Mr. Pradeep Kumar Rathi* Managing Director	ED (P)	NIL	Nil	11	No
Mr. Prem Narain Varshney	ED	1	Nil	11	Yes
Mr. Dwarka Das Lakhota	NED (I)	Nil	Nil	11	No
Mr. Shree Kumar Daga	NED (I)	1	Nil	11	Yes
Ms Akanksha Garg**	NED	Nil	Nil	8	No

excludes directorship in Private Limited Company, Foreign Companies and Section 8 Companies

*Resigned w.e.f 28th July, 2016

**Appointed as an additional Director w.e.f 30th May, 2015

ED (P) – Executive Director (Promoter)

NED – Non-Executive Director

ED – Executive Director

NED (I) - Non-Executive Director (Independent)

ii) Eleven Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

April 10, 2015, May 4, 2015, May 30, 2015, June 15, 2015, July 25, 2015, August 14, 2015, September 22, 2015, September 30, 2015, November 14, 2015, February 13, 2016, March 31, 2016

- iii) During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- iv) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- v) During the year, one meetings of the Independent Directors were held on March 31, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- vi) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- vii) The details of the familiarisation programme of the Independent Directors are available on the website of the Company.

Committees of the Board

A. Audit committee

i. The audit committee of the Company is constituted in line with the provisions of Regulation 18 of

SEBI Listing Regulations, read with Section 177 of the Act.

ii. The terms of reference of the audit committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- The audit committee shall review the information required as per SEBI Listing Regulations.

iii. The audit committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

iv. The previous Annual General Meeting ("AGM") of the Company was held on September 30, 2015 and was attended by Mr. Shree Kumar Daga, Chairman of the audit committee.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below

Sr. No.	Name	Category	No. of Meetings attended
1.	Mr. Shree Kumar Daga	NED (I)	6
2.	Mr. Dwarka Das Lakhota	NED (I)	6
3.	Mr. Prem Narain Varshney	ED	6

NED (I) - Non-Executive Director (Independent)

ED - Executive Director

The meetings of Audit Committee are also attended by Managing Director, CFO, Statutory Auditors and Internal Auditors as special invitees.

During the year 2015-16, six Audit Committee Meetings were held on 30th May, 2015, 15th June, 2015, 14th August, 2015, 30th September, 2015, 14th November, 2015 and 13th February, 2016. The necessary quorum was present at the meetings.

Nomination and Remuneration Committee:

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

i) Terms of reference :

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) Composition :

The Nomination and Remuneration Committee of the Company consists of 3 Non-Executive and Independent Directors.

iii) No. of Meetings held during the year :

During the year the Committee had 1 meeting i.e. on 15th January, 2016.

iv) Composition, name of Members and attendance during the year :

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Mr. Shree Kumar Daga	Chairman	1	1
Mr. Dwarka Das Lakhota	Member	1	1
Ms Akanksha Garg**	Member	1	1
Mr. P. N. Varshney*	Member	--	--

*resigned w.e.f. 30th May, 2015

**appointed w.e.f. 30th May, 2015

Company Secretary was the Compliance Officer during the year under review. She performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board.

She also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

Stakeholders Relationship Committee

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act. The Committee performs following functions:

- Transfer/Transmission of shares
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.
- All other matters related to the shares.

During 2015-16 the committee was chaired by Mr. Shree Kumar Daga. At present the committee comprises of two Non-Executive Directors and one Executive director. One meetings were held on 31st March, 2016

Risk Management Committee

The risk management committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Committee comprises of Mr. Prem Narain Varshney, Whole time Director who is the Chairman of the Committee and other members viz. Mr. Shree Kumar Daga, Director and Mr. Dwarka Das Lakhota, Director. The Company Secretary acts as the Secretary to the Committee.

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.

Disclosures

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, 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.

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

SHAREHOLDERS

i) Means of Communication

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethics. The Company has demonstrated this commitment by sending its Shareholders a full version of its Annual Report.

The quarterly, half-yearly and annual results of the Company are published in newspapers in India which include "The Pioneer" (English) and "Pioneer" (Hindi language) both Delhi editions. The results are also displayed on the Company's website.

Website: the company's website www.rathisteelandpower.com contains a separate dedicated section "Investor" where shareholders information is available. The annual report of the company is also available on the website in a user-friendly and download form.

ii) Compliance Officer

Company Secretary is the compliance officer for complying with requirement of the Securities Laws and the Listing Agreements with the Stock Exchange.

iii) Insider Trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code on Insider Trading for its Directors, Management and designated Executives.

The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in securities of the Company. Mr. Shyam S Bageshara, Chief Finance Officer (CFO) is the Compliance Officer for complying with the said code.

iv) 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: Centralised 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.

v) General Body Meetings

Details of location, time and date of last three Annual General Meetings of the Company were held:-

Year	Venue of Meeting	Date & Time	Special Resolution Passed
2014-15	The Little Theater Group, Copernicus Marg, New Delhi-110001	30th September, 2015, 10.30 A.M	Yes
2013-14	Nanee Suites, Plot No. 49, Pocket – I, Jasola, New Delhi – 110025	30th September, 2014, 10.00 A.M	Yes
2012-13	KDM Hotels & Resorts Pvt. Ltd (BULBUL) A-4, Mohan Cooperative industrial Estates Mathura Road New Delhi- 110044	30th September, 2013, 10.00 A.M	Yes

No Special Resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

10. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:

Date	:	30th September, 2016
Day	:	Friday
Time	:	11.00 A.M.
Venue	:	The Little Theater Group, Copernicus Marg, New Delhi-110001

ii) Financial Calendar (tentative):

Board Meeting to take on record Results for the	Schedule
* Quarter ending 30th June, 2016	On or before Aug 14, 2016
* Quarter ending 30th September, 2016	On or before Nov 14, 2016
* Quarter ending 31st December, 2016	On or before Feb 14, 2017
* Quarter ending 31st March, 2017	On or before May 30, 2017

iii) **Book Closure Date** : 24th September, 2016 to 30th September, 2016

(Both days inclusive)

iv) Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the following two Stock Exchanges:-

Name & Address of the Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai - 400 001	504903

v) Stock Market Data:

The Equity Shares of the Company are traded at the Bombay Stock Exchange Limited (BSE) only. The performance of the Equity Shares of the Company in comparison to BSE Sensex is given here under:-

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2015	5.22	3.59	29,094.61	26,897.54
May, 2015	5.17	3.70	28,071.16	26,423.99
June, 2015	4.55	3.11	27,968.75	26,307.07
July, 2015	4.30	3.41	28,578.33	27,416.39
August, 2015	4.53	2.79	28,417.59	25,298.42
September, 2015	3.30	2.51	26,471.82	24,833.54
October, 2015	3.84	2.66	27,618.14	26,168.71
November, 2015	4.41	2.97	26,824.30	25,451.42
December, 2015	5.39	3.22	26,256.42	24,867.73
January, 2016	7.22	4.15	26,197.27	23,839.76
February, 2016	4.80	3.20	22,494.61	23,002.00
March, 2016	4.15	4.15	25,479.62	23,133.18

