ADHUNIK INDUSTRIES LIMITED

(Formerly known as Bhagwati Resources Ltd.)
An ISO 9001:2008 , 14001 : 2004 & 18001 : 2007 Organisation
Corporate Office : "LANSDOWNE TOWERS", 2/1A, SARAT BOSE ROAD, KOLKATA - 700 020
Phone : 033-3051 7100 ☆ Fax : 91-33-2289 0285 ☆ Website : www.adhunikindustries.com
E-mail: info@adhunikgroup.com

9th August, 2017.

To,

The Secretary The BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400 001. Scrip Code- 538365	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai-400 051. Scrip Code- ADHUNIKIND
The Secretary The Calcutta Stock Exchange Ltd 7 Lyons Range Kolkata-700 001. Scrip Code- 10028188	

Dear Sir,

Sub: **Representation submitted to Securities and Exchange Board of India (SEBI)**

Ref: **Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Please find enclosed herewith representation submitted to Securities and Exchange Board of India (SEBI) and to Bombay Stock Exchange (BSE), National Stock Exchange of India Ltd. (NSE) and Calcutta Stock Exchange (CSE) in response of SEBI Letter No.- SEBI/HO/ISD/OW/P/2017/18183 dated August 7, 2017 for your kind information and records. Kindy disseminate the same on your website.

This disclosure in in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours truly,

For Adhunik Industries Limited

Managing Director
Name: Jugal Kishore Agarwal
DIN: 00227460

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E-mail: info@adhunikgroup.com

9th August 2017

To,
Securities and Exchange Board of India
SEBI Bhavan, Plot No C4-A
"G" Block, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051.

Dear Sirs,

This refers to your letter No.- SEBI/HO/ISD/OW/P/2017/18183 dated August 07, 2017 from the Integrated Surveillance Department, Chief General Manager, inter-alia, informing that SEBI has received a letter bearing no F No 03/73/2017-CL-II dated June 09, 2017 from the Ministry of Corporate Affairs (MCA) under which MCA has identified list of 331 companies as "suspected shell companies". The name of our company is appearing in serial no. 69 of the said list. The company has been moved to GSM stage VI directly.

We are shocked and surprised, and state and submit that the real fact is on the contrary as our Company is a fully operating Steel Manufacturing Company producing TMT Bars, Wire Rods and HB Wire and the factory is located in Raturia, Angadpur, Durgapur, West Bengal. The products of the company has a well established and renowned brand in the Eastern India and the products are being supplied to Government Organisations for their projects as well as other housing and infrastructure projects. The factory employs a large number of workers. It may also be noted that during the last three financial years we pay an amount of over Rs. 48.51 Crores toward electricity bills to The Durgapur Projects Ltd. towards power expenses for the said manufacturing activities.

Our company has been regularly operating its day to day business and has been filing statutory returns from time to time required to be filed under various laws.

It may be noted that in the last three years the company has a gross turnover of Rs. 1,316.75 Crores, EBIDTA of Rs. 86.29 Crores. Moreover we have paid an excise duty of Rs. 121.11 Crores in the last three years. The copies of the annual reports for the years 2014-15, 2015-16 and the financial results as on 31.03.2017 as submitted to NSE, BSE & CSE are enclosed and marked as **Annexure 1**.

It may further be noted that there are no investor complaints which are pending and we have at all times complied with all rules and regulations as well as various provisions of

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E-mail: info@adhunikgroup.com

the listing agreement and have been filing all required documents within the stipulated time with the concerned authorities.

We therefore request you to consider our above facts and submissions and withdraw such directions qua our company and place the same under normal trading as was being done.

Should you require any further clarifications and/or documentary evidence in support of our contention, kindly do let us know. We would also request you to kindly issue the necessary directions as such harsh actions against the company is directly prejudicial not only to the company but also to the public shareholders.

We shall be thankful and grateful for your early action in this regard.

Thanking you,

Yours faithfully,

For Adhunik Industries Ltd.

Managing Director
Name: Jugal Kishore Agarwal
DIN: 00227460

Encl: As stated above

CC:

1) The Secretary
   The BSE Ltd.
   Phiroze Jeejeebhoy Towers
   Dalal Street
   Mumbai-400 001.
   Scrip Code- 538365

2) The Secretary
   National Stock Exchange of India Limited
   Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.
   Scrip Code- ADHUNIKIND

ADHUNIK INDUSTRIES LIMITED

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Phone : 033-3051 7100 ☆ Fax : 91-33-2289 0285 ☆ Website : www.adhunikindustries.com

E-mail: info@adhunikgroup.com

3) The Secretary
   The Calcutta Stock Exchange Ltd
   7 Lyons Range, Kolkata-700 001.
   Scrip Code- 10028188

4) National Securities Depository Limited
   Times Tower, 1st Floor
   Kamala Mills Compound
   Senapati Bapat Marg, Lower Parel
   Mumbai-400 013.

5) Central Depository Services Limited
   17th Floor, P J Towers
   Dalal Street
   Mumbai-400 001.

Annexure - 1

Sudhir Kumar Jain & Associates
Chartered Accountants

Regd. Office : Moon House
5th Floor, Suit # 31
21, Ganesh Chandra Avenue
Kolkata - 700 013
Phone : 033 2211 3864 / 65
Fax : 033-2211 3865
E-mail : jain_sudhirkol@yahoo.co.in

Auditor's Report on Quarterly Financial Results and year to date results of the company pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

To the Board of Directors of
M/s Adhunik Industries Limited

1. We have audited the quarterly financial results of *M/s Adhunik Industries Limited* for the quarter ended 31st March, 2017 and the year to date results for the period 1st April, 2016 to 31st March, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25) prescribed, under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder, or by the Institute of Chartered Accountant of India, as applicable and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An Audit includes examining on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

   i) are presented in accordance with the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2017 as well as the year to date results for the period from 1st April, 2016 to 31st March, 2017.

For Sudhir Kumar Jain & Associates
Firm Registration No.: 318016E
Chartered Accountants

CA. S. Jain
Partner
Membership No. 053537

Place: Kolkata
Date: 22nd May, 2017.

ADHUNIK INDUSTRIES LIMITED
14, N.S. ROAD,2ND FLOOR, KOLKATA 700 001
Tel: 91 33 30517100; Fax: 91 33 22890285; E-mail- info@adhunikgroup.com
CIN-L65921WB1979PLC032200 Web Site- www.adhunikindustries.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017.

(Rs. In lacs except for EPS)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31/03/2017	31/12/2016	31/03/2016	31/03/2017	31/03/2016
		Audited (Refer Note 2)	Unaudited	Audited (Refer Note 2)	Audited	Audited
I	Revenue from Operations	8,660.80	8,418.40	6,852.62	37,433.60	41,007.66
II	Other Income	50.22	8.18	40.34	79.59	67.78
III	Total Revenue (I+II)	8,711.02	8,426.58	6,892.96	37,513.19	41,075.44
IV	**Expenses**					
	Cost of materails consumed	8,672.76	9,459.84	6,681.35	32,853.87	35,911.75
	Purchase of stock-in-trade	-	-	-	-	-
	Changes in inventories of finished goods	(2,085.80)	(2,326.51)	(1,956.54)	(941.13)	(860.20)
	Employee benefits expense	55.84	53.97	29.87	221.00	183.60
	Finance costs	502.57	335.83	453.38	1,537.52	1,755.65
	Depreciation and amortisation expense	89.92	98.66	89.96	370.79	345.23
	Other expenses	1,246.84	780.66	1,265.88	3,123.43	3,244.14
	Total Expenses	**8,482.13**	**8,402.45**	**6,563.90**	**37,165.48**	**40,580.17**
V	Profit before exceptional and extraordinary items and tax (III-IV)	228.89	24.13	329.06	347.71	495.27
VI	Exceptional Items	-	-	-	-	-
VII	Profit before extraordinary items and tax (V-VI)	228.89	24.13	329.06	347.71	495.27
VIII	Extraordinary Items	-	-	-	-	-
IX	Profit before tax (VII-VIII)	228.89	24.13	329.06	347.71	495.27
X	Tax Expense					
	(1) Current tax	68.25	(2.03)	156.11	84.26	254.03
	(2) Deferred Tax	21.90	3.25	4.78	33.22	13.81
		90.15	1.22	160.89	117.48	267.84
XI	Profit (Loss) for the period (IX-X)	138.74	22.91	168.17	230.23	227.43
XII	Paid-up equity share capital (Face Value of Rs. 10/- per Share)	4,676.38	4,676.38	4,676.38	4,676.38	4,676.38
XIII	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				5,823.21	5,592.98
XIV	Earnings Per Share (of Rs. 10/- each) (not annualised)					
	a) Basic and diluted EPS before Exceptional items					
	-Basic	0.29	0.05	0.36	0.49	0.49
	-Diluted	0.29	0.05	0.36	0.49	0.49
	a) Basic and diluted EPS before after Exceptional items					
	-Basic	0.29	0.05	0.36	0.49	0.49
	-Diluted	0.29	0.05	0.36	0.49	0.49

Notes :

1. The above results have been reviewed by the Audit Committee and approved by the Board of directors of the Company in their meeting held on 22.05.2017 and have been audited by the Statutory Auditors of the Company as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The figures of the quarter ended 31st March 2017 and 31st March, 2016 are the balancing figures between audited figures in respect of full financial year and published year to date figures upto nine months of the relevant financial year.
3. As the Company's business activity falls within a single primary business segment, viz. " Iron & Steel Products", the disclosure requirements of Accounting Standard-17 " Segment Reporting", as notified by Companies (Accounting Standard) Rules,2006 (as amended) are not applicable.
4. There are no exceptional & extraordinary items.
5. Figures have been regrouped and rearranged, wherever considered necessary.

ADHUNIK INDUSTRIES LTD. Kolkata

6 **Statement of Assets and Liabilities as on 31st March, 2017**

(Rs. in Lacs)

	Particulars	As at 31.03.2017	As at 31.03.2016
		Audited	Audited
A	**EQUITY AND LIABILITIES**		
1	**SHAREHOLDERS' FUND :**		
	(a) Share Capital	4,676.38	4,676.38
	(b) Reserves and Surplus	5,823.21	5,592.98
	Sub Total- Shareholders' Fund	**10,499.59**	**10,269.36**
2	**NON CURRENT LIABILITIES**		
	(a) Long Term Borrowings	25.00	445.10
	(b) Deferred Tax Liabilities (net)	940.93	907.72
	(c) Other Long Term Liabilities	600.64	590.92
	Sub Total- Non Current Liabilities	**1,566.57**	**1,943.74**
3	**CURRENT LIABILITIES**		
	(a) Short Term Borrowings	8,644.87	6,123.65
	(b) Trade Payables	5,245.69	6,516.71
	(c) Other Current Liabilities	1,575.35	2,158.60
	(d) Short Term Provisions	39.84	33.39
	Sub Total- Current Liabilities	**15,505.75**	**14,832.35**
	TOTAL- EQUITY AND LIABILITIES	**27,571.91**	**27,045.45**
B	**ASSETS**		
1	**Non Current Assets**		
	(a) Fixed Assets	5,413.06	5,730.33
	(b) Non Current Investments	4.00	4.00
	(c) Long Term Loans & Advances	65.35	76.92
	Sub Total- Non Current Assets	**5,482.41**	**5,811.25**
2	**CURRENT ASSETS**		
	(a) Inventories	8,807.87	8,118.74
	(b) Trade Receivables	8,786.37	8,231.18
	(c) Cash & Cash Equivalents	737.37	717.07
	(d) Short Term Loans & Advances	3,757.89	4,167.21
	Sub Total- Current Assets	**22,089.50**	**21,234.20**
	TOTAL- ASSETS	**27,571.91**	**27,045.45**

Place : Kolkata
Date : 22.05.2017.

ADHUNIK INDUSTRIES LTD Kolkata

By Order of the Board

Managing Director
Name: Jugal Kishore Agarwal
DIN: 00227460

SUCCESS SAGAS WRITTEN IN STEEL



Adhunik
TMT BARS

37th ANNUAL REPORT 2015-16

ADHUNIK INDUSTRIES LTD.

THE MAN WHO SHOWED THE WAY TO EXCEL

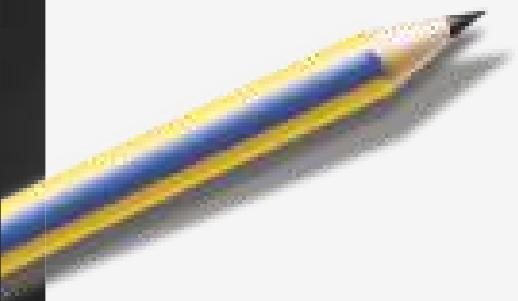


Late Mahadeo Prasad Agarwal
(24th October 1925 – 13th May 2002)

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

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

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



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CORPORATE INFORMATION

BOARD OF DIRECTORS



Mr. Jugal Kishore Agarwal
Managing Director
(DIN-00227460)



Mr. Mohan Lal Agarwal
Non-Executive Director
(DIN-01047906)



Mr. Mahesh Kumar Agarwal
Non- Executive Chairman
(DIN-00507690)



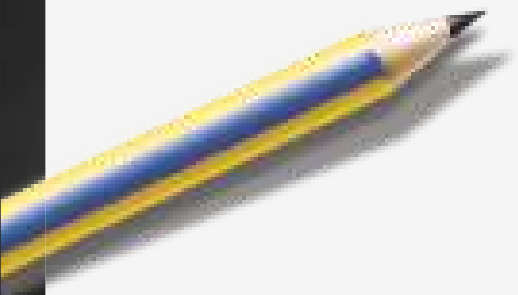
Mr. Asit Baran Dasgupta
Independent Director
(DIN-02476594)



Mr. Chandra Shekhar Jalan
Independent Director
(DIN-01023586)



Ms. Archana Gupta Sha
Independent Woman Director
(DIN-07089290)



CORPORATE INFORMATION Cont.

CHIEF FINANCIAL OFFICER

Shri Bikash Roy Chowdhury

COMPANY SECRETARY

Shri Bharat Agarwal

STATUTORY AUDITORS

M/s. Sudhir Kumar Jain & Associates
Chartered Accountants

COST AUDITORS

M/s. Dipak Lal & Associates
Cost Accountants

SECRETARIAL AUDITORS

M/s. M R & Associates
Company Secretaries

INTERNAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

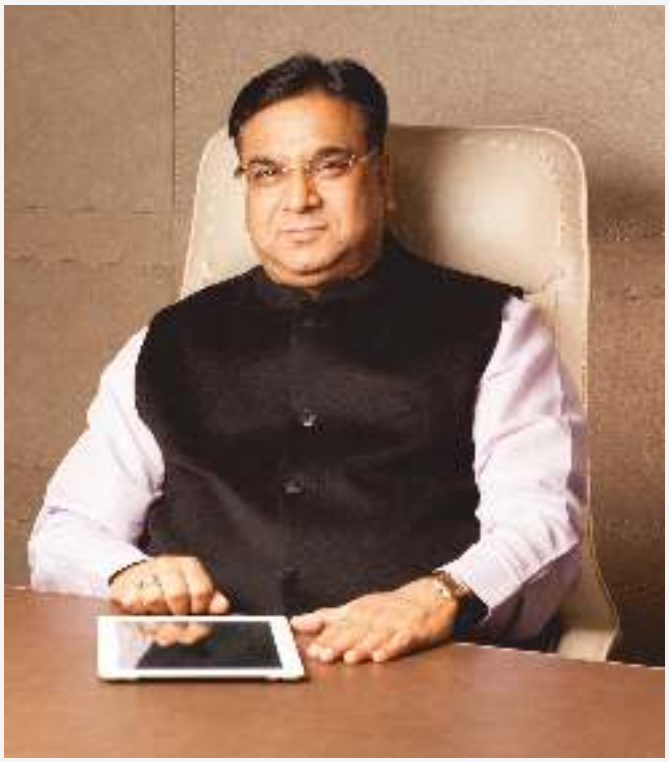
Lansdowne Towers
2/1 A, Sarat Bose Road
Kolkata-700 020
Phone: (033) 3051-7100
Fax: (033) 2289-0285
E-mail: info@adhunikgroup.com
Website: www.adhunikindustries.com

WORKS

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

REGISTRAR & TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane
Kolkata-700 001
Phone: (033) 2243-5809
Fax: (033) 2248-4787
E-mail: mdpldc@yahoo.com



Chairman's Statement

Dear Fellow Shareholders,

The Steel industry is the backbone of any economy, especially in developing countries whose material intensity is likely to increase significantly in the future, for infrastructure development and growth in manufacturing sector. Among these, Indian economy is one that is poised to grow significantly over the next decade with its per capita consumption nearly at one-fourth of the global average. A competitive and efficient domestic steel industry is a pre-requisite for India to succeed in its industrial vision for **'Make in India'**. Investments in the steel sector are highly capital intensive and long term in nature, whose economic viability is dependent on the fundamental growth assumptions of the domestic economy. The Government of India aims to triple the steel capacity to 300 million tonnes by 2025. In order to ensure that such capacity is viable to set up and value creating for the stakeholders, it is important to ensure that the ease of doing business is enhanced and the Indian steel industry is not unfairly harmed by low priced subsidised imports from overseas.

In India, the Steel Industry is passing through a challenging phase. Domestic consumption is severely affected due to lack of activity in infrastructure, as well as in the manufacturing scope. The biggest challenge facing the domestic steel industry is to have the per capita steel consumption in India at par with the average global company. In this challenging phase, your Company had tried its best to maintain the level of performance.The financial year 2015-16 has been an average year for the Company. The Company faced many challenges in its operating sector due to falling prices of finished products, spurred by significant imports from countries like China, Korea etc. like many other players operating in the similar sector. In spite of significant fall in prices of finished goods as compared to last year, the Company's revenue from operations decreased by 0.34% only. However,net profit significantly decreased by 78.87%.

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

Further, we express our deep condolences for the sudden demise of Shri Shyam Bahadur Singh, Independent Non-Executive Director of the Company on March 26, 2016 and deeply appreciate the valuable contributions made by him in the growth of the Company.

CORPORATE SOCIAL RESPONSIBILITY

CSR activities continue to play a pivotal role with focus on inclusive sustainable growth. In the year 2015-16, the emphasis was on society's care and provision of welfare measures to the needy. A separate section is provided in Directors' Report regarding CSR activities.

CORPORATE GOVERNANCE

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

ROAD AHEAD

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

APPRECIATION

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

With best wishes,

Sincerely,

Mahesh Kumar Agarwal
Chairman
27th May, 2016.

ADHUNIK INDUSTRIES LIMITED

BOARD'S REPORT

DEAR MEMBERS,

Your Directors are pleased to present the Thirty Seventh Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company for the financial year ended 31st March, 2016 is as under:

(₹ in Lakhs)

Particulars	Year ended	
	31st March, 2016	31st March, 2015
Total Revenue	41,075.44	41,213.85
Total Expenditure (including depreciation and other expenses etc.)	40,580.18	39,635.20
Profit Before Tax	**495.26**	**1,578.65**
Total Tax expense	267.83	502.10
Profit After Tax	**227.43**	**1,076.55**
Profit brought forward from earlier year	5,365.55	4,303.60
Less: Depreciation adjustment pertaining to earlier years	-	14.60
Profit available for Appropriation	5,592.98	5,365.55
Paid up Equity Share Capital	4,676.38	4,676.38
Net Worth	10,269.36	10,041.93

OPERATIONS

Iron & Steel is indispensable for nation building and has a direct linkage with nation's health and growth. FY 2015-16 continued to be a very challenging year for global economy and in particular for iron and steel industry in India. The key highlights of Company's performance during the year under review are:

- In spite of significant fall in prices of finished goods as compared to last year, revenue from operations decreased by 0.34% to Rs. 41,075.44 Lakhs only.
- In spite of significant fall in prices of finished goods in relation to fall in prices of raw materials as compared to last year, EBIDTA decreased by 31.27% to Rs. 2,596.14 Lakhs only as compared to Rs. 3,777.29 Lakhs in last year.
- Profit before Tax decreased by 68.63% to Rs. 495.26 Lakhs of current year as compared to Rs. 1,578.65 Lakhs of last year.
- Profit after Tax decreased by 78.87% to Rs. 227.43 Lakhs of Current year as compared to Rs. 1,076.55 Lakhs of last year.

STATE OF THE COMPANY'S AFFAIRS

The financial year 2015-16 has been an average year for the Company. The Company had faced many challenges in its operating sector due to falling in prices of finished products, spurred by significant imports from countries like China, Korea etc. like many other players operating in the similar sector. With the intervention of government of India and its implementation of various measures and steps in its foreign policy, the impact of the situation was nullified not fully but to some extent. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

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

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

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

There is no change in the nature of business implemented by the Company during the Financial Year 2015-16.

INDUSTRY SCENARIO AND OUTLOOK

The year 2015 was marked by deflation of commodity prices globally bringing down steel prices. Globally, crude steel production was 385.7 Mt in the first three months of 2016, down by -3.6% compared to the same period in 2015. Asia produced 263.6 Mt of crude steel, a decrease of -3.1% over the first quarter of 2015. The EU produced 40.9 Mt of crude steel in the first quarter of 2016, down by -7.0% compared to the same quarter of 2015. North America's crude steel production in the first three months of 2016 was 27.5 Mt, a decrease of -1.1% compared to the first quarter of 2015.

China's crude steel production for March 2016 was 70.7 Mt, an increase of 2.9% compared to March 2015. Elsewhere in Asia, Japan produced 8.6 Mt of crude steel in March 2016, a decrease of -6.8% compared to March 2015. India's crude steel production was 8.1 Mt in March 2016, up by 3.4% on March 2015.

The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 600,000 people. India's steel consumption for FY 2015-16 has increased to 7 per cent, higher than 2 per cent growth last year, due to improving economic activity.

Indian steel industry plays crucial role in development of nation and is considered as the backbone of civilization and the level of per capita consumption of steel is an important determinant of the socio-economic development of the country. The Indian steel industry is divided into primary and secondary sectors. The primary sector comprises a few large integrated steel providers producing billets, slabs and hot rolled coils. The secondary sector involves small units focused on the production of value-added products such as cold rolled coils, galvanised coils, angles, columns, beams.

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

DIVIDEND AND RESERVES

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

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

SHARE CAPITAL

The Company has not issued and allotted any shares during the financial year ended 31st March, 2016. As on 31st March, 2016, the issued, subscribed and paid up share capital of your Company stood at Rs. 46,76,37,500/- (Rupees Forty Six Crores Seventy Six Lakhs Thirty Seven Thousand and Five Hundred Only) comprising of 4,67,63,750 (Four Crores Sixty Seven Lakhs Sixty Three Thousand and Seven Hundred and Fifty) number of Equity shares of Rs.10/- each fully paid up.

INDUSTRIAL RELATIONS

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

CREDIT RATING

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DETAILS OF BOARD MEETINGS

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

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

Date of the meeting	No. of Directors attended the meeting
29th May, 2015	6 (Six)
13th August, 2015	6 (Six)
14thNovember, 2015	5 (Five)
11th February, 2016	6 (Six)

The Company had passed a circular resolution on 18th January, 2016 which was passed with requisite majority.

COMMITTEES OF BOARD

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

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

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

a. Audit Committee

During the year under review, the Audit Committee had met four times i.e. on 29th May, 2015, 13th August, 2015, 14th November, 2015 and 11th February, 2016. The details of composition of the Audit Committee are as under:-

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

* demise on 26/03/2016.

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

Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company.

b. Nomination & Remuneration Committee

During the year under review, the Nomination and Remuneration Committee had met one time on 13th August, 2015. The details of composition of the Nomination & Remuneration Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Archana Gupta Sha	Chairman
2.	Shri Shyam Bahadur Singh*	Member
3.	Shri Mahesh Kumar Agarwal	Member

* demise on 26/03/2016.

c. Corporate Social Responsibility Committee

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

During the year, the Committee had met once i.e. on 29th May, 2015.The details of composition of the Corporate Social Responsibility Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Chairman
2.	Shri Shyam Bahadur Singh*	Member
3.	Shri Mohan Lal Agarwal	Member

* demise on 26/03/2016.

d. Stakeholders' Relationship Committee

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

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

e. Management and Finance Committee

The Management and Finance Committee met 1 (One) time during the Year 2015-16 i.e on 6th July, 2015. The details of composition of the Management and Finance Committee are as under:-

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) In the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent except as otherwise stated in the Notes to Financial Statements so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors had prepared the annual accounts on a 'going concern' basis;

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD INDEPENDENCE

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

a) Shri Asit Baran Dasgupta (DIN: 02476594)

b) Shri Shyam Bahadur Singh (DIN: 01982407) (demise on 26/03/2016)

c) Smt. Archana Gupta Sha (DIN: 07089290)

DIRECTORS

Shri Asit Baran Dasgupta (DIN: 02476594), Shri Shyam Bahadur Singh (DIN: 01982407) and Smt. Archana Gupta Sha (DIN: 07089290) has furnished their individual declaration on 1st April, 2015 pursuant to Section 149(7) of the Companies Act, 2013 confirming their status as an Independent Director pursuant to provisions of Section 149(6) of the Companies Act, 2013. Shri Shyam Bahadur Singh (DIN No.01982407), Independent Director ceased to be a Director w.e.f 26/03/2016 due to his unfateful demise.

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

In accordance with the provisions of Section 152 of the Act, the Rules prescribed there under and your Company's Articles of Association, Shri Mahesh Kumar Agarwal (DIN: 00507690) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Shri Mahesh Kumar Agarwal (DIN: 00507690) at the ensuing Thirty Seventh Annual General Meeting.

Mr. Chandra Shekhar Jalan (DIN No.- 01023586) has appointed as an Additional Non-Executive Independent Director of the Company on 27th May, 2016 upto the conclusion of 37th Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL(KMPs)

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

The members had also re-appointed Shri Jugal Kishore Agarwal (DIN: 00227460) as the Managing Director of the Company in the 35th Annual General Meeting held on 18th September, 2014 for a period of three (3) years w.e.f. 30th November, 2014.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

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

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

- The Board member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in appropriate manner.

- Independent Director shall be person of integrity and expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.

- In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievement.

- Director should possess high level of personal and professional ethics, integrity and values. He should be able to balance the legitimate interest and concern of all the Company's stakeholder in arriving at decisions, rather than advancing the interest of a particular constituency.

- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.

- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

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

RISK MANAGEMENT

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

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

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

HUMAN RESOURCE

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

SAFETY, HEATH AND ENVIREONMENT

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

Pursuant to the requirements under Section 135 of the Companies Act, 2013 and Rules made there under a report on CSR activities and initiatives taken during the year in the prescribed format is given in **Annexure-B**, which is annexed hereto and forms part of the Board's Report.