Source: www.bseindia.com

vi) Registrar and Share Transfer Agents:

M/s. Mas Services Limited has been appointed as the Registrar and Share Transfer Agents for the equity shares of the Company in physical and electronic form. Shareholders/ Investors can direct all correspondence with regard to share transfer, transmission and change of address etc. at their following address:-

M/s. Mas Services Limited (Unit Rath Steel).
T-34, Second Floor,
Okhla Ind. Area, Phase-II,
New Delhi- 110020,
Ph: 011-26387281-82-83
Fax No. 011-26387384
Email: info@masserv.com

vii) Share Transfer System:

M/s. Mas Services Limited Committee of the Company. The meeting of Share Transfer Committee is held at least once in a fortnight. All the physical share certificates are sent to the transferees subsequent to transfer within the prescribed

period.

viii) Status of Complaints/queries and their redressal as on March 31, 2016:-

During the year 2015-16, the Company had not received any complaints. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders.

ix) Pending Share Transfers:

No Share transfers were pending as on March 31, 2016.

x) Dematerialization of Shares :

The Company has entered into an agreement with NSDL and CDSL for dematerialization of shares. As on March 31, 2016, a total of 30736528 Equity Shares representing 98.17% of the total paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE336C01016**

xi) Distribution of Shareholding:

The distribution of shareholding as on March 31, 2016 was as under:-

Range of holding	Shareholders Number	%	No. of Shares	%
1 to 5000	11517	80.96%	1778191	5.68%
5001 to 10000	1436	10.09%	1175366	3.75%
10001 to 20000	625	4.39%	963798	3.08%
20001 to 30000	185	1.30%	475226	1.52%
30001 to 40000	100	0.70%	355859	1.14%
40001 to 50000	99	0.70%	467141	1.49%
50001 to 100000	130	0.91%	965452	3.08%
100001 & above	133	0.93%	25127078	80.26%
Total	14225	100%	31308111	100%

xii) Outstanding GDRs/ADRs /Warrants etc:

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2016.

xiii) Address for Correspondence:

Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket- D & E, Sarita Vihar,
New Delhi-110076
Ph: 011- 26991060-62
Fax: 011-26991063
Web Site: www.rathisteelandpower.com
E-mail ID: investors@rathisteelandpower.com

OTHER DISCLOSURES

Related Party Transactions

All related party transactions that were entered into during the FY 2015-16 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were

no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on related party transactions as approved by the Board is uploaded on the Company's website

Statutory Compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets during the last three years.

Whistleblower Policy and Vigil Mechanism

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy.

The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. No personnel of the Company has been denied access to the Audit Committee.

Accounting Treatment in preparation of Financial Statements

The Company has prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act / Companies Act, 1956, as applicable.

CEO / CFO Certification

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March, 2016.

Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

DECLARATION BY THE MANAGING DIRECTOR

I, Prem narain Varshney, Managing Director of Rathi Steel and Power Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31st March, 2016.

Sd/-
Prem Narain Varshney
Managing Director
DIN: 00012709

New Delhi
August 24, 2016

To the Members of

RATHI STEEL AND POWER LIMITED

We have examined the compliance of conditions of Corporate Governance by Rathi Steel and Power Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from September 02, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the
- Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M. LAL & CO.**
Chartered Accountants

Sd/-

Place: New Delhi
Dated 09.06.2016

M. L. AGRAWAL
M. No.: 011148

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

RATHI STEEL AND POWER LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Rathi Steel And Power Limited ('the Company'), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a

true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Emphasis of Matter

1. We draw attention to note no. 10 to the financial statements regarding the presentation of the same on-going concern basis. The company has incurred a net loss of Rs. 91,05,53,469.00 during the year ended on March 31, 2016 and as on that date the company's current liabilities exceeds its current assets by Rs. 7,06,85,697.00 and company's net worth has been fully eroded. These conditions along with other matters as set forth in the aforesaid note, indicate the existence of material uncertainty that may cast significant doubt about company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis for the reasons stated in the said note. Our opinion is not qualified in respect of this matter.
2. In general, it was noticed that applicable statutory dues were not deposited within due date to the respective authorities. Statutory dues amounting to Rs.11,67,48,200.00 have become overdue and remains unpaid. Interest/ penalty, if any, in respect of the same has remained undertrained and unaccounted for.
3. The Company has defaulted in payments of its obligations to secured lenders in line with restructuring scheme approved by CDR EG. The company has taken cognizance of the fact that revival scheme submitted to lenders is pending for approval and accordingly has not considered any obligation as current liability.
4. Interests on secured loans have been provided in the books of accounts to the extent provided by the lenders.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of

section 143 of the Act, we give in the Annexure 'A' statement on the matters specified in the 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 it appears from our examination of those books;
 - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The matters mentioned in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2 to the Notes to Accounts attached to financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; and
 - iii. There were no amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Act and rules made there under.

For M. LAL & CO.
Chartered Accountants
Firm Registration Number: 016069C
SD/-

Place: New Delhi
Dated :09.06.2016

M. L. AGRAWAL
Proprietor
M. No.: 011148

Annexure–A to the Independent Auditors' Report The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that: -

1. In respect of fixed assets:

- a. The company has been maintaining details showing full particulars, including quantitative details of fixed assets.
- b. We have been informed that physical verification of fixed assets has been conducted by the management at reasonable intervals and no material discrepancies were noticed by them.
- c. According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in the Financial statements, are held in the name of the company

2. In respect of inventories:

According to the information and explanations given to us, the physical verification of inventory (excluding stocks lying with third parties) has been conducted by the management at reasonable intervals. The physical verification of finished goods and raw material has been done on estimation basis, from time to time, due to the nature of the business and the cost involved and discrepancies, if any, were properly dealt with in the accounts. In respect of goods inventory lying with third parties, these have substantially been confirmed by them.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3 (iii) (a), (b), and (c) of the order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investment, given any guarantee or security, secured or unsecured, to any companies, firms or other parties as covered under section 185 and 186 of the Act over and above the limits prescribed under these sections.
5. The Company has not accepted any deposits from the public and therefore, the directives issued by Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under do not apply to the Company.
6. As informed to us, the Central Government has prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records, Company is generally regular in depositing with appropriate authorities undisputed statutory dues i.e. income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other statutory dues authorities wherever applicable. However, there are some delays in payment of dues for provident fund and Employees State Insurance.