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

DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

The names and other particulars of the Directors/Key Managerial Personnel (KMPs)/Employees of your Company as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in the **Annexure - C** to the Board's Report and forms part of this report.

None of the employees is covered under provisions of Section 197(12) of Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RISK AND CONCERN

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

BOARD EVALUATION

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

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

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

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

In a separate meeting of Independent Directors, held on 11th February, 2016, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATES COMPANIES

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

DEPOSITS

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

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

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

INTERNAL CONTROL AND AUDIT

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

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITORS

In terms of the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sudhir Kumar Jain & Associates, Chartered Accountants, the statutory Auditors of the Company holds office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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

COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants (a Cost Audit Firm), as Cost Auditor of the Company w.e.f. 1st April, 2016 to 31st March, 2017 to carry out audit of cost records of the Company, who was also the Cost Auditor for the Financial year 2015-16.The remuneration proposed to be paid to them in Financial Year 2016-17 requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. The report issued by the cost auditor for the Financial Year 2015-16 is self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. M R & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure- D to this Report. The report is self-explanatory and do not call for any further comments.

The Board has also appointed M/s. M R & Associates, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2016-17.

RELATED PARTY TRANSACTIONS

According to the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, all transactions entered with Related Parties during the financial year 2015-16 were on arm's length basis and were in the ordinary course of business.

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and may be accessed at the link http://www.adhunikindustries.com/download/_1421230517.pdf

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

As there are no materially significant related party transactions during the year under review entered into 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, so the disclosure of information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 is not required. However, the Company is in the process of obtaining shareholder's approval on the proposed material related party transaction.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013, the Company has Unclaimed dividend of earlier years aggregating to Rs. 2,72,000/- deposited in separate bank accounts, an amount of Rs 68,000/- which is liable to be transferred to Investor Education and Protection Fund (IEPF) has been duly transferred during the year. Inclusion of the said amount does not have any impact on the profitability of the company.

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

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

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

FORWARD LOOKING AND CAUTIONARY STATEMENTS

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

APPRECIATION

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

For and on behalf of the Board

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 27.05.2016

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

ANNEXURES TO THE BOARD'S REPORT

Annexure-A

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

A. Conservation of Energy

i) a) Energy conservation measures taken;

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

- Use of Coal Based Methane (CBM) Gas exclusively for re-heating Furnace in place of earlier used Producer Gas generated from coal.
- Replacement of inefficient motor with energy efficient motors coupled with variable speed drives.
- Replaced old conventional light fittings by latest generation CFL and LED light fittings in the operational and official floors.
- Effective maintenance and improvement in power factor by installing Capacitor Bank in the plant.
- Installation of D.C. Drives in Power Panels in place of earlier A.C. Drives in the Block Mill.

b) Impact on conservation of Energy;

The Company observed the following positive impact due to the energy conservation measures taken by the Company as under-

- Reduction in Plant specific energy consumption at various levels.
- With the use of CBM Gas in place of coal has lead to reduction in carbon emission to the green environment to great extent and thus reduces pollution.
- With installation of energy efficient motors, efficiency of the Plant is overall improved.
- Plant availability is also improved.

ii) Steps in utilization of alternate sources of energy

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

iii) Capital investment on energy conservation equipments

The total capital investment on energy conservation equipment's incurred by the Company during the financial year ended March 31, 2016 is Rs. 38.16 Lacs.

B. Technology Absorption

i) The efforts made by the Company towards technology absorption during the year under review are as under:

- Installation of advanced Oxygen Analyzer machine to reduce scale loss during the production process.
- Installation of various machine based testing system to check the quality of the product produced.

ii) Adhunik Industries Limited finished products are always set a reputable standard in the market in comparison to its peers. With the adoption various advanced methodology in the production process will help the Company to reduce its cost of production and also the quality and durability of the products are also improved.

iii) The Company had not imported any foreign technology during the period under review.

iv) The Company had not incurred any major expenditure which can specifically appropriated to Research and Development work.

C. Foreign Exchange Earnings and Outgo

a) Activities relating to exports, initiatives taken to increase exports; development of new export markets for product and export plans:

The Company is actively exploring the export market and has taken various initiative to increase exports of its products.

b) Total foreign exchange earned in terms of actual inflow and outgo:

Total foreign exchange used and earned	2015-16	2014-15
Foreign Exchange Inflow (Rs. in Lakhs)	-	675.87
Foreign Exchange Outgo (Rs. in Lakhs)	21.28	19.35

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 27.05.2016

For and on behalf of the Board

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Annexure-B

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

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

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

2. The composition of CSR Committee is as under:

Shri Mahesh Kumar Agarwal
Shri Mohan Lal Agarwal
Shri Shyam Bahadur Singh (demise on 26/03/2016)

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

2012-13, 2013-14 and 2014-15 is Rs. 899.28 Lacs.

4. The prescribed CSR expenditure at 2%: Rs. 17.99 Lacs

5. Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year 2015-16: Rs. 19.57 Lacs

b) Amount unspent, if any: Not applicable

c) Manner in which the amount spent during the financial year 2015-16 is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: i) Direct expenditure on projects or programs ii) Overheads	Cumulative expenditure upto the reporting period i.e. 2015-16	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
				Rs. in Lacs	Rs. in Lacs	Rs.in Lacs	
I	Organizing programs for distribution of food to the weaker section on regular basis	Hunger, Poverty and malnutrition	Durgapur, Kolkata, West Bengal	9.09	10.67	10.67	Direct
ii	Organizing programs for distribution of clothes and basic necessity items to the weaker section on regular basis	Hunger, Poverty and malnutrition	Durgapur, Kolkata, West Bengal	7.00	6.99	6.99	Direct
iii	Responsibility for providing education	Education	Kolkata, West Bengal	1.00	1.10	1.10	Through implementing agency i.e. Purvanchal Kalyan Ashram
iv	Supervision of CSR activities	Overheads	Durgapur, Kolkata, West Bengal	0.09	0.81	0.81	Direct
	Total			17.99	19.57	19.57	

6. **In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount:** Not Applicable

7. **A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

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

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 27.05.2016

For and on behalf of the Board

Mahesh Kumar Agarwal
Chairman of the CSR Committee
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Annexure-C

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

<table>
<tr><th>Sr. No.</th><th>Requirements</th><th>Disclosure</th></tr>
<tr><td>1</td><td>The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year</td><td>
<table>
<tr><th>Name of the Director</th><th>Ratio</th></tr>
<tr><td>Shri Jugal Kishore Agarwal*</td><td>31:1</td></tr>
</table>
1. Apart from Managing Director, no director is in receipt of any remuneration from the Company.
2. Sitting Fees paid to the Directors have not been considered as remuneration.
3. Figures have been rounded off wherever necessary.
</td></tr>
<tr><td>2</td><td>The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financialyear</td><td>
<table>
<tr><td>Shri Jugal Kishore Agarwal*</td><td>NIL</td></tr>
<tr><td>Shri Bikash Roy Chowdhury</td><td>NIL</td></tr>
<tr><td>Shri Bharat Agarwal</td><td>41.45%</td></tr>
</table>
</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the financial year</td><td>In the financial year, there was an increase of 0.33 % in the median remuneration of employees.</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of Company</td><td>There were 127 permanent employees on the rolls of the Company as on March 31, 2016.</td></tr>
<tr><td>5</td><td>The explanation on the relationship between average increase in remuneration and company performance</td><td>The Profit before Tax for the financial year ended March 31, 2016 decreased by 68.63% whereas increase in median remuneration was 0.33%. The average increase in median remuneration was more or less in line with the overall performance of the Company as well as performance of the industry and partly on individual employee's performance.</td></tr>
<tr><td>6</td><td>Comparison of the remuneration of the Key Managerial Personnel against the performance of the company</td><td>The total remuneration of Key Managerial Personnel decreased by 27.34 % from Rs. 48.92 lacs in 2014-15to Rs. 35.55 Lacs in 2015-16 whereas the Profit before Tax decreased by 68.63% to Rs. 495.26 Lacs in 2015-16 (Rs. 1,578.65 Lacs in 2014-15)</td></tr>
<tr><td>7</td><td>Variations in the market capitalization 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</td><td>
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>₹ in Lacs</th></tr>
<tr><td>1</td><td>Market Cap Variation</td><td></td></tr>
<tr><td></td><td>Mcap as on 31st March, 2016</td><td>435.84</td></tr>
<tr><td></td><td>Mcap as on 31st March, 2015</td><td>636.92</td></tr>
<tr><td></td><td>Variation in Mcap in FY 2015-16 (%)</td><td>(31.57)</td></tr>
<tr><td>2</td><td>Price-to- Earning Ratio</td><td></td></tr>
<tr><td></td><td>PE as on 31st March, 2016</td><td>191.64</td></tr>
<tr><td></td><td>PE as on 31st March, 2015</td><td>59.22</td></tr>
<tr><td></td><td>Variation in PE in FY 2015-16 (%)</td><td>223.60</td></tr>
</table>
No public offer made by the Company since listing of shares of the Company. (Note-No active trading was carried on at Calcutta Stock Exchange during the period of comparison.)
</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Requirements</th><th colspan="4">Disclosure</th></tr>
<tr><td>8</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereo and point out if there are any exceptional circumstances for increase in the managerial remuneration</td><td colspan="4">Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 is 9.26 % whereas increase in managerial remuneration for the same financial year was NIL.*</td></tr>
<tr><td rowspan="4">9</td><td rowspan="4">Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company</td><td>Particulars</td><td>Remuneration for FY 2015-16 (Rs. in Lacs)</td><td>% of Gross Revenue for FY 2015-16</td><td>% of Net Profit for FY 2015-16</td></tr>
<tr><td>ShriJugal Kishore Agarwal- MD</td><td>15.00</td><td>0.03</td><td>6.60</td></tr>
<tr><td>Shri Bikash Roy Chowdhury</td><td>15.00</td><td>0.03</td><td>6.60</td></tr>
<tr><td>Shri Bharat Agarwal</td><td>5.55</td><td>0.01</td><td>2.44</td></tr>
<tr><td>10</td><td>The key parameters for any variable component of remuneration availed by the directors</td><td colspan="4">Shri Jugal Kishore Agarwal, Managing Director is not paid any variable remuneration. Apart from that, no remuneration paid to any other director of the Company during the year ended March 31, 2016.</td></tr>
<tr><td>11</td><td>The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</td><td colspan="4">The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.</td></tr>
<tr><td>12</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company</td><td colspan="4">It is hereby affirmed that the remuneration paid during the year ended 31st March, 2016 is as per the Remuneration Policy of the Company.</td></tr>
</table>

*Keeping in mind the decrease in the net profit by 78.87% in the financial year 2015-16, the Managing Director willingly expressed to forego 50% of his remuneration and receive Rs. 15 Lakhs only, against Rs. 30 Lakhs as per the shareholders' approval and Employment contract with the company.

General Note:

1) Calculation of Market Capitalization, price to earnings and other details are based on stock price on Bombay Stock Exchange on relevant dates.

2) Profit of the Company is calculated as per Section 198 of the Companies Act, 2013.

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 27.05.2016

For and on behalf of the Board

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Annexure-D

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,

The Members,

ADHUNIK INDUSTRIES LIMITED

14, N. S. Road, 2nd Floor,

Kolkata-700001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADHUNIK INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporateconducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company 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 31st March,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 the Company for the financial year ended on 31st March, 2016 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from May 15, 2015);

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

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

We further report that having regard to the compliance system prevailing in the Company and as per the representation made by the Management, the Company has complied with the specific applicable laws like:

(a) Factories Act, 1948,
(b) Industrial Dispute Act, 1947,
(c) Environment (Protection) Act, 1986 and other environment laws,
(d) Payment of Wages Act, 1936 and other applicable labour laws,
(e) The Air (Prevention & Control of Pollution) Act, 1981,
(f) Water (Prevention and Control of Pollution) Act, 1974 etc.

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

(i) Secretarial Standards, SS-1 and SS-2 issued by The Institute of Company Secretaries of India, effective from July 1, 2015
(ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited andBombay Stock Exchange Limited.

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review due to sad demise of ShriShyamBahadur Singh (DIN No. 01982407) on March 26th, 2016, were carried out in compliance with the provisions of the Act.

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

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

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

This Report is to be read with our letter of even date which is annexed **"ANNEXURE - A"** and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries

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

Place : Kolkata
Date : 27.05.2016

"ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT OF ADHUNIK INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016)

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

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.

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

For MR & Associates
Company Secretaries

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

Place : Kolkata
Date : 27.05.2016

Annexure-E

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	NIL	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,231,050	-	3,231,050	6.91%	3,231,050	-	3,231,050	6.91%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	31,823,750	-	31,823,750	68.05%	31,823,750	-	31,823,750	68.05%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	35,054,800	-	35,054,800	74.96%	35,054,800	-	35,054,800	74.96%	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI's	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	35,054,800	-	35,054,800	74.96%	35,054,800	-	35,054,800	74.96%	-

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding (Cont.)

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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9,514,788	-	9,514,788	20.35%	9,198,217	-	9,198,217	19.67%	0.68%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital upto ₹ 1 lakh	59,572	1	59,573	0.13%	53,094	1	53,095	0.11%	0.01%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,130,364	-	2,130,364	4.56%	2,452,993	-	2,452,993	5.25%	-0.69%
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	4,225	-	4,225	0.01%	4,645	-	4,645	0.01%	0.00%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)	11,708,949	1	11,708,950	25.04%	11,708,949	1	11,708,950	25.04%	-
Total Public (B)	11,708,949	1	11,708,950	25.04%	11,708,949	1	11,708,950	25.04%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	46,763,749	1	46,763,750	100.00%	46,763,749	1	46,763,750	100.00%	-

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahesh Kumar Agarwal	524,000	1.12%	-	524,000	1.12%	-	-
2	Manoj Kumar Agarwal	516,550	1.10%	-	516,550	1.10%	-	-
3	Ghanshyam Das Agarwal	510,500	1.09%	-	510,500	1.09%	-	-
4	Jugal Kishore Agarwal	494,500	1.06%	-	494,500	1.06%	-	-
5	Nirmal Kumar Agarwal	489,000	1.05%	-	489,000	1.05%	-	-
6	Mohan Lal Agarwal	441,500	0.94%	-	441,500	0.94%	-	-
7	Rita Agarwal	75,000	0.16%	-	75,000	0.16%	-	-
8	Chandrakanta Agarwal	52,500	0.11%	-	52,500	0.11%	-	-
9	Meena Agarwal	50,000	0.11%	-	50,000	0.11%	-	-
10	Jugal Kishore Agarwal (HUF)	50,000	0.11%	-	50,000	0.11%	-	-
11	Nirmal Kumar Agarwal (HUF)	27,500	0.06%	-	27,500	0.06%	-	-
12	Adhunik Steels Ltd.	340,000	0.73%	-	340,000	0.73%	-	-
13	Mahananda Suppliers Ltd.	16,600,000	35.50%	-	16,600,000	35.50%	-	-
14	Sungrowth Share & Stocks Ltd.	14,883,750	31.83%	-	14,883,750	31.83%	-	-

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			35,054,800	74.96%	35,054,800	74.96%
	Changes during the year			No Change during the year			
	At the end of the year			35,054,800	74.96%	35,054,800	74.96%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Gyaneshwar Consultants LLP #						
	At the beginning of the year	01-04-15		1,200,000	2.57%	1,200,000	2.57%
	Changes during the year	04-03-16	Transfer	(1,200,000)	-2.57%	-	0.00%
	At the end of the year	31-03-16		-	0.00%	-	0.00%
2	Brijgopal Consultants LLP #						
	At the beginning of the year	01-04-15		1,190,000	2.54%	1,190,000	2.54%
	Changes during the year	04-03-16	Transfer	(1,190,000)	-2.54%	-	0.00%
	At the end of the year	31-03-16		-	0.00%	-	0.00%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	Om Sarvavidya Consultants LLP #						
	At the beginning of the year	01-04-15		1,100,000	2.35%	1,100,000	2.35%
	Changes during the year	04-03-16	Transfer	(1,100,000)	-2.35%	-	0.00%
	At the end of the year	31-03-16		-	0.00%	-	0.00%
4	Shri Nand Kishor Singh						
	At the beginning of the year	01-04-15		42,875	0.09%	42,875	0.09%
	Changes during the year	10-04-15	Transfer	4,304	0.01%	47,179	0.10%
	Changes during the year	24-04-15	Transfer	(900)	0.00%	46,279	0.10%
	Changes during the year	01-05-15	Transfer	3,187	0.01%	49,466	0.11%
	Changes during the year	08-05-15	Transfer	848	0.00%	50,314	0.11%
	Changes during the year	15-05-15	Transfer	544	0.00%	50,858	0.11%
	Changes during the year	22-05-15	Transfer	300	0.00%	51,158	0.11%
	Changes during the year	29-05-15	Transfer	500	0.00%	51,658	0.11%
	Changes during the year	05-06-15	Transfer	23,851	0.05%	75,509	0.16%
	Changes during the year	12-06-15	Transfer	976	0.00%	76,485	0.16%
	Changes during the year	19-06-15	Transfer	5,149	0.01%	81,634	0.17%
	Changes during the year	26-06-15	Transfer	382	0.00%	82,016	0.18%
	Changes during the year	24-07-15	Transfer	(250)	0.00%	81,766	0.17%
	Changes during the year	31-07-15	Transfer	600	0.00%	82,366	0.18%
	Changes during the year	07-08-15	Transfer	590	0.00%	82,956	0.18%
	Changes during the year	14-08-15	Transfer	6,134	0.01%	89,090	0.19%
	Changes during the year	04-09-15	Transfer	(45)	0.00%	89,045	0.19%
	Changes during the year	09-10-15	Transfer	(500)	0.00%	88,545	0.19%
	Changes during the year	16-10-15	Transfer	1,160	0.00%	89,705	0.19%
	Changes during the year	30-10-15	Transfer	500	0.00%	90,205	0.19%
	Changes during the year	06-11-15	Transfer	300	0.00%	90,505	0.19%
	Changes during the year	04-12-15	Transfer	600	0.00%	91,105	0.19%
	Changes during the year	11-12-15	Transfer	425	0.00%	91,530	0.20%
	Changes during the year	18-12-15	Transfer	150	0.00%	91,680	0.20%
	Changes during the year	12-02-16	Transfer	3,225	0.01%	94,905	0.20%
	At the end of the year	31-03-16		94,905	0.20%	94,905	0.20%
5	Prudent Broking Services Pvt. Ltd. #						
	At the beginning of the year	01-04-15		50,622	0.11%	50,622	0.11%
	Changes during the year	10-04-15	Transfer	(502)	0.00%	50,120	0.11%
	Changes during the year	24-04-15	Transfer	(159)	0.00%	49,961	0.11%
	Changes during the year	05-06-15	Transfer	500	0.00%	50,461	0.11%
	Changes during the year	12-06-15	Transfer	(500)	0.00%	49,961	0.11%
	Changes during the year	03-07-15	Transfer	(49,961)	-0.11%	-	0.00%
	At the end of the year	31-03-16		-	0.00%	-	0.00%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
6	Shri Deep S Bhanusali #						
	At the beginning of the year	01-04-15		2,067,542	4.42%	2,067,542	4.42%
	Changes during the year	03-04-15	Transfer	10,000	0.02%	2,077,542	4.44%
	Changes during the year	12-06-15	Transfer	(2,542)	-0.01%	2,075,000	4.44%
	Changes during the year	19-06-15	Transfer	(2,062,458)	-4.41%	12,542	0.03%
	Changes during the year	26-06-15	Transfer	(12,542)	-0.03%	-	0.00%
	Changes during the year	04-09-15	Transfer	670,000	1.43%	670,000	1.43%
	Changes during the year	11-09-15	Transfer	690,000	1.48%	1,360,000	2.91%
	Changes during the year	16-10-15	Transfer	(704,000)	-1.51%	656,000	1.40%
	Changes during the year	23-10-15	Transfer	14,000	0.03%	670,000	1.43%
	Changes during the year	30-10-15	Transfer	(28,000)	-0.06%	642,000	1.37%
	Changes during the year	06-11-15	Transfer	(122,000)	-0.26%	520,000	1.11%
	Changes during the year	27-11-15	Transfer	2,032,700	4.35%	2,552,700	5.46%
	Changes during the year	04-12-15	Transfer	(77,700)	-0.17%	2,475,000	5.29%
	Changes during the year	11-12-15	Transfer	(12,000)	-0.03%	2,463,000	5.27%
	Changes during the year	05-02-16	Transfer	(2,060,300)	-4.41%	402,700	0.86%
	Changes during the year	12-02-16	Transfer	(15,193)	-0.03%	387,507	0.83%
	Changes during the year	19-02-16	Transfer	(1,151)	0.00%	386,356	0.83%
	Changes during the year	26-02-16	Transfer	(386,356)	-0.83%	-	0.00%
	Changes during the year	04-03-16	Transfer	12,561	0.03%	12,561	0.03%
	Changes during the year	11-03-16	Transfer	2,277,114	4.87%	2,289,675	4.90%
	Changes during the year	18-03-16	Transfer	(2,289,675)	-4.90%	-	0.00%
	At the end of the year	31-03-16		-	0.00%	-	0.00%
7	Nirmal Bang Securities Pvt. Ltd. #						
	At the beginning of the year	01-04-15		20,000	0.04%	20,000	0.04%
	Changes during the year	03-04-15	Transfer	(10,000)	-0.02%	10,000	0.02%
	Changes during the year	12-06-15	Transfer	2,542	0.01%	12,542	0.03%
	Changes during the year	19-06-15	Transfer	(12,540)	-0.03%	2	0.00%
	Changes during the year	26-06-15	Transfer	(2)	0.00%	-	0.00%
	At the end of the year	31-03-16		-	0.00%	-	0.00%
8	Smt. Kavita Gupta						
	At the beginning of the year	01-04-15		19,947	0.04%	19,947	0.04%
	Changes during the year	30-06-15	Transfer	753	0.00%	20,700	0.04%
	At the end of the year	31-03-16		20,700	0.04%	20,700	0.04%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	Vrindavan Advisory Services LLP						
	At the beginning of the year	01-04-15		4,563,408	9.76%	4,563,408	9.76%
	Changes during the year	19-06-15	Transfer	2,075,000	4.44%	6,638,408	14.20%
	Changes during the year	26-06-15	Transfer	12,542	0.03%	6,650,950	14.22%
	Changes during the year	04-09-15	Transfer	(670,000)	-1.43%	5,980,950	12.79%
	Changes during the year	11-09-15	Transfer	(690,000)	-1.48%	5,290,950	11.31%
	Changes during the year	16-10-15	Transfer	690,000	1.48%	5,980,950	12.79%
	Changes during the year	27-11-15	Transfer	(2,032,700)	-4.35%	3,948,250	8.44%
	Changes during the year	26-02-16	Transfer	386,356	0.83%	4,334,606	9.27%
	At the end of the year	31-03-16		4,334,606	9.27%	4,334,606	9.27%
10	Admirable Advisory Services LLP						
	At the beginning of the year	01-04-15		1,364,882	2.92%	1,364,882	2.92%
	Changes during the year		Transfer	-	0.00%	-	0.00%
	At the end of the year	31-03-16		1,364,882	2.92%	1,364,882	2.92%
11	Integrated Master Securities (P) Ltd. *						
	At the beginning of the year	01-04-15		-	0.00%	-	0.00%
	Changes during the year	04-03-16	Transfer	2,890,000	6.18%	2,890,000	6.18%
	Changes during the year	11-03-16	Transfer	600,000	1.28%	3,490,000	7.46%
	Changes during the year	18-03-16	Transfer	(500,000)	-1.07%	2,990,000	6.39%
	Changes during the year	25-03-16	Transfer	500,000	1.07%	3,490,000	7.46%
	At the end of the year	31-03-16		3,490,000	7.46%	3,490,000	7.46%
12	VSL Securities Private Ltd. *						
	At the beginning of the year	01-04-15		-	0.00%	-	0.00%
	Changes during the year	11-03-16	Transfer	7,000	0.01%	7,000	0.01%
	At the end of the year	31-03-16		7,000	0.01%	7,000	0.01%
13	Anugrah Stock & Broking Pvt. Ltd. *						
	At the beginning of the year	01-04-15		-	0.00%	-	0.00%
	Changes during the year	11-03-16	Transfer	3,355	0.01%	3,355	0.01%
	At the end of the year	31-03-16		3,355	0.01%	3,355	0.01%
14	Shri Deepak Hotilal Thakur *						
	At the beginning of the year	01-04-15		-	0.00%	-	0.00%
	Changes during the year	18-03-16	Transfer	2,289,675	4.90%	2,289,675	4.90%
	At the end of the year	31-03-16		2,289,675	4.90%	2,289,675	4.90%

(iv) Shareholding Pattern of top ten Shareholders (Cont.) *(Other than Directors, Promoters and Holders of GDRs and ADRs):*							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
15	Shri Prabash Kumar Singh *						
	At the beginning of the year	01-04-15		-	0.00%	-	0.00%
	Changes during the year	25-03-16	Transfer	2,612	0.01%	2,612	0.01%
	Changes during the year	31-03-16	Transfer	1,339	0.00%	3,951	0.01%
	At the end of the year	31-03-16		3,951	0.01%	3,951	0.01%
16	Shri Subhash Chand Gupta *						
	At the beginning of the year	01-04-15		-	0.00%	-	0.00%
	Changes during the year	26-06-15	Transfer	5	0.00%	5	0.00%
	Changes during the year	30-06-15	Transfer	47,708	0.10%	47,713	0.10%
	At the end of the year	31-03-16		47,713	0.10%	47,713	0.10%

* Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2015.