According to the information and explanations given to us, undisputed amounts Rs. 10.36 Crores is payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, Excise Duty, Entry Tax, value added tax, cess and other material statutory dues as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax which have not been deposited on account of any dispute. The particulars of dues of excise duty, service tax, value added tax which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	317.15	2005-06 to 2007-08	High Court of Odisha
		91.21	2008-09 to 2012-13	Under Appeal with CESTAT
		19.41	2011-12 & 2012-13	Additional Commissioner. Sambalpur / Rourkela
		2428.72	1995-96 & 2004-05	Custom Excise and Service Tax Appellate Tribunal- Allahabad
		75.62	2006-07	Supreme Court of India
		239.61	2014-15	DGCEI New Delhi
Finance Act, 1994 Service Tax Provisions	Service Tax	25.94	2012-13	Additional Commissioner. Sambalpur / Rourkela
Sales Tax Act of Various States	Sales Tax	13.70	2010-11 to 2013-14	Before Addl. Commissioner, Northern Zone, Sambalpur
		2390.57	1994-95 to 2013-14	Commercial Tax Tribunal, UP
		956.00	1994-95 to 2013-14	Additional Commissioner Grade-2, Appeal-1, UP

		424.78	2011-12 & 2012-13	Jt. Commissioner, Appeal, Haryana
		438.15	2008-09 to 2010-11	High Court of Odisha
Odisha Entry Tax Act, 1999	Entry Tax	6.02	2005-06 to 2009-10	Commercial Tax Tribunal, Cuttack
		23.75	2008-09 to 2010-11	High Court of Odisha

8. The Company has defaulted in repayment of dues to banks during the year. The amount and period of default is as under:

Nature of Default	Period (days)	(Rs. in Crores)	Remarks
Principal Repayments	1 Year & more	33.25	Up to 31.03.2016
Interest	1 Year & more	54.88	Up to 31.03.2016
Bank Guarantee Invoked		0.78	
Total		88.91	

9. Accordingly to the information and explanations given to us, during the year the Company has not raised any fresh share capital and term loans and hence clause 3(ix) is not applicable.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required under applicable Accounting Standard.
14. According to the information and explanations given to us and based on our examinations of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report.
15. According to the information and explanations given to us and based on our examinations of the records, the Company has not entered into non-cash transaction with directors or person connected with them.

16. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of the Clause 3 (xvi) of the order is not applicable to the Company.

For M. LAL & CO.
Chartered Accountants
Firm Registration Number: 016069C

Sd/-
M. L. AGRAWAL
Proprietor
M. No.: 011148

Place: New Delhi
Dated :09.06.2016

Annexure-B to the Independent Auditors' Report the Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that: -

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

We have audited the internal financial controls over financial reporting of Rath Steel and Power Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation 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 controls over financial reporting may become inadequate because of the changes in the 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For M. LAL & CO.
Chartered Accountants
Firm Registration Number: 016069C

Sd/-
M. L. AGRAWAL
Proprietor
M. No.: 011148

Place: New Delhi
Dated :09.06.2016

RATHI STEEL AND POWER LTD.
CIN L27109DL1971PLC005905
BALANCE SHEET AS AT 31.03.2016

(Amount in Rs.)

PARTICULARS	Note No.	AS AT 31.03.2016	AS AT 31.03.2015
I. Equity and Liabilities			
<u>1. Shareholders' Funds</u>			
Share Capital	1	765,048,590	765,048,590
Reserves And Surplus	2	(1,800,961,807)	(890,408,339)
<u>2. Non-Current Liabilities</u>			
Long-Term Borrowings	3	4,366,244,483	3,847,735,253
Deferred Tax Liability			
Other Long Term Liabilities	4	64,966,111	68,714,461
Long Term Provisions	5	20,185,475	21,107,466
<u>3. Current Liabilities</u>			
Working Capital Facilities (Including L/c Bills Crystallised)	6	1,768,554,748	1,278,966,626
Trade Payables	7	44,008,029	450,598,592
Other Current Liabilities	8	343,592,768	700,413,434
Short-Term Provisions	9	3,396,127	3,396,127
Total Equity & Liabilities		5,575,034,524	6,245,572,210
II.Assets			
<u>(1) Non-Current Assets</u>			
Fixed Assets			
Tangible Fixed Assets	10	2,704,533,031	2,904,874,996
Capital WIP		15,000	15,000
		2,704,548,031	2,904,889,996
Defferred Tax Assets		729,096,639	729,096,639
Non-Current Investments	11	1,570,997	1,570,997
Long Term Loans And Advances	12	36,306,159	36,272,159
Other Non-Current Assets	13	14,646,724	14,646,724
<u>(2) Current Assets</u>			
Inventories	14	854,285,406	896,029,612
Trade Receivables	15	1,043,523,607	1,423,550,479
Cash And Cash Equivalents	16	34,210,004	57,029,978
Short-Term Loans And Advances	17	147,330,346	173,647,486
Other Current Assets	18	9,516,612	8,838,140
Total Assets		5,575,034,524	6,245,572,210

The accompanying Notes are an integral part of the financial statements

Sd/-
P N Varshney
Director

Sd/-
Pradeep Kumar Rathi
Managing Director

Sd/-
Sakshi Sethi
Company Secretary

As per our Report of even date
For M. LAL & CO.
Charetered Accountants

Sd/-
Shyam Bageshara
CFO

Sd/-
M. L. AGRAWAL
M. No. 011148

PLACE : NEW DELHI
DATED :09.06.2016

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2016

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
Revenues			
Revenue From Operations	19	5,973,472,873	6,688,235,444
Other Income	20	5,862,539	27,825,792
Total Revenue		5,979,335,412	6,716,061,236
Expenses:			
Cost Of Materials Consumed	21	5,767,642,646	6,215,816,705
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade	22	(119,833,732)	(210,139,382)
Employee Benefit Expenses	23	39,258,582	43,809,827
Financial Costs	24	178,526,322	504,018,213
Depreciation And Amortization Expense		236,116,495	318,662,637
Other Expenses	25	788,243,237	596,905,719
Total Expenses		6,889,953,549	7,469,073,719
Profit/(Loss) Before Exceptional And Extraordinary Items And Tax		(910,618,138)	(753,012,483)
Exceptional Items		(64,669)	70,910,641
Profit/(Loss) Before Extraordinary Items And Tax		(910,553,469)	(823,923,124)
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(910,553,469)	(823,923,124)
Tax Expense:			
(1) Current Tax		-	-
(2) Tax for earlier years		-	-
(3) MAT Credit entitlement		-	-
(4) Deferred Tax		-	-
(Loss)/Profit From The Year From Continuing Operations		(910,553,469)	(823,923,124)
(Loss)/Profit For The Year		(910,553,469)	(823,923,124)
Earnings per share(of Rs.10/- each)			
(a) Basic		(29.08)	(26.32)
(b) Diluted		(29.08)	(26.32)