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Shareholding of each Directors andeach Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Jugal Kishore Agarwal						
	At the beginning of the year	01-04-15		494,500	1.06%	494,500	1.06%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-16		494,500	1.06%	494,500	1.06%
2	Shri Mohan Lal Agarwal						
	At the beginning of the year	01-04-15	NOT	441,500	0.94%	441,500	0.94%
	Changes during the year		APPLICABLE	-	-	-	-
	At the end of the year	31-03-16		441,500	0.94%	441,500	0.94%
3	Shri Mahesh Kumar Agarwal						
	At the beginning of the year	01-04-15		524,000	1.12%	524,000	1.12%
	Changes during the year			-	-	-	-
	At the end of the year	31-03-16		524,000	1.12%	524,000	1.12%

Note: No shares held by Late Shayam Bahadur Singh (demise on 26/03/2016), Shri Asit Baran Dasgupta and Smt. Archana Gupta Sha, all Independent Directors of the Company during the period under review. Further, no share sheld by Shri Bikash Roychowdhury, CFO of the Company and Shri Bharat Agarwal, Company Secretary of the Company during the period under review.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. Rs.) Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	998,052,714	54,707,395	-	1,052,760,109
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**998,052,714**	**54,707,395**	**-**	**1,052,760,109**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(279,251,357)	(52,207,395)	-	(331,458,752)
Net Change	**(279,251,357)**	**(52,207,395)**	**-**	**(331,458,752)**
Indebtedness at the end of the financial year				
i) Principal Amount	718,801,357	2,500,000	-	721,301,357
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**718,801,357**	**2,500,000**	**-**	**721,301,357**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	**Shri Jugal Kishore Agarwal**	
	Designation	**Managing Director***	
1	Gross salary (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 © Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1,500,000 - -	1,500,000 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	- -	- -
5	Others, please specify	-	-
	Total (A)	**1,500,000**	**1,500,000**
Ceiling as per the Act			2,476,322

*Keeping in mind the decrease in the net profit by 78.87% in the financial year 2015-16, the Managing Director willingly expressed to forego 50% of his remuneration and receive Rs. 15 Lakhs only, against Rs. 30 Lakhs as per the shareholders' approval and Employment contract with the company.

B. Remuneration to other Directors (₹)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Shri Asit Baran Dasgupta	Shri Shyam Bahadur Singh	Smt. Archana Gupta Sha	
	Fee for attending board committee meetings Commission Others, please specify	60,000 - -	45,000 - -	60,000 - -	165,000
	Total (1)	**60,000**	**45,000**	**60,000**	**165,000**
2	Other Non-Executive Directors	Shri Mohan Lal Agarwal	Shri Mahesh Kumar Agarwal		
	Fee for attending board committee meetings Commission Others, please specify	40,000 - -	60,000 - -		100,000 - -
	Total (2)	40,000	60,000	-	100,000
	Total (B)=(1+2)	100,000	105,000	60,000	265,000
	Total Managerial Remuneration (Exclusive of Sitting Fees)				1,500,000
Overall Ceiling as per the Act					2,971,586

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name		Shri Bikash Roychowdhury	Shri Bharat Agarwal	
	Designation	CEO	CFO	CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisitesu/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act , 1961	NA	1,500,000 - -	554,998 - -	2,054,998 - -
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit - others, specify		- -	- -	- -
5	Others, please specify		-	-	-
	Total		**1,500,000**	**554,998**	**2,054,998**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [R /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty Punishment Compounding	NIL				
B. DIRECTORS					
Penalty Punishment Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	NIL				

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 27.05.2016

For and on behalf of the Board

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. ECONOMIC OVERVIEW

INDIAN ECONOMY

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 the end of 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. The steel sector has been a major contributor to India's manufacturing output.The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 59 Kg in 2014-15. India's steel consumption for FY 2015-16 is estimated to increased by 7 per cent, higher than 2 per cent growth last year, due to improving economic activity, as per E&Y's 'Global Steel 2015-16' report.

India's crude steel capacity reached to 109.85 Million Tonnes (MT) in 2014-15, a growth of 7.4 per cent. Production of crude steel grew by 8.9 per cent to 88. 98 MT. Total finished steel production for sale increased by 5.1 per cent to 92.16 MT. Consumption of total finished steel increased 3.9 per cent to 76.99 MT. Driven by rising infrastructure development and growing demand for automotive, steel consumption is expected to reach 104 MT by 2017.

(Source: Indian Brand of Equity Foundation)

GLOBAL ECONOMY

World Steel Association provided a comprehensive overview of steel industry activities, stretching from crude steel production to apparent steel use, from indications of global steel trade flows to iron ore production and trade. Edwin Basson, Director General of world steel, said, "In 2015, concern over excess capacity once again increased. Restructuring is not new; it is an ongoing process as old as the industry itself and it requires appropriate industrial policy developed by governments in co-operation with industry. Barriers to exit as well as social and environmental impacts need to be addressed and planned for. In today's economic context it is ever more crucial that policies promote a level playing field to ensure that steel companies in one region are not put at a disadvantage with steelmakers from other regions or in relation to competing materials."

World crude steel production was 385.7 Mt in the first three months of 2016, down by -3.6% compared to the same period in 2015. Asia produced 263.6 Mt of crude steel, a decrease of -3.1% over the first quarter of 2015. The EU produced 40.9 Mt of crude steel in the first quarter of 2016, down by -7.0% compared to the same quarter of 2015. North America's crude steel production in the first three months of 2016 was 27.5 Mt, a decrease of -1.1% compared to the first quarter of 2015. The C.I.S. produced 25.0 Mt of crude steel in the first three months of 2016, a decrease of -0.4% over the same months of 2015.

China's crude steel production for March 2016 was 70.7 Mt, an increase of 2.9% compared to March 2015. Elsewhere in Asia, Japan produced 8.6 Mt of crude steel in March 2016, a decrease of -6.8% compared to March 2015. India's crude steel production was 8.1 Mt in March 2016, up by 3.4% on March 2015.



(Source: World Steel Association)

B. INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2015 was marked by deflation of commodity prices globally bringing down steel prices. In the Indian context, the drop was steeper than that of other raw materials, leading to severe pressure on operating margins of steel plants.

Besides, weak demand in major steel producing countries such as China, Japan and South Korea led them to focus on exports at aggressive prices, including on India, adversely impacting the domestic industry. It led to prices of some products hit a ten-year low in Indian market.

The combination of predatory pricing and import glut have jeopardised billions of dollars in loans raised by the domestic steel companies for capacity expansion, a situation that has a major bearing on the financial health of some of the largest banks in India.Global ratings agency Moody's expects profitability of Indian steel firms to be lower in 2016 compared to the previous years, but the country would be better placed than its peers in Asia, where it expects the sector to be hit by weak profitability and oversupply.

GOVERNMENT INITIATIVES

The Government of India is aiming to scale up steel production in the country to 300 MT by 2025 from 81 MT in 2013-14.The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US$ 31.67 million).

Some of the other recent government initiatives in this sector are as follows:

- Government of India auction coal blocks with huge reserves to steel and cement firms in the last FY.
- Government has planned Special Purpose Vehicles (SPVs) with four iron ore rich states i.e., Karnataka, Jharkhand, Orissa, and Chhattisgarh to set up plants having capacity between 3 to 6 MTPA.
- A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances/resolution of issues related to investments of Rs 1,000 crore (US$ 152 million) or more.
- To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30 per cent.

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

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

C. OPPORTUNITIES AND THREATS

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

Countries and businesses are becoming increasingly interdependent through trade, investment and financial systems across the world.The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming more diverse and global.

The businesses that ride the next wave of growth will be those that understand the trends and refine their strategies, business models and portfolios according to a truly global mind-set.The steel producers must find the right balance between globalization and customization.

The steel industry is faced with dwindling investments, financial market turbulence and geopolitical conflicts in many developing regions. The industry's low-growth outlook will persist until other developing regions of sufficient size and strength can support another major growth cycle.It has come to the notice of the government that the imports from China, Japan and Korea have increased, which is creating trouble for the domestic steel industry and also causing losses to it.

D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

E. FUTURE OUTLOOK

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The demand for steel has been worked out on the basis of observed relationship between steel consumption and selected macro-economic variables under four scenarios of GDP growth (i.e. of 8%, 8.5%, 9% and 9.5%) by 2016-17. Therefore, it is likely that in the next five years, demand will grow at a considerably higher annual average rate of 10.3% as compared to around 8.1% growth achieved during the last two decades (1991-92 to 2010-11).

(Source: Indian Brand of Equity Foundation; Report of the working group on Steel Industry for the twelfth five year plan (2012 – 2017)

F. RISKS AND CONCERNS

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

Risk Management comprises of three key components as below:

i. Risk Identification
ii. Risk assessment and its mitigation
iii. Risk monitoring and its assurance

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

i. Industry Risk

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

ii. Raw Material Risk

Inability of the Company to procure right quality and quantity of raw material at right price could affect business sustainability. The operational unit of the Company is located in the Eastern India steel belt where factories of all major steel producers are located. So, raw materials are easily and locally available and accessible. Further, the requirements can also partly mitigated from supply from the group companies.

iii. Cost Risk

Managing costs is a key to protect profitability, especially across volatile market cycles. The Company had implemented a vast cost reduction/ cost control program under the supervision of expert team of professionals who are actively engaged in findings various cost reduction techniques that could be implemented without hampering the quality and credibility of the brand of its products.

iv. **Health, Safety and Environment Risk**

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

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial year 2015-16 has been an average year for the Company. The Company had faced many challenges in its operating sector due to falling in prices of finished products, spurred by significant imports from countries like China, Korea etc. like many other players operating in the similar sector. With the intervention of government of India and its implementation of various measures and steps in its foreign policy, the impact of the situation was nullified not fully but to some extent. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

I. HUMAN RESOURCES/INDUSTRIAL RELATIONS

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. There are 127 number of permanent employees employed in your Company. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Directors wish to place on record the excellent co-operation and contribution made by the employees at all levels to the growth and development of the Company.

J. CAUTIONARY STATEMENT

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

K. DISCLOSURE OF ACCOUNTING TREATMENT

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

REPORT ON CORPORATE GOVERNANCE

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

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

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

2) APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

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

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

3) BOARD OF DIRECTORS

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

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

4) BOARD COMPOSITION

The composition of Board of Directors is in conformity with the Corporate Governance Code. The Board has a strength of 5(Five) Directors as on March 31, 2016. The Board comprises 1 (One) Executive and 4 (Four) Non-Executive Directors out of which 2(Two) are Independent Directors and rest are Non-Independent Directors. The chairman of the company is a non-executive director.

*There was sad demise of Shri Shyam Bahadur Singh, Independent Director of the Company on 26/03/2016. Therefore, his position as a director of the Company and as a member of various committees stands vacated from 26/03/2016. The Company will appoint a new Independent Director on the Board of the Company within the limit prescribed by the Companies Act, 2013 and Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5) MEETINGS, ATTENDANCE AND AGENDA OF THE BOARD MEETING

During 2015-16, the Board met four times on May 29, 2015, August 13, 2015, November 14, 2015 and February 11, 2016. The maximum time gap between any two consecutive meetings was not more than 120 (One Hundred and Twenty) days. All the agenda items are supported by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating and financial performance and annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to concerned officials and departments.

The composition and category of Directors on the Board, their attendance at the Board Meeting and the last Annual General Meeting and the Directorship/ Chairmanship / Membership of Committee of each Director in other companies as on 31st March, 2016 are as under:

S. No.	Name of Director	DIN	Attendance		Category of Directors	Other		Other committee		No. of shares and convertible instruments held	Relationship between directors interse
			Board Meeting	Last AGM		Directorship	Chairmanship	Membership	Chairmanship		
1	Shri Mahesh Kumar Agarwal (Chairman)	00507690	4	Yes	Non Independent & Non-Executive	5	Nil	Nil	Nil	5,24,000	Brother of Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal
2	Shri Jugal Kishore Agarwal (Managing Director)	00227460	4	Yes	Non - Independent & Executive	9	1	2	Nil	4,94,500	Brother of Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal
3	Shri Mohan Lal Agarwal	01047906	4	Yes	Non Independent & Non-Executive	9	Nil	3	Nil	4,41,500	Brother of Mr. Jugal Kishore Agarwal and Mr. Mahesh Kumar Agarwal
4	Smt. Archana Gupta Sha	07089290	4	Yes	Independent & Non-Executive	1	Nil	Nil	Nil	Nil	NA
5	Shri Asit Baran Dasgupta	02476594	4	Yes	Independent & Non-Executive	Nil	Nil	1	Nil	Nil	NA

NOTE:

(Shri Shyam Bahadur Singh, Independent Director ceased to be a Director of the company due to his sad demise on March 26, 2016. Therefore, his position as a director of the Company and as a member of various committees stands vacated from 26/03/2016.)

1. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 is excluded.

2. In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership / Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.

3. Other directorship includes directorship in public companies only.

4. None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. None of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he/she is a Director. Further, the Director on the Board serving as a whole time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he/she is a Director.

6. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies and the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with the Regulation 25 and 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

7. Shri Mahesh Kumar Agarwal (DIN: 00507690), who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the notice.

6) INDEPENDENT DIRECTORS (IDs)

In accordance with the provisions of Companies Act, 2013 and clarifications/circulars issued from time to time, the members of the Company has approved the appointment of Smt. Archana Gupta Sha (DIN: 07089290) as Independent Director of the Company to hold office for a period of 5 (Five) consecutive years from the date of the Thirty Sixth Annual General Meeting (AGM) of the Company held on September 17, 2015. In this regard, the Company has issued formal letter of appointment to the Independent Director and the same is also hosted on the website of the Company.

Shri Shyam Bahadur Singh, (DIN: 01982407), Independent Director of the Company ceased to be director of the Company due to his sad demise on March 26, 2016. Therefore, his position as a member of various committees also stands vacated from 26/03/2016. The Company will appoint a new Independent Director on the Board of the Company within the limit prescribed by the Companies Act, 2013 and Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

7) SELECTION OF NEW DIRECTORS

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

8) PERFORMANCE EVALUATION OF INDEPENDENT DIRECTOR'S

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

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

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

9) MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 11, 2016 without the presence of the Chairman, Managing Director, CFO, the Non-Executive Non Independent Directors and the Management Team. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

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

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

10) INDEPENDENT DIRECTORS' INDUCTION, FAMILIARIZATION AND TRAINING:

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

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

a) The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

b) Such programs / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

c) The programs / presentations also familiarizes the Independent Directors with their roles, rights and responsibilities.

d) When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

e) The Company circulate news and articles related to the industry on a regular basis and provide specific regulatory updates from time to time;

f) At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.

g) Quarterly presentations on operations made to the Board which generally includes information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

h) Quarterly results / press release of the Company are sent to the Directors.

The details of such familiarization programs have been placed on the website of the Company and may be accessed at the link http://www.adhunikindustries.com/download/_1462279521.pdf

11) CODE OF CONDUCT OF INDEPENDENT DIRECTORS

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

12) BOARD BUSINESS

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

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring the effectiveness of the company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and remuneration of board of directors with the longer term interests of the company and its shareholders.

e. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.

f. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing board of director's evaluation framework.

Other responsibilities of Board *inter-alia* includes:

a. To provide strategic guidance to the listed entity, ensure effective monitoring of the management and should be accountable to the listed entity and the shareholders.

b. To set a corporate culture and the values by which executives throughout a group will behave.

c. To act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

d. To encourage continuing directors training to ensure that the members of the board of directors are kept up to date.

e. Where decisions may affect different shareholder groups differently, the Board treats all shareholders fairly.

f. To maintain high ethical standards and take into account the interests of stakeholders.

g. To exercise objective independent judgement on corporate affairs.

h. To consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

i. To ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.

j. To be able to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.

k. When committees of the board are established, their mandate, composition and working procedures is well defined and disclosed by the board.

l. To be able to commit themselves effectively to their responsibilities.

m. In order to fulfil their responsibilities, members of the board of directors have access to accurate, relevant and timely information.

n. The Board and senior management facilitate the Independent Directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

13) CODE OF CONDUCT

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

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

All members of the Board, the executive officers and senior management officials have affirmed compliance to the Code of Conduct as on March 31, 2016

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

14) BOARD MEETINGS

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

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

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

ii) The meetings are usually held at the Company's Corporate Office at 2/1A,Sarat Bose Road, "Lansdowne Towers" 6th Floor, Kolkata-700 020.

iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman and majority of directors, may bring up any matter for the consideration of the Board.

iv) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

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

b) Board Material Distributed in Advance

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

c) Recording Minutes of Proceedings at Board/Committee Meetings

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

d) Post Meeting Follow Up Mechanism

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

15) BOARD COMMITTEES

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

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

The Board has various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management & Finance Committee as on March 31, 2016. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

I. AUDIT COMMITTEE

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

During the year under review, 4 (Four) meetings of the Audit Committee were held on May 29, 2015, August 13, 2015, November 14, 2015 and February 11, 2016. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

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

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

* demise on March 26, 2016.

a) Attendance record of Audit Committee:

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

* demise on March 26, 2016.

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

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

b) Powers of The Audit Committee:

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

c) The Role of Audit Committee Includes:

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

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

1. Oversight the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

   b) Changes, if any, in accounting policies and practices and reasons for the same;

   c) Major accounting entries involving estimates based on the exercise of judgment by management;

   d) Significant adjustments made in the financial statements arising out of audit findings;

   e) Compliance with listing and other legal requirements relating to financial statements;

   f) Disclosure of any related party transactions; and

   g) Modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the listed entity with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the listed entity, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussing with the internal auditors any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

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

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

S. No.	Name	Chairman / Member
1	Smt. Archana Gupta Sha	Chairman
2	Shri Mahesh Kumar Agarwal	Member
3	Shri Shyam Bahadur Singh*	Member

* demise on March 26, 2016.

The Committee shall be responsible for:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board for diversity.

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

e) Other policy as per the requirements of the Acts.

1 (One) meeting of the Committee was held during the financial year on August 13, 2015.

a) Attendance record of Nomination and Remuneration Committee:

Name of the Member	Category	Number of meetings	Meetings attended
Smt. Archana Gupta Sha (Chairman)	Independent Non-Executive	1	1
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	1	1
Shri Shyam Bahadur Singh*	Independent Non-Executive	1	1

*demise on March 26, 2016.

b) Remuneration Policy

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

c) Details of remuneration paid/payable to the Directors during the financial year 2015-16

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

Remuneration paid to the Directors (Figures in ₹)

Particulars of Remuneration	Name of Directors						Total
	Mahesh Kumar Agarwal	Mohan Lal Agarwal	Shyam Bahadur Singh*	Asit Baran Dasgupta	Archana Gupta Sha	Jugal Kishore Agarwal**	
Salary	-	-	-	-	-	15,00,000	15,00,000
Benefits	-	-	-	-	-	-	-
Bonuses	-	-	-	-	-	-	-
Sitting fees of all Board and Committee Meetings	60,000	40,000	45,000	60,000	60,000	-	2,65,000
Stock Options	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-
Details of fixed component	-	-	-	-	-	-	-
Performance linked incentives	-	-	-	-	-	-	-
Performance criteria	-	-	-	-	-	-	-
Service Contracts	-	-	-	-	-	-	-
Notice Period	-	-	-	-	-	-	-
Severance fees	-	-	-	-	-	-	-
Details of stock option (if any)	-	-	-	-	-	-	-
Whether Option issued at a discount	-	-	-	-	-	-	-
Period over which option accrued / exercisable	-	-	-	-	-	-	-

*demise on March 26, 2016
**The Managing Director's remuneration has been set at Rs. 15 Lakhs as against Rs. 30 Lakhs that he is eligible as per the shareholders' approval and Employment contract with the company, reflecting his desire to forego the remaining part, keeping in mind the decrease in the net profit by 78.87% in the financial year 2015-16

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

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

Terms of Reference:

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

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

No meeting of Stakeholder Relationship Committee was held in financial year 2015-16 as no requirement arose during the year.

a) Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2016	Nil
Number of complaints not solved to the satisfaction of shareholders	N. A.
Number of complaints pending as on 31st March, 2016	Nil

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

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

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

1 (One) meeting of the Corporate Social Responsibility Committee of the Company was held during the year 2015-16 on May 29, 2015. The attendance of each member of the Committee is given below:

Members	No. Of Meetings Held	No. Of Meetings Attended
Shri Mahesh Kumar Agarwal (Chairman)	1	1
Shri Mohan Lal Agarwal	1	1
Shri Shyam Bahadur Singh*	1	1

* demise on March 26, 2016.

V. MANAGEMENT AND FINANCE COMMITTEE

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

i) Reviewing the management and take decision regarding taking further loans, equipment finance, car loans for employees and/or other financial assistance

ii) Opening and closure of Bank Account(s) as and when required.

iii) Reviewing financial and risk management policies.

iv) To sub-delegate any of the powers of the Committee to the Managing Director, Directors/or the Key Managerial Personnel.

v) To look after and supervise the keeping and maintaining of the records to be kept and maintained under the provisions of the Companies Act and/or other legislation governing the affairs of the Company and ensure compliance with the provision of such law and to do all such acts, deeds and things as may be necessary or expedient to ensure compliance with such laws and also to appear and represent the Company before any Officer or authority appointed under any such laws for the time being in force.

The Committee met 1 (One) time during the Year 2015-16 on July 06, 2015.Attendance of Directors in the Meeting is as follows:

Members	No. of Meetings Held	No. of Meetings Attended
Shri. Jugal Kishore Agarwal (Chairman)	1	1
Shri. Mahesh Kumar Agarwal	1	1
Shri. Mohan Lal Agarwal	1	1

16) SHAREHOLDERS COMMUNICATION

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

17) ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

18) NEWS RELEASES, PRESENTATIONS, AMONG OTHERS:

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

19) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. There were also no investor's complaint pending against the company as on March 31, 2016 on SCORES, the web based compliant redressal system of SEBI.

20) WEBSITE MAINTENANCE

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

21) DISCLOSURES

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

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

A Statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. All these transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. There was no materially significant related party transaction entered into by the Company with the promoter Directors or their relatives during the period.

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and may be accessed at the link http://www.adhunikindustries.com/download/_1421230517.pdf

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

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

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

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

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

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

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

(vi) **Shareholding of Directors in the Company as on March 31, 2016.**

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

vii) **Code for prevention of Insider Trading practices**

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, (erstwhile) (for: 01.04.2015 to 14.05.2015) a comprehensive code for prevention of insider trading was in place. In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for prevention of Insider Trading

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

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

viii) The Company has complied with all the mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. However the Company had not adopted discretionary Requirements as specified in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 because no such activities took place in the company.

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

The Company generally export its finished goods to neighbouring countries of India such as Nepal, Bhutan, Bangladesh etc.. The export made by the Company is normally supported by 100% advance payment from the overseas customers or backed by Letter of Credit issued by their bankers in favor of the Company and normally executed in Indian currency only. So, there is no foreign exchange risk and commodity price risk as well associated with the transactions of the Company. Since, the transactions are executed in Indian currency only, the Company is not required to hedge its position.

22) MEANS OF COMMUNICATION

a) Quarterly Results/ Half Yearly/ Annual Results:

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

b) Newspaper Publications:

The Financial results are regularly submitted to the stock exchanges in accordance with the listing agreement and published in one English Daily (Business Standard) and one Bengali Daily (Aajkal).

c) Website:

For the financial results and other relevant information, shareholders may log on to the websites of the Company www.adhunikindustries.com

d) Email id: investors@adhunikgroup.co.in

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

23) GENERAL BODY MEETINGS

a) Details of Previous Annual General Meeting:

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

Year	Date	Time	Venue	Number of special resolutions passed
2014-15	September 17, 2015	10:30 am	Bharatiya Bhasa Parishad, 36-A,Shakespeare Sarani, Kolkata-700017	2
2013-14	September 18, 2014	10:30 am	Bharatiya Bhasa Parishad, 36-A,Shakespeare Sarani, Kolkata-700017	5
2012-13	September 30, 2013	11.00 am	2/1 A Sarat Bose Road, Kolkata-700020	Nil

b) Postal Ballot

No resolution was passed through Postal Ballot in 2015-16. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

24) GENERAL SHAREHOLDERS' INFORMATION

a) AGM DETAILS

Day and date	Wednesday, September 14, 2016.
Venue	Bharatiya Bhasha Parishad 36 - A, Shakespeare Sarani, Kolkata-700017.
Time	02.30 PM
Book closure dates	8th September, 2016 to 14th September, 2016 (Both day inclusive)

b) REGISTRAR & SHARE TRANSFER AGENTS

M/s Maheshwari Datamatics Private Limited.
6, Mangoe Lane, 2nd Floor
Kolkata- 700 001
Tel no. 91-33-22435809
Fax no. 91-33-22484787
E-mail- mdpldc@yahoo.com

c) CEO/CFO CERTIFICATION

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

d) SHARE TRANSFER SYSTEM

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

e) MARKET PRICE DATA

Month	BSE		
	High (Rs.)	Low (Rs.)	Volume (No.)
April, 2015	159.70	131.10	8,04,036
May, 2015	155.20	126.10	8,45,605
June, 2015	157.90	135.00	900,218
July, 2015	162.00	138.80	9,50,396
August, 2015	170.00	138.80	8,50,072
September, 2015	156.40	136.50	8,13,722
October, 2015	164.80	136.20	8,12,221
November, 2015	163.00	139.30	7,10,947
December, 2015	158.90	134.00	8,92,408
January, 2016	160.00	140.00	7,70,199
February, 2016	156.00	72.60	2,85,374
March, 2016	103.50	72.00	18,75,759

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

f) DETAILS OF DEMAT AND PHYSICAL SHARES AS ON MARCH 31, 2016

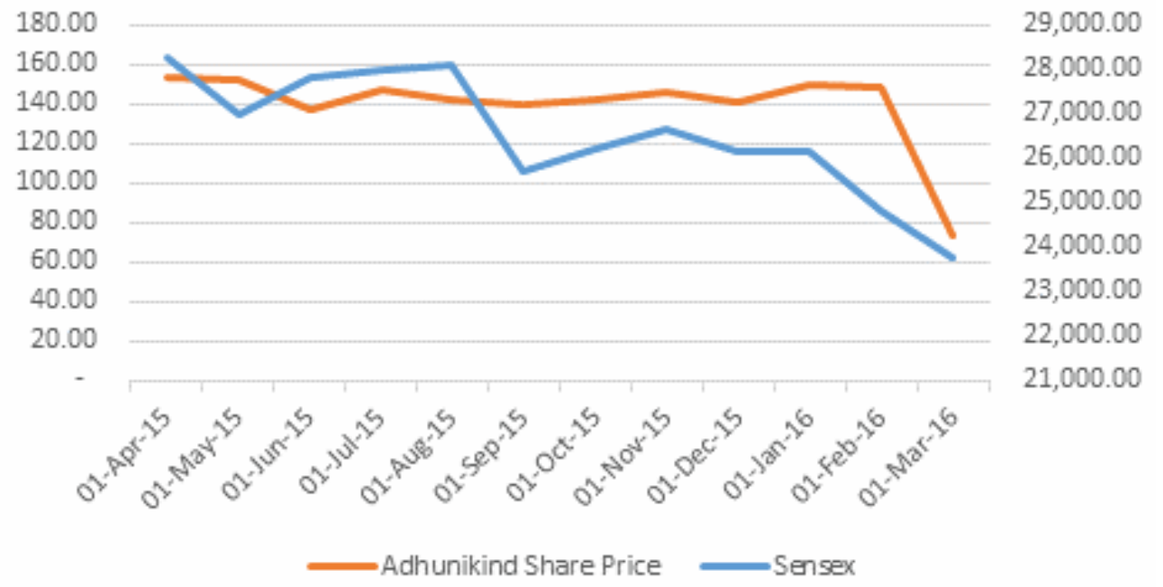
Description	Number of Holders	Number of Shares	% of Equity
CDSL	880	45,46,597	9.7225%
NSDL	417	4,22,17,152	90.2775%
Physical	1	1	0.0000%
Total	1298	4,67,63,750	100.0000%



g) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016

Category (Share)	Shareholders		No of Shares	
	Number	% to total	Number	% to total
Up to 500	1256	96.7643	31,764	0.0679
501-1000	11	0.8475	8,429	0.0180
1001-2000	4	0.3082	5,017	0.0107
2001-3000	3	0.2311	6,953	0.0149
3001-4000	2	0.1541	7,306	0.0156
4001-5000	NIL	NIL	NIL	NIL
5001-10000	1	0.0770	7,000	0.0150
10001 and above	21	1.6179	4,66,97,281	99.8579
Total	1298	100.0000	4,67,63,750	100.0000