The accompanying Notes are an integral part of the financial statements

Sd/-
P N Varshney
Director

Sd/-
Pradeep Kumar Rathi
Managing Director

Sd/-
Sakshi Sethi
Company Secretary

As per our Report of even date
For M. LAL & CO.
Chartered Accountants

Sd/-
Shyam Bageshara
CFO

Sd/-
M. L. AGRAWAL
M. No. 011148

PLACE : NEW DELHI
DATED :09.06.2016

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

Note 1 : Share Capital:		As at 31 March 2016	As at 31 March 2015
Authorised			
32000000(32000000) Equity Shares of Rs.10/- each		320,000,000	320,000,000
58000000 (58000000) Redeemable Pref. Shares@10/-each		580,000,000	580,000,000
		900,000,000	900,000,000
Issued, Subscribed and Paid-up			
31308111(31308111) Equity Shares of Rs.10/- each		313,081,110	313,081,110
45196748(45196748) Redeemable Preference Shares@10/-each		451,967,480	451,967,480
Total		765,048,590	765,048,590

(a) Reconciliation of Number of Equity Shares

Shares Outstanding as at 1st April 2015/ 1st April 2014	31,308,111	31,308,111
Add: Issued during the year	-	-
Shares Outstanding as at 31st March 2016/ 31st March 2015	31,308,111	31,308,111

(b) Reconciliation of Number of Redeemable Preference Shares

Shares Outstanding as at 1st April 2015/ 1st April 2014	45,196,748	32,630,000
Add: Issued during the year	-	12,566,748
Shares Outstanding as at 31st March 2016/ 31st March 2015	45,196,748	45,196,748

(c) List of Equity shareholders holding more than 5% of the total number of Equity shares issued by the Company

Name of Shareholder	As at 31 March 2016	As at 31 March 2015
	No. of Shares held	No. of Shares held
Archit Securities Private Limited	4035223(12.89%)	4035223(12.89%)
DBG Leasing & Housing Limited	3832472(12.24%)	3832472(12.24%)
Pradeep Kumar Rathi	7504988(23.97%)	7504988(23.97%)

(d) List of Redeemable Preference shareholders holding more than 5% of the total number of Redeemable Preference shares

Name of Shareholder	As at 31 March 2016	As at 31 March 2015
	No. of Shares held	No. of Shares held
DBG Leasing And Housing Limited	10346528(22.89%)	10346528(22.89%)
Archit Securities Private Limited	23116220(51.15%)	23116220(51.15%)
Char Investment and Trading Limited	6454000(14.28%)	6454000(14.28%)
Lenzing Poly Packs Limited	2440000(5.40%)	2440000(5.40%)

The Company has issued two class of shares referred to as equity shares and Redeemable Preference Shares. The Equity Shares are having a par value of Rs. 10 per share whereas par value for each Redeemable Preference Shares is Rs. 10/-. Every holder of Equity Share is entitled to one vote per share in respect of all matters submitted to vote in the shareholders meeting. Redeemable Preference Shares are entitled to one vote per share, in respect of every resolutions placed before the Company which directly affect the rights attached to the shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts, in proportion of their shareholdings. The Redeemable Preference Shares shall become due for redemption after 10 years from the date of issue at a 100 % premium of the issue price. Further Redeemable Preference shares are entitled to cumulative preference dividend of 1% per annum in relation to the paid up capital.

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

<u>Note 2 : Reserves & Surplus:</u>		As at 31 March 2016	As at 31 March 2015
Revaluation Reserve		19,025,530	19,025,530
Capital Reserve		521,438	521,438
Securities Premium Account		-	-
Opening Balance		1,080,922,699	892,421,479
Add: Transferred from Profit and Loss Account		-	188,501,220
Closing Balance		1,080,922,699	1,080,922,699
General Reserve			
Opening Balance		174,934,316	174,934,316
Add: Transferred from Profit and Loss Account		-	-
Closing Balance		174,934,316	174,934,316
Profit And Loss Account			
Opening Balance		(2,165,812,322)	(1,341,889,197)
Add: Profit(Loss) for the year		(910,553,469)	(823,923,125)
Less: Appropriations		-	-
Transferred to General Reserve		-	-
Closing Balance		(3,076,365,790)	(2,165,812,322)
		(1,800,961,807)	(890,408,339)

<u>Note - 3 : Long Term Borrowings</u>		As at 31 March 2016	As at 31 March 2015
Secured Term Loans:			
From Banks		2,024,861,049	1,835,400,346
Working Capital Term Loans			
From Banks		1,608,689,298	1,492,910,476
Funded Interest Term Loans			
From Banks		732,652,050	518,938,602
Finance / Lease Obligations			
From Banks		-	443,744
From Others		42,085	42,085
		4,366,244,483	3,847,735,253

Notes

1. Term Loans, Working Capital Term Loans and Funded Interest Term Loans from Banks are secured by :

- First Pari- Passu charge on Fixed Assets of the company
- Second Pari-Passu charge on Current Assets of the company,
- Personal guarantee of Shri Pradeep Rath and Shri Udit Rath,
- Pledge of Promoter's Equity Shareholdings i.e 51.47%.
- First pari-passu mortgage and charge on the immovable properties of the Company situated at Ghaziabad, U P and Sambalpur, Odisha
- First pari-passu mortgage and charge on the immovable property in the name of Sh Pardeep Kumar Rath situated at 112-A, Sector 21, Gurgaon, Haryana
- First Charge over Escrow/Trust and Retention Account
- Pledge of 2840000 Remeemable Preference Shares held by Sh Pradeep Kumar Rath and Sh Udit Rath

2. Vehicle/Equipment Loans are secured by the hypothecation of specific assets purchased under such arrangements.

3. The Company has defaulted in repayment of dues to financial institutions, banks or debenture holders during the year. The amount and period of default is as under:

Nature of Default	Period (days)	Amount (Rs. in Crores)	Remarks
Principal Repayments	1 Year & more	33.25	Due upto 31.03.2016
Interest	1 Year & more	54.88	Due upto 31.03.2016
Bank Guarantee Invoked		0.78	
		88.91	

4. Terms of repayments of Indian Rupee Term Loans/WCTL/FITL

Rs. In Crores

Year	0-1 Years	1-2 years	2-3 years	After 3 Years
Term Loans from Banks	33.25	41.71	48.38	280.69

Notes

a). The terms of repayment as mentioned above is as per CDR LOA. The company is not adhering to such schedule and have submitted revised revival scheme to the member banks, which is under deliberations. Hence, company has not considered installments due with in 1 year as per LOA as current liability.

5. Terms of repayments of Vehicle/Equipment Loans

Year	1-2 years	2-3 years	After 3 Years
Maturity Profile	0.00		

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

<u>Note - 4 : Other Long Term Liabilities</u>		As at 31 March 2016	As at 31 March 2015
Unsecured			
Unsecured Loans		2,025,000	2,025,000
Dealers Deposits		1,157,485	1,157,485
Deferred Payment liabilities			
Sundry Creditors for Capital Goods		10,396,398	13,144,748
Other Term Liabilities		51,387,228	52,387,228
		64,966,111	68,714,461

<u>Note - 5 : Other Long Term Provisions</u>		As at 31 March 2016	As at 31 March 2015
Gratuity(unfunded)		20,185,475	21,107,466
		20,185,475	21,107,466

<u>Note - 6 : Short Term Borrowings</u>		As at 31 March 2016	As at 31 March 2015
Secured			
Working Capital Facilities (Including L/c Bills Crystallised)			
From Banks		1,759,482,586	1,271,437,068
BG Invoked		9,072,162	7,529,558
		1,768,554,748	1,278,966,626

Working capital facilities from Banks are secured by :

- First Pari- Passu charge on Current Assets of the company,
- Second Pari-Passu charge on Fixed Assets of the company,
- Personal guarantee of Shri Pradeep Rathi and Shri Udit Rathi.
- Pledge of Promoter's Equity Shareholdings i.e 51.47%.
- Second pari-passu mortgage and charge on the immovable properties of the Company situated at Ghaziabad,U P and Sambalpur,Odisha
- Second pari-passu mortgage and charge on the immovable property in the name of Sh Pradeep Kumar Rathi situated at 112-A,Sector 21,Gurgaon,Haryana
- Second Charge over Escrow/Trust and Retention Account
- Pledge of 2840000 Remeemable Preference Shares held by Sh Pradeep Kumar Rathi and Sh Udit Rathi

<u>Note - 7 : Trade Payables</u>		As at 31 March 2016	As at 31 March 2015
Unsecured			
Trade Payables		44,008,029	450,598,592
		-	
		44,008,029	450,598,592

<u>Note 8 : Other Current Liabilities</u>		As at 31 March 2016	As at 31 March 2015
Unsecured			
Current Maturities Of Long Term Debt		-	353,599,262
Current Maturities Of Finance/ Lease Obligations		454,444	878,596
Interest Accrued But Due		-	75,352,421
Interest Accrued But Not Due		-	-
Advances From Customers		37,200,619	28,087,089
Statutory dues payable		140,563,234	113,611,990
Others Payables		165,374,469	128,884,077
		343,592,768	700,413,434

<u>Note - 9 : Short Term Provisions</u>		As at 31 March 2016	As at 31 March 2015
Wealth Tax Payable		39,810	39,810
Bonus		2,863,959	2,863,959
Earn Leave(unfunded)		492,358	492,358
Proposed Dividend			
		3,396,127	3,396,127

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 10

PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
	As at 01.04.2015 (Rs.)	Addition during the year (Rs.)	Sales/ Adjustment (Rs.)	As at 31.03.2016 (Rs.)	Upto 31.03.2015 (Rs.)	Adjustment (Rs.)	For the Year (Rs.)	Total Upto 31.03.2016 (Rs.)	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<u>FIXED ASSETS</u>										
Land Freehold	1,889,704	-	-	1,889,704	-	-	-	-	1,889,704	1,889,704
Land Leasehold	49,525,262	-	-	49,525,262	-	-	-	-	49,525,262	49,525,262
Boundary Wall	173,896	-	-	173,896	138,468	-	-	138,468	35,428	35,428
Building	582,928,342	-	-	582,928,342	114,265,658	-	18,462,052	132,727,708	450,200,633	468,662,684
Plant & Machinery	3,842,509,613	34,610,300	-	3,877,119,913	1,465,484,144	-	212,809,558	1,678,293,702	2,198,826,211	2,377,025,469
Furniture Fixtures	8,213,444	-	-	8,213,444	6,651,432	-	769,400	7,420,831	792,612	1,562,012
Office Equipment	4,613,677	7,100	-	4,620,777	3,123,037	-	603,711	3,726,748	894,029	1,490,640
Vehicles	27,824,376	112,291	1,347,357	26,589,310	23,593,360	1,376,138	3,279,865	25,497,087	1,092,223	4,231,016
Computers	10,121,250	1,016,055	-	11,137,305	9,668,469	-	191,909	9,860,377	1,276,928	452,781
TOTAL	4,527,799,564	35,745,746	1,347,357	4,562,197,953	1,622,924,567	1,376,138	236,116,495	1,857,664,923	2,704,533,031	2,904,874,996
Previous Year	4,495,409,447	32,480,437	90,320	4,527,799,564	1,304,324,459	62,527	318,662,636	1,622,924,568	2,904,874,996	

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

Note - 11 : Non Current Investments		As at 31 March 2016	As at 31 March 2015
Trade Investments			
QUOTED (AT COST)			
635(635) Equity Share of Bank of Baroda of Rs.2/- each (Market Value Rs.93409/-)		29,210	29,210
1850(1850) Equity Shares of State Bank of Bikaner & Jaipur of Rs.10/- each (Market Value Rs. 928885/-)		489,900	489,900
2400(2400) Equity Shares of Focus Industrial Resources Ltd of Rs. 10/- each (Market Value Rs.11856/-)		20,086	20,086
Investment in Mutual Fund		1,000,000	1,000,000
UNQUOTED (AT COST)			
20000(20000) Equity Shares of M/s Moradabad Syntex Ltd.of Rs.10/- each(Under liquidation)		1	1
1000 Equity Shares of M/s First Financial Services Ltd. Of Rs.10/- each		10,000	10,000
3350 Equity Shares of M/s Lynx Traders & Export Ltd.of Rs.10/- each		33,500	33,500
		1,582,697	1,582,697
Less:Prov. for diminution in value of investments		11,700	11,700
		1,570,997	1,570,997

Note - 12 Long-term loans and advances		As at 31 March 2016	As at 31 March 2015
Unsecured, considered good			
Security Deposit		36,306,159	36,272,159
		36,306,159	36,272,159

Note -13 Other Non Current Assets		As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		14,638,724	14,638,724
Trade Receivables		8,000	8,000
Others			
		14,646,724	14,646,724

Note 14 : Inventories:		As at 31 March 2016	As at 31 March 2015
Valued At Lower Of Cost Or Realisable Value			
		182,494,056	325,860,159
Raw Materials		31,364,717	45,486,009
Stores & Spare Parts		738,198	1,341,599
Fuel		639,688,436	523,341,845
Finished Goods			
		854,285,406	896,029,612

Note - 15 : Trade Receivables		As at 31 March 2016	As at 31 March 2015
(Unsecured,considered good unless otherwise stated)			
Outstanding For A Period Exceeding Six Months		108,770,341	118,554,748
-Considered Good		4,245,911	4,590,755
-Considered Doubtful		(449,472)	(449,472)
Less:Provision for Doubtful Debts		930,956,827	1,300,854,448
Others			
		1,043,523,607	1,423,550,479