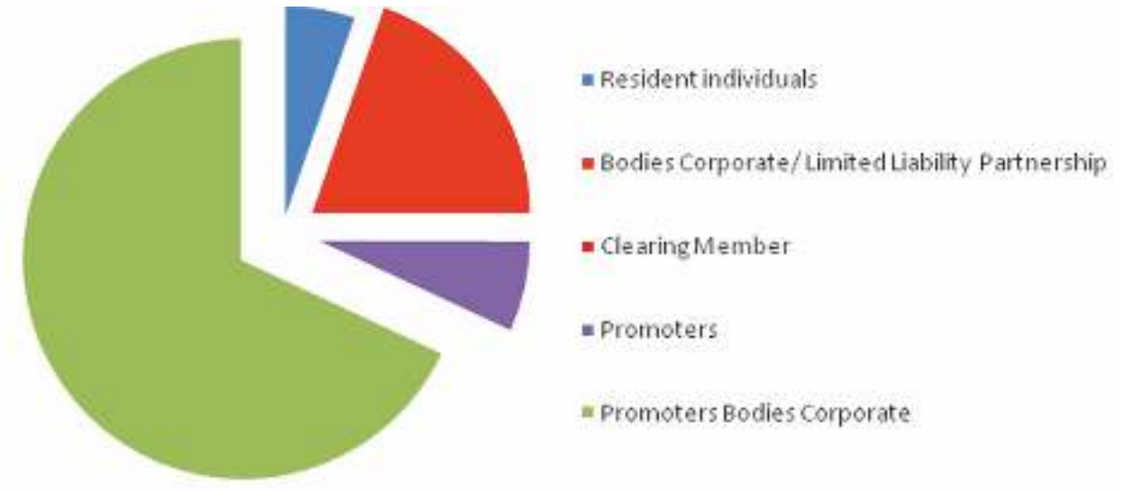
Details of performance of Adhunik Industries in comparison with BSE Sensex;



h) CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2016

S. No.	Category	Numbers of holders	Number of shares	% to equity
1	Promoters	11	32,31,050	6.9093
2	Promoters Bodies Corporate	3	3,18,23,750	68.0522
3	Bodies Corporate\ Limited Liability Partnership	22	91,98,217	19.6695
4	Resident individuals	1250	25,06,088	5.3591
5	Clearing Members	12	4,645	0.0099
	Total	1298	4,67,63,750	100.0000

i) **SHAREHOLDING PATTERN AS ON MARCH 31, 2016**



j) DEMATERIALIZATION OF SHARES AND LIQUIDITY

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2015-16 to NSDL and CDSL, the depositories.Ason31st March,2016 4,67,63,749 Equity Shares of the Company representing almost 100.00% of the issued and subscribed share capital stood dematerialized.

k) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE

Name of the Stock Exchange	Stock code / Symbol
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001.	538365
The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata 700 001.	10028188
ISIN No.-	INE452L01012

The annual listing fee for the year 2015 -16 has been paid to the above stock exchanges.

l) **DEPOSITORY SERVICES**

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

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

m) **FINANCIAL CALENDAR TENTATIVE**

Financial Year 2016-17		
1	First quarter results	Within August 14, 2016
2	Second quarter and half-year results	Within November 14, 2016
3	Third quarter results	Within February 14, 2017
4	Annual Result	Within May 30, 2017

n) DIVIDEND HISTORY

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

o) SECRETARIAL AUDIT

The Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made there under. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 1956 (as applicable), Companies Act, 2013and the Rules made there under, Depositories Act, 1996, Listing Agreement with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 1992,(erstwhile) (for:01.04.2015 to 14.05.2015), the SEBI (Prohibition of Insider Trading) Regulations, 2015, (for:15.05.2015 to 31.03.2016) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Secretarial Audit Report for the financial year ended March 31, 2016 is provided in the Annual Report.

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

Not applicable

q) PLANT LOCATION :

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

r) INVESTORS CORRESPONDENCE

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

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

or

M/s Maheshwari Datamatics Pvt. Limited.
6, Mangoe Lane, 2nd Floor
Kolkata- 700 001
Tel no. 91-33-22435809
Fax no. 91-33-22484787

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 27.05.2016

For and on behalf of the Board

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

DECLARATION BY CEO ON CODE OF CONDUCT

To
The Members
M/s. Adhunik Industries Limited

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Regulation 34(3) of Securities And Exchange Board Of India(Listing Obligations And Disclosure Requirements) Regulations, 2015, in so far as it was applicable to them and there was no non-compliance thereof during the year ended March 31, 2016.

Place: Kolkata
Date: May 27, 2016

Jugal Kishore Agarwal
Managing Director
(DIN: 00227460)

Company Secretary Certificate regarding compliance of conditions of Corporate Governance

To the Members of
M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited, for the year ended 31.03.2016, as stipulated under the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said company with Stock Exchange (s).

2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For MR & Associates
Company Secretaries

Place: Kolkata
Date: May 27, 2016

M R Goenka
Partner
C P No.: 2551

Independent Auditors' Report

To the Members of
Adhunik Industries Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Adhunik Industries Limited ("the company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the **'Annexure A'** statement of the matters specified in paragraph 3 and 4 of the order to the extent applicable.

2) As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper accounts adequate for the purposes of our audit have been received from the branches not visited by us]

c) The reports on the accounts of the branch offices not visited by us of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the accounts received from the branches not visited by us.

e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, please refer to our separate report in **'Annexure-B'** and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule, 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements.

ii. The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA. S Jain
(Partner)
Membership No. 053537

Place: Kolkata

Date: The 27th Day of May, 2016

Annexure 'A' to the Independent Auditors Report

The Annexure referred to in our report to the members of Adhunik Industries Limited ('The Company') for the year ended 2016.

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

i. (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The company has a regular programme of physical verification of its fixed asset by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size of the company and the nature of its assets.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable property held in the name of the company.

ii. The company has a regular programme of physical verification of its inventory by which inventories are physically verified in regular intervals by the management.

iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph 3 of clause iii (a) and iii (b) of the order are not applicable to the company.

iv. According to information and explanation given to us and on the basis of examination of the books of accounts, the company has complied provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and security.

v. According to the information and explanation given to us, the company has not accepted any deposits, and accordingly, the provisions of paragraph 3 of clause v of the Order are not applicable to the Company.

vi. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, and we are of the opinion that prima facie such prescribed accounts and records have been made and maintained.

vii. (a) According to the records, the company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable to the Company with appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues were in arrears as at 31st March, 2016 for a period of more than six month from the date they became payable.

(b) According to the information and explanations given to us, there is no material dues of income tax or service tax or custom duty or excise duty or value added tax or cess which have not been deposited on account of any dispute;

viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the company has not defaulted in repayment of dues to a financial institution or bank

ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised;

x. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, there is no any fraud by the company and any fraud on the company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

xii. In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Therefore, the provisions of paragraph 3 of clause xii of the order is not applicable to the company.

xiii. Based on our audit procedures and on the information and explanations given to us, we report that transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year covered by our audit. Consequently, the provisions of paragraph 3 of clause xiv of the order is not applicable to the company.

xv. Based on our audit procedures and on the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, the provisions of paragraph 3 of clause xv of the order is not applicable to the company.

xvi. Based on our audit procedures and on the information and explanations given to us, the company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E

Chartered Accountants

CA. S Jain

(Partner)

Membership No. 053537

Place: Kolkata

Date: The 27th Day of May, 2016

Annexure 'B' to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Adhunik Industries Limited ('the Company') as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA. S Jain
(Partner)
Membership No. 053537

Place: Kolkata
Date: The 27th Day of May, 2016

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	Notes	31st. March 2016 (₹)	31st. March 2015 (₹)
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
Share Capital	3	467,637,500	467,637,500
Reserves and Surplus	4	559,298,041	536,555,278
		1,026,935,541	1,004,192,778
B. Non-Current Liabilities			
Long Term Borrowing	5	44,510,000	164,601,395
Deferred Tax Liabilities (Net)	6	90,771,498	89,390,063
Other long term Liabilities	7	59,092,389	24,998,935
		194,373,887	278,990,393
C. Current Liabilities			
Short Term Borrowing	8	612,365,270	819,081,094
Trade Payable	9	651,671,472	708,356,526
Other Short Term Liabilities	10	215,860,037	169,969,977
Short Term Provisions	11	3,339,003	10,271,708
		1,483,235,782	1,707,679,305
		2,704,545,210	2,990,862,476
ASSETS			
A. Non Current Assets			
Fixed Assets			
a) Tangible Asset	12	573,033,077	550,456,129
b) Capital Work-in-Progress		-	16,148,812
Non Current Investments	13	400,000	400,000
Long Term Loans and Advances	14	7,692,396	11,898,975
		581,125,473	578,903,916
B. Current Assets			
Inventories	15	811,873,524	1,218,741,069
Trade Receivables	16	823,118,406	752,524,208
Cash & Bank Balances	17	71,707,027	79,526,192
Short Term Loans and Advances	14	416,720,780	361,167,091
		2,123,419,737	2,411,958,560
		2,704,545,210	2,990,862,476
Summary of Significant Accounting Policies	2		

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

As per our report of even date

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

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 27th Day of May 2016

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2016

PARTICULARS	Notes	31st. March 2016 (₹)	31st. March 2015 (₹)
INCOME			
Revenue from Operations (Gross)	18	4,543,176,337	4,550,789,894
Less: Excise Duty	18	442,410,524	438,482,147
Revenue from Operations (Net)		4,100,765,813	4,112,307,747
Other Income	19	6,778,220	9,077,332
Total Revenue (A)		4,107,544,033	4,121,385,079
EXPENSES			
Purchases & Raw Materials Consumed	20	3,591,175,060	3,557,160,926
(Increase)/Decrease in Inventories	21	(86,019,816)	(112,524,087)
Employee Benefit Scheme	22	18,360,290	18,624,698
Other Expenses	23	324,414,206	280,394,356
Total Expenses (B)		3,847,929,740	3,743,655,893
Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) (A)-(B)		259,614,293	377,729,186
Depreciation and Amortization Expenses	12	34,523,395	33,310,129
Finance Costs	24	175,564,463	186,553,578
Profit /(Loss) Before Extraordinary & Exceptional Item and Taxes		49,526,435	157,865,479
Exceptional & Extraordinary Item		-	-
Profit /(Loss) Before Taxes		49,526,435	157,865,479
Tax Expenses			
Current Tax		13,564,786	48,079,809
Deferred Tax		1,381,435	1,631,052
Income Tax for earlier years		11,837,451	499,575
Total Tax Expenses		26,783,672	50,210,436
Profit/(Loss) for the year from Continuing Operation		22,742,763	107,655,043
Earning per Equity Share (Nominal Value of share ₹ 10)			
Basic		0.49	2.30
Diluted		0.49	2.30
Summary of Significant Accounting Policies	2		

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

As per our report of even date

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

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 27th Day of May 2016

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

PARTICULARS		31st. March 2016 (₹)		31st. March 2015 (₹)	
A. Cash Flow from Operating Activities					
Net Profit before Tax and extra ordinary item			49,526,435		157,865,479
Adjustment for :					
Depreciation		34,523,395		33,310,129	
Loss on sale of Fixed Assets		23,942		-	
Gratuity		455,828		838,700	
Interest Income		(5,863,715)		(7,531,908)	
Interest Paid		175,564,463	204,703,913	186,553,578	213,170,499
Operating Profit before working Capital changes			**254,230,348**		**371,035,978**
Adjustments for :					
(Increase)/Decrease in Trade and Other Receivable		(98,521,676)		(20,479,290)	
(Increase)/Decrease in Inventories		406,867,545		(503,411,571)	
Increase/(Decrease) in Trade Payables & Liabilities		27,949,992	336,295,861	452,605,010	(71,285,851)
Cash Generated from Operations			**590,526,209**		**299,750,127**
Income Tax (Paid) / Refund			(56,210,403)		(31,488,936)
Cash Flow before Extra-Ordinary Items			**534,315,806**		**268,261,191**
Extra-Ordinary Items			-		-
Net Cash used in Operating Activities	**A**		534,315,806		268,261,191
B. Cash flow from Investing Activities					
Purchase of Fixed Assets			(57,145,284)		(28,698,889)
Decrease in CWIP			16,148,812		9,123,605
Sale of Fixed Assets			21,000		-
Interest Income			5,863,715		7,531,908
Net Cash used in investing Activities	**B**		(35,111,757)		(12,043,376)
C. Cash Flow from Financing Activities					
Interest Paid			(175,564,463)		(186,553,578)
Increase/(Decrease) in Secured Loan			(279,251,356)		(38,517,334)
Increase/(Decrease) in Unsecured Loan			(52,207,395)		(62,175,789)
Net Cash from financing Activities	**C**		(507,023,214)		(287,246,701)
Net Increase / (Decrease) in Cash and Cash Equivalents			**(7,819,165)**		**(31,028,886)**
Cash and Cash Equivalent as at the Opening of the year			79,526,192		110,555,078
Cash and Cash Equivalent as at the close of the year			71,707,027		79,526,192

Note : 1) Cash and Cash Equivalent comprises of :

Cash in Hand	3,864,624	5,015,024
Balances with Scheduled Banks on :		
-Current Account (including Bank Overdrawn)	3,788,259	5,618,612
-Fixed Deposit Account (including margin money)	64,054,144	68,892,556
	71,707,027	**79,526,192**

2) This Cash Flow Statement has been prepared under indirect method.