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

Note - 16 : Cash And Cash Equivalents		As at 31 March 2016	As at 31 March 2015
Balances With Banks		13,217,186	3,264,997
In Current Accounts		90,000	90,000
In Deposit Accounts		20,180,716	49,450,933
In Margin money a/c including FDR's with maturity less than 12 months		623,283	1,983,000
Cash in Hand		98,820	2,241,048
Interest Accrued But Not Due On FDR's			
		34,210,004	57,029,978

Note - 17 : Short Term Loans & Advances:		As at 31 March 2016	As at 31 March 2015
(Unsecured, considered good unless otherwise stated)			
Advance For Recoverable in cash or kind or for value to be received		71,317,069	89,137,686
-Considered Good		2,848,013	2,848,013
-Considered Doubtful		(337,500)	(337,500)
Less: Provision for Doubtful Debts		69,836,391	78,332,915
Balances With Government Authorities		3,666,372	3,666,372
Security Deposits			
		147,330,346	173,647,486

Note - 18 : Other current assets		As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		380,491	286,853
Prepaid Expenses		9,136,121	8,551,287
Advance Income Tax / Tax Deducted At Source			
		9,516,612	8,838,140

Note - 19 : Revenue From Operations		Year ended 31.03.2016	Year ended 31.03.2015
		6,038,879,732	6,717,017,436
		2,840,267	6,412,503
Others Operating Revenue		6,041,719,999	6,723,429,939
		(68,247,126)	35,194,495
Less : Excise Duty (Net)		5,973,472,873	6,688,235,444
Steel Bars/TMT, Structural Plates etc.		3,424,691,990	4,598,207,385
SS Round in Coil		2,614,173,882	2,066,781,277
Billets		13,860	52,028,774
Misc Stores		876,272	-
Others		1,963,995	6,412,503
		6,041,719,999	6,723,429,939

Note - 20 : Other Income:		Year ended 31.03.2016	Year ended 31.03.2015
Interest Received		4,805,825	4,917,375
Dividend		40,755	-
Insurance Claim Received		398,466	281,038
Profit on Sale of Investments		-	-
Profit on Sale of Vehicle		105,312	17,207
Commission Received		7,274	868,284
Sundry Balances Written Off		504,907	21,603,338
Job charges received		-	138,550
		5,862,539	27,825,792

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

Note -21 : Cost Of Materials Consumed		Year ended 31.03.2016	Year ended 31.03.2015
Opening Stock		325,860,159	141,980,949
Purchases		5,624,276,543	6,399,695,915
		5,950,136,702	6,541,676,864
Less : Closing Stock		182,494,056	325,860,159
		5,767,642,646	6,215,816,705
Material consumed comprises:-			
Billets		1,906,300,918	1,267,838,064
Scrap		997,591,312	779,729,853
		-	-
Cenvat		-	-
Others raw materials		2,833,886,989	4,168,248,788
		5,737,779,219	6,215,816,705

Note 22 : Changes In Inventories Of Finished Goods , Semi Finished Goods & WIP		Year ended 31.03.2016	Year ended 31.03.2015
Inventories At The Beginning Of The Year			
Finished Goods		523,341,845	301,383,629
Semi Finished Goods		-	-
Work In Progress		-	-
		523,341,845	301,383,629
Inventories At The End Of The Year			
Finished Goods		639,688,436	523,341,845
Semi Finished Goods		-	-
Work In Progress		-	-
		639,688,436	523,341,845
		(116,346,591)	(221,958,216)
Differential Excise duty on Increase/(decrease) in Stock		(3,487,141)	11,818,834
		(119,833,732)	(210,139,382)

Note 23 : Employee Benefit Expenses		Year ended 31.03.2016	Year ended 31.03.2015
Salary		36,469,973	41,301,406
Contribution to PF and other Funds		2,782,667	2,453,350
Staff Welfare		5,942	55,071
		39,258,582	43,809,827

Note 24 : Financial Cost		Year ended 31.03.2016	Year ended 31.03.2015
Interest Expenses		160,981,338	485,606,364
Other Borrowing Costs			
Bank Charges & Processing Fee		17,544,983	18,411,849
		-	-
		178,526,322	504,018,213

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in Rs.)

<u>Note -25 : Other Expenses:</u>		Year ended 31.03.2016	Year ended 31.03.2015
A. Manufacturing Expenses			
Stores Consumed		234,451,371	166,575,794
Power & Fuel		490,082,085	374,119,567
Consultation Charges		24,000	134,124
Rolling Charges Paid		1,189,415	144,896
Repair & Maintenance			-
Building		15,305	1,335
Plant & Machinery		2,468,734	3,680,034
others		290,033	215,096
B.Selling Expenses			-
Advertisement and Sales Promotion Expenses		235,022	109,701
Consignment Expenses		10,278,729	8,362,238
Freight Outwards		24,485,928	11,583,274
Testing Charges		738,133	1,316,382
C.Administrative Expenses			-
Directors Salary		3,107,490	3,102,150
Guest House Maint.Expenses		15,218	11,995
Insurance Charges		1,873,758	2,525,497
Legal & Professional Charges		4,783,401	3,638,867
Miscellaneous Expenses		5,082,904	5,273,144
Vehicle Running & Maintenance		55,960	-
Postage, Telegram & Telephone		1,266,005	1,439,725
Printing & Stationery		546,496	940,713
Rates,Taxes & fee		388,511	597,968
Rent		1,208,800	964,182
Security Charges		4,453,872	2,103,613
Travelling & Conveyance Expenses		802,067	1,000,424
Auditors' Remuneration		400,000	400,000
Wealth Tax		-	25,000
Forfeiture of Bank Guarantee		-	8,640,000
		788,243,237	596,905,719

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

	PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation	(9,106.18)	(8,239.23)
	Adjustments for :		
	Depreciation	2,361.16	3,186.63
	(Profit)/ Loss on Sale of Assets	(1.05)	(0.17)
	Profit on sale of investments	-	-
	Interest Paid	1,609.81	4,856.06
	Insurance Claim Received	(3.98)	(2.81)
	Misc. Balance written back	(5.05)	(216.03)
	Dividend income	(0.41)	-
	Interest income	(48.06)	(49.17)
	Operating profit before working capital changes:	(5,193.76)	(464.72)
	Adjustments for:		
	Increase in Trade receivables	3,800.27	(2,783.05)
	(Increase)/Decrease in inventories	417.44	(4,095.66)
	(Increase)/Decrease in Loans & Advances and other assets	256.05	1,924.16
	Increase in Current Liabilities and Other Long Term Liabilities	(4,135.53)	3,611.49
	Cash Generated from Operation	(4,855.53)	(1,807.78)
	Less: Income Tax paid (net)	-	-
	Net cash from operating activities:	(4,855.53)	(1,807.78)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(357.46)	(324.80)
	Change in Capital Work in Progress	-	744.54
	Dividend income	0.41	-
	Sales of Assets	1.41	0.45
	Sales/ (Purchase) of Investments	-	-
	Insurance claim	3.98	2.81
	Interest income	48.06	49.17
	Net cash used in investing activities :	(303.60)	472.17
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Share Capital	-	3,141.69
	Receipt of Long Term Borrowings	1,653.54	1,691.25
	Payment of Long Term Borrowing	(8.68)	(95.94)
	Increase/(Decrease) in Short Term Borrowing	4,895.88	4,034.51
	Increase/(Decrease) in Unsecured loans	-	(3,142.19)
	Interest Paid(including borrowing costs capitalised)	(1,609.81)	(4,102.54)
	Net cash used in Financing activities :	4,930.93	1,526.78
	Net increase/(Decrease) in cash and cash equivalents	(228.20)	191.17
	Opening cash and cash equivalents	570.30	379.13
	Closing cash and cash equivalents	342.10	570.30

Sd/-
P N Varshney
Director

Sd/-
Pradeep Kumar Rathi
Managing Director

Sd/-
Sakshi Sethi
Company Secretary

As per our Report of even date
For M. LAL & CO.
Chartered Accountants

Sd/-
Shyam Bageshara
CFO

Sd/-
M. L. AGRAWAL
M. No. 011148

PLACE : NEW DELHI
DATED :09.06.2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 26

1. COMPANY INFORMATION

Rathi Steel And Power Limited(formerly Rathi Udyog Limited) (the Company) is a public limited company incorporated in 1971 and engaged in the business of Steel and Steel related products.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements:

These financial statements have been prepared under historical cost convention from books of account maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Inventories:

Inventories are valued as per AS-2 (Valuation of Inventories) issued by the ICAI at cost (net of CENVAT credit) or net realisable value, whichever is lower and inclusive of excise duty. Cost determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and includes, where applicable appropriate overheads. Inventory of Iron Ore and Coal have been segregated according to usability at the time of physical verification and are stated at Cost or market price whichever is less.

d) Tangible Fixed assets and depreciation accounting:

Tangible Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation / amortization /impairment. The cost of fixed assets includes freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowings cost

directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on startup and commissioning of the project and or substantial expansion, including the expenditure incurred on Trial Runs up to the date of commencement of commercial production are capitalized.

Leasehold land has been revalued as on 31st March, 1992.

e) Depreciation

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as per Straight Line Method (SLM). Depreciation on additions/ deductions has been calculated on day-to-day basis.

f) Revenue Recognition

Sales comprises of sales of goods and services but net of sales returns and includes inter unit transfers.

Interest income is accounted for on accrual basis.

Dividend income is accounted for on receipt of payment.

g) Investments

Trade Investments are the investments meant to enhance the company's interest. Investments are classified as current or non-current based on the management's intention at the time of investment. Long-term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is permanent in nature.

h) Impairment of Assets

At each Balance Sheet date, the company reviews the carrying amounts of assets to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount is estimated, at the higher of realizable value and value in use, as considered appropriate. If the estimated recoverable amount is less than the carrying amount, an impairment loss is recognized in the statement of Profit and Loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash –generating unit to which the assets belongs. As per assessment conducted by the company as at March 31, 2016, there were no indications that the fixed assets have suffered an impairment loss.

i) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged revenue.

j) Current Tax and Deferred Tax:

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

In accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, the deferred tax liability for timing differences between book profits and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of Balance Sheet date. Deferred Tax Assets are recognized with regard to all deductible timing difference to the extent that it is probable that taxable profit will be available against which deductible timing difference can be utilized. When the company carries forward accumulated losses and unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

k) Retirement benefits

Actual liability for gratuity is provided in respect of eligible employees. Other employees' benefits are accounted for as per Company's policy.

l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company 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 are not discounted to present value and are determined best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates. Contingent Assets are not recognized in the financial statements.

m) The amount of Stores consumed during the financial year includes the value of stores issued for repair and maintenance.

NOTES ON ACCOUNTS:

1. COMMITMENTS:

Estimated amount of Contracts remaining to be executed on capital account-Rs.NIL (Rs.NIL)

2. CONTINGENT LIABILITIES:

A. No provision has been made for:

- a. Outstanding effective Bank Guarantees and Counter Guarantees given by the Company Rs.50,17,112/- (Rs.5,05,17,112/-).
- b. Outstanding Letter of Credit Rs. Nil.(Rs.6,94,70,000/-)
- c. Sales tax Liability in respect of goods impounded-amount unascertained (The Company has deposited Rs.27,84,500/- as security with the dept.)
- d. VAT/Sales Tax liability for various years in respect of which either the Company or the department has filed appeals with higher authority amounting to Rs.42,52,98,558/-.The Company is Confident to get relief and chances of any liability is very remote.
- e. Excise/Service tax cases pending with various statutory

authorities being disputed Rs.31,97,65,478/-.The Company is Confident to get relief and chances of any liability is very remote.

- f. Civil/Recovery suits and Labour cases pending against the Company not acknowledged as debts Rs.8,65,08,029/-(Rs.3,73,47,274/-).
- g. The layoff at Orissa unit has been rejected by the competent Labour Authority and raised compensation of Rs.4.65 Crores .The Company has contested the same in the Court.
- h. As per Gas sales Agreement between GAIL and Company, total annual take or pay deficiency upto March 2016 works out to Rs.65.99 Crores and GAIL has raised a demand of Rs.42.71 Crores which is being disputed by the Company.
- i. WESCO utility, Orissa has raised a demand of Rs.1.24 Crores towards electricity bills charges for the period up to October 2014 which has been disputed by the Company. Office of the Ombudsman-II,OERC vide its order dated 11.04.2016 has directed the WESCO to revise its demand which is still awaited.
- j. Lenders right to recompense the reliefs/sacrifices/ waivers extended by respective CDR lenders as per CDR guidelines.
- B. Surety given to sales tax dept. for others. The Company has not considered these as contingent liability as chances of out flow of resources are remote as Company has a right to claim the same from other party.

C. Income Tax and Sales Tax Assessments:

- a. Income tax assessments have been completed upto assessment year 2012-13.Additional liability, if any, in respect of pending assessments, would be provided for on completion of assessments.
- b. Additional demand, if any, in respect of pending assessment of Sales Tax/ VAT/Entry Tax would be known only on completion of the assessments.
- c. Additional liability, on account of search conducted by the Income Tax Department in the month of January 2015, would be provided for once finalized.
3. Supreme Court in the month of September 2014 has cancelled the coal block allotted to the Company. Proceeding of the Court in respect of charges framed against Company under section 120-B IPC and under section 420 r/w Section120 B IPC has since been completed though judgment is pending. As per the directions of Supreme Court Enforcement Directorate is also making investigations in connection with irregularity in Coal Block Allotment.

4. FOREIGN CURRENCY TRANSACTIONS:

Expenditure in Foreign Currency:

- a. Raw material purchase (CIF) Rs.20,36,00,008/-(Rs.397777952/-)
- b. Capital Goods (CIF) – Rs.1447288/-(Rs.5200000/-).

c. Stores Purchased(CIF)-Rs.16684958/-(Rs.6703760/-)

Earning in Foreign Currency (FOB):

Finished goods sale Rs. Nil (Rs. Nil).

Details of consumption of imported and indigenous items

Rs. in lacs

Particulars	Imported				Indigenous			
	2015-16	%	2014-15	%	2015-16	%	2014-15	%
Materials	2036.00	3.55%	3977.78	6.40%	55341.79	96.45%	58180.39	93.60%
Stores and Spares	166.85	7.12%	67.04	4.03%	2177.66	92.88%	1597.96	95.97%

5. Payment to auditors:

- Audit Fee – Rs.4,00,000 (Rs.4,00,000).
- Fee for Limited Review – Rs.1,00,000 (Rs.1,00,000).
- Out of Pocket Expenses-Rs.15,000 (Rs.15000).

6. Sundry debtors, advances, creditors & other liabilities includes inter parties transfers and are subject to confirmation and consequent adjustments. In the opinion of the Board of Directors, the current assets and loans & advances except doubtful in nature would realize at least the amount at which these are stated in the Balance Sheet. For doubtful debts, the Board of Directors is very much hopeful for their recovery. Therefore, No provision has been made.

7. Sundry Creditors includes amount payable to MSME amounting to Rs.28.53 lacs. The parties have since filed the cases in the court and claimed interest in terms of the MSME Act along with Principal amount.

8. Company has implemented the approved CDR scheme to the extent implemented by the member banks and provision for interest has been made to the extent made by banks.

9. The Company has defaulted in payments of its obligations to secured lenders payable as per restructuring scheme approved by CDR EG. The company has not considered any obligation as current liability and has taken cognizance of the fact that revival scheme submitted to lenders is under deliberation.

10. The company has incurred a net loss of Rs. 91,05,53,469.00 during the year ended on March 31, 2016 and as on that date the company's current liabilities exceeds its current assets by Rs.7,06,85,697.00 and company's net worth has been fully eroded. The Company's financial performance has been adversely affected mainly due to depressed economic scenario, cheaper imports and lowers than desired infrastructure and real estate sector growth. The Company has since submitted the revival scheme to all the lenders which is under deliberation.

These financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers / other lenders and signs of recovery in general economic scenario.

11. Earnings Per Share (EPS):

Earnings per Share (EPS) – the numerators and denominators used to calculate earnings per share:-

Particulars	Year Ended on 31.03.2016	Year Ended on 31.03.2015
Profit/ (Loss) attributable to the Equity Shareholders (Rs.) (A)	(910553469)	(823923124)
Profit/ (Loss) Cash attributable to the Equity Shareholders (Rs.) (B)	(674501643)	(434349846)
Weighted average number of Equity Shares Outstanding during the year (C)	31308111	31308111
Nominal Value of Share (Rs.)	10	10
Earnings Per Share (Rs.) (A)/(C)	(29.08)	(26.32)
Earnings Per Share (Cash) (Rs.) (B)/(C)	(21.54)	(13.87)

12. Related Party Disclosure:

In accordance with Accounting Standard (AS-18) on related party disclosure, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship identified, are given below:

a) Individuals

- Shri Udit Rath
- Smt. Sonal Rath
- Smt. Divya Rath

b) Key Managerial Personnel

Shri Pradeep Kumar Rath
Shri P N Varshney

- c) The following transactions were carried out with related parties in the ordinary course of business:

(Rs)

Particulars	Key Managerial Personnel	Individuals
Paid for rendering of services	3107490	5280000

13. Segmental Reporting:

The business activity of the company falls within one broad segment viz Steel. Hence the disclosure requirement of Accounting Standard-17 of "Segment Reporting" issued by the Institute of Chartered Accounts of India is not given.

14. Previous year figures have been regrouped or recast wherever necessary.

As per our Report of even date
For M. LAL & Co.
Chartered Accountants

Sd/-
Sakshi Sethi
Company Secretary

Sd/-
P N Varshney
Director

Sd/-
Pradeep Kumar Rathi
Managing Director

Sd/-
M.L. Agrawal
M. No. 011148

Sd/-
Shyam Bageshara
CFO

Place: New Delhi

Dated: 09.06.2016

RATHI STEEL AND POWER LIMITED

CIN: L27109DL1971PLC005905

Registered Office: Chauhan Market, Madanpur Khadar, Near Local Shopping Complex,
Pocket –D & E, Sarita Vihar New Delhi- 110076

E-Mail: investors@rathisteelandpower.com www.rathisteelandpower.com

ATTENDANCE SLIP

Regd. Folio No./DPID-CLID

No. of Shares Held _____

Name of the Shareholders or Proxy (In Block Letters) _____

I hereby record my presence at the 45th Annual General Meeting of the Company to be held on Friday, the 30th day of September, 2016 at 11.00 a.m. at The Little theater Group, Copernicus marg, New Delhi-110001

Signature of the Shareholder/Proxy: _____

Note: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

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RATHI STEEL AND POWER LIMITED

CIN: L27109DL1971PLC005905

Registered Office: Chauhan Market, Madanpur Khadar, Near Local Shopping Complex,
Pocket –D & E, Sarita Vihar New Delhi- 110076

E-Mail: investors@rathisteelandpower.com www.rathisteelandpower.com

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

Folio/ DP-Client ID No. :

Name of the member(s) & Registered Address:

E-mail ID

I/We, being the Member (s) of.....Shares of Rathi Steel and Power Limited, hereby appoint:

1. Name: _____ Address: _____
E-mail Id: _____ Signature _____ or failing him;
2. Name: _____ Address: _____
E-mail Id: _____ Signature _____, or failing him;
3. Name: _____ Address: _____
E-mail Id: _____ Signature _____, or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company, to held on Friday, 30th September 2016 at 11.00 a.m. at The Little theater Group, Copernicus marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No	Resolutions	For	Against
	ORDINARY BUSINESS		
1.	Consider and adopt Audited financial statements of the Company for the financial year ended March 31st, 2016, the Report of the Board of Directors and Auditors' thereon (Ordinary Resolution)		
2.	Reappointment of Ms. AKANKSHA GARG (DIN 07193111), who retires by rotation and, being eligible. (Ordinary Resolution)		
3.	Ratification of appointment of Statutory Auditors and fixing their remuneration. (Ordinary Resolution)		
	SPECIAL BUSINESS		
4.	Approving the remuneration of the Cost Auditors for the financial year 2016-17 (Ordinary Resolution)		
5.	Appointment of Shri Prem Narain Varshney (DIN: 00012709) as Managing Director. (Special Resolution)		
6.	Approve segregation of both the units to unlock the value of both the units. (Special Resolution)		

Signed this _____ day of _____ 2016

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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