3) Previous Year Figure have been regrouped wherever necessary.

As per our report of even date
FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 27th Day of May 2016

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

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

1) CORPORATE INFORMATION:

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

2) SIGNIFICANT ACCOUNTING POLICIES:

(I) Basis of Accounting:

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

(II) Presentation and disclosure of financial statement:

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

(III) Use of Estimates:

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

(IV) Revenue Recognition:

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

(a) Revenue from sale of goods and services rendered is recognized when significant risks and rewards of ownership of products and services have passed to the customers.

(b) Claims made in respect thereof is accounted as income in the year of receipts or acceptance by the client or evidence of acceptance received by the client.

(c) Dividend is recognized on cash basis.

(d) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(e) Revenue in respect of rejected/scrapped materials is recognized as and when these are sold or amount there against is ascertained.

(V) Fixed Assets:

(a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection/commissioning expenses, and interest, etc upto the date the asset is put to use.

(b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.

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

(VI) Depreciation:

(a) The Classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

(b) Depreciation on Fixed Assets is provided on Straight Line Method based on the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. The residual value has been considered as 5% for the assets.

(c) Depreciation includes the amount written off in respect of leasehold land over the respective lease period.

(d) Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.

(e) Discarded Fixed Assets awaiting disposal are valued at estimated realizable value and disclosed separately.

(f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.

(VII) Fixed Assets acquired under lease:

(a) Finance Lease

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

(ii) Lease assets capitalized, if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(b) Operating Lease

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

(VIII) Investments:

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

(IX) Inventories:

(a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realizable value.

(b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(c) By-products are valued at net realizable value.

(d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(X) Cash & Cash Equivalents:

Cash and cash equivalents in the Cash Flow comprise cash at bank and in hand (including cheques / drafts in hand), balance lying in banks in current account (including overdraft) and deposits with maturity within 3 months.

(XI) Excise Duty:

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

(XII) Employees Benefits:

I. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of Financial Year.

iii. Actuarial gain/losses are immediately taken to the Profit & Loss Account and are not deferred.

(XIII) Borrowing Costs:

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

(XIV) Provisions:

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

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

(XV) Taxation:

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

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

(XVI) Segment Reporting:

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

(XVII) Contingent Liabilities:

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

(XVIII) Earning per share:

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

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

(XIX) Impairment of Assets:

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

ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(XX) Foreign Currency Translation:

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

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

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

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

NOTE 3 : SHARE CAPITAL	31st. March 2016		31st. March 2015	
	No. Of Shares	(₹)	No. Of Shares	(₹)
Authorised Shares				
Equity Shares of ₹ 10/- each				
At the beginning of the year	100,000,000	1,000,000,000	50,000,000	500,000,000
Addition during the year	-	-	50,000,000	500,000,000
Total	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Issued, Subscribed and Fully Paid Up Share				
Equity Shares of ₹ 10 each fully paid up	46,763,750	467,637,500	46,763,750	467,637,500
Total	46,763,750	467,637,500	46,763,750	467,637,500

a) Reconciliation of the number of Equity shares	31st. March 2016		31st. March 2015	
	No. Of Shares	(₹)	No. Of Shares	(₹)
Outstanding at the beginning of the year	46,763,750	467,637,500	46,763,750	467,637,500
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	46,763,750	467,637,500	46,763,750	467,637,500

b) Details of Shareholders holding more than 5 percent of equity shares

Name of Shareholder	31st. March 2016		31st. March 2015	
	No. Of Shares	% of Holding	No. of Shares held	% of Holding
Mahananda Suppliers Limited	16,600,000	35.50	16,600,000	35.50
Sungrowth Share & Stocks Limited	14,883,750	31.83	14,883,750	31.83
Vrindavan Advisory Services LLP	4,334,606	9.27	4,563,408	9.76
Integrated Master Securities (P) Limited	3,490,000	7.46	-	-

c) Terms/ Rights attached to Equity Share

The Company has only one class of issued shares i.e. equity shares having nominal value of ₹10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidition, the equity share holders are eligible to receive the remaining assets of the company after payment of all the preferential amounts, in proportion to their shareholding.

NOTE 4 : RESERVES AND SURPLUS	31st. March 2016 (₹)	31st. March 2015 (₹)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last finanacial statement	536,555,278	430,360,603
Add : Net Profit for the year as per Statement of Profit and Loss	22,742,763	107,655,043
Less: Depreciation Adjustment as per Companies Act 2013	-	(1,460,368)
Net Surplus/(Deficit) in the statement of Profit and Loss	559,298,041	536,555,278
Total Resreve and Surplus	559,298,041	536,555,278

NOTE 5 : LONG TERM BORROWING	Non Current Portion		Current Maturities	
	31st. March 2016 (₹)	31st. March 2015 (₹)	31st. March 2016 (₹)	31st. March 2015 (₹)
(a) Term loans				
Indian rupee loan from banks (Secured)	42,010,000	109,894,000	64,426,087	69,077,620
(b) Other loans and advances				
From Bodies Corporate (Unsecured)	2,500,000	54,707,395	-	-
Total Long Term Borrowings	44,510,000	164,601,395	64,426,087	69,077,620

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

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

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

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

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

The Company has recognised deferred tax arising on account of timing difference being the difference between the accounting income, that originate in one period and is capable of reverse in or more subsequent periods in compliance with Accounting taxable income and Accounting Standard (AS 22) - Accounting for taxes on income
The major component of deferred tax liabilities arising on account of timing difference are as follows:

	31st. March 2016 (₹)	31st. March 2015 (₹)
a) Difference between WDV of Fixed Assets as per Company Act and IT Act	91,854,838	90,325,509
b) Others	(1,083,340)	(935,446)
Total Deferred Tax Liabilities (Net)	**90,771,498**	**89,390,063**

NOTE 7 : OTHER LONG TERM LIABILITIES	31st. March 2016 (₹)	31st. March 2015 (₹)
Trade Payables (including Acceptance)	59,092,389	24,998,935
Total Other Long Term Liabilities	**59,092,389**	**24,998,935**

NOTE 8 : SHORT TERM BORROWING	31st. March 2016 (₹)	31st. March 2015 (₹)
Cash Credit from Banks (Secured)	612,365,270	819,081,094
Total Short Term Borrowings	**612,365,270**	**819,081,094**

Cash Credit from banks are secured by way of :

a) First charge by way of hypothecation of stock, book debts and other current assets of the company related to factory at Andagpur, Durgapur

b) Second charge on other assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them of the company related to factory at Andagpur, Durgapur.

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

NOTE 9 : TRADE PAYABLES	31st. March 2016 (₹)	31st. March 2015 (₹)
a) Due to Micro, Small & Medium Enterprises	-	-
b) Trade Payable (Including Acceptance)	651,671,472	708,356,526
Total Trade Payable	**651,671,472**	**708,356,526**

Trade Payable includes ₹ NIL (PY ₹ NIL) due to small scale and anciliary industry undertakings (SSI) to the extent such parties have been Identified from the available documents / informations

As per information available with the Company, none of the parties from whom the Company procure the goods or receives services are enterprises covered under The Macro, Small and Medium Enterprise Development Act,2006 (the Act)

NOTE 10: OTHER CURRENT LIABILITIES	31st. March 2016 (₹)	31st. March 2015 (₹)
a) Current maturities of long-term debt **(Refer Note 5)**	64,426,087	69,077,620
b) Advance from customers	124,621,290	95,958,311
c) Unpaid/Unclaimed Dividends	204,000	272,000
d) Statutory Dues	26,608,660	4,662,046
Total Other Current Liabilities	**215,860,037**	**169,969,977**

NOTE 11 : SHORT TERM PROVISION	31st. March 2016 (₹)	31st. March 2015 (₹)
Provision for Employee Benefits		
Provision for gratuity	3,339,003	2,883,175
Other Provision		
Provision for Income Tax (Net of Advance Tax)	-	7,388,533
Total Short Term Provision	**3,339,003**	**10,271,708**

ADHUNIK INDUSTRIES LIMITED

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

Note 12: FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2015 (₹)	Addition During the Year (₹)	Sale/ Adjustment (₹)	As at 31st March, 2016 (₹)	As at 1st April, 2015 (₹)	For the Year (₹)	Sale/ Adjustment (₹)	As at 31st March, 2016 (₹)	As at 31st March, 2016 (₹)	As at 31st March, 2015 (₹)
Tangiable Assets										
Leasehold Land	8,429,270	-	-	8,429,270	1,082,257	98,387	-	1,180,644	7,248,626	7,347,013
Freehold Land	1,700,000	-	-	1,700,000	-	-	-	-	1,700,000	1,700,000
Factory Building	171,970,950	1,442,833	-	173,413,783	40,756,453	5,402,147	-	46,158,600	127,255,183	131,214,497
Plant & Machinery	620,900,392	54,855,654	45,490	675,710,556	213,059,651	27,971,838	18,890	241,012,599	434,697,957	407,840,742
Furniture	663,212	-	-	663,212	576,127	39,290	-	615,417	47,795	87,085
Office Equipment	4,008,900	463,963	-	4,472,863	2,996,753	410,787	-	3,407,540	1,065,323	1,012,147
Vehicle	3,988,524	-	132,797	3,855,727	2,827,075	512,387	114,455	3,225,007	630,720	1,161,448
Computer	2,510,776	382,835	-	2,893,611	2,417,579	88,559	-	2,506,138	387,473	93,197
Total	814,172,024	57,145,285	178,287	871,139,022	263,715,895	34,523,395	133,345	298,105,945	573,033,077	550,456,129
Previous Year's Total	785,473,135	28,698,889	-	814,172,024	228,945,398	33,310,129	(1,460,368)	263,715,895	550,456,129	

Note:
Pursuant to Schedule II of Companies Act 2013, Rs. 14,60,368 has been adjusted in FY 14-15 from retained earnings pertaining to assets of which useful life has expired.

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

NOTE 13: NON CURRENT INVESTMENT	Number of Shares	Face Value per Share (₹)	31st. March 2016 (₹)	31st. March 2015 (₹)
Long Term, Quoted (Other than Trade)				
Fully Paid Equity Shares				
- In Adhunik Metaliks Ltd.	40,000	10	400,000	400,000
(The market value is ₹ 4,45,600)				
Total Non Current Investment			400,000	400,000

NOTE 14 : LOANS AND ADVANCES	Non Current		Current	
	31st. March 2016 (₹)	31st. March 2015 (₹)	31st. March 2016 (₹)	31st. March 2015 (₹)
a. Security Deposits				
Unsecured, considered good	7,692,396	11,898,975	85,980,000	84,100,000
(A)	7,692,396	11,898,975	85,980,000	84,100,000
b. Advances recoverable in cash or in kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	98,313,367	115,003,901
(B)	-	-	98,313,367	115,003,901
c. Other loans and advances				
Prepaid Expenses	-	-	135,552	160,872
Advance Payment to Supplier	-	-	98,641,959	10,548,583
Balance with IT Authorities (Net of Prov. for Taxation)	-	-	23,419,633	-
Balance with statutory/government authorities	-	-	110,230,269	151,353,735
(C)	-	-	232,427,413	162,063,190
Total Loans and Advances (A+B+C)	7,692,396	11,898,975	416,720,780	361,167,091

NOTE 15 : INVENTORIES	31st. March 2016 (₹)	31st. March 2015 (₹)
Raw Materials and Components	380,861,745	881,473,315
Finished Goods and Rejected Materials	404,970,970	318,951,154
Stores & Spares	14,783,562	18,316,600
Stock in Transit	11,257,247	-
Total Inventories	811,873,524	1,218,741,069

NOTE 16 : TRADE RECEIVABLE	31st. March 2016 (₹)	31st. March 2015 (₹)
Unsecured, considered good unless stated otherwise		
Outstanding for the period exceeding six months fron the date they are due for payment		
Unsecured, considered good	26,151,371	28,909,810
Doubtful	-	-
(A)	26,151,371	28,909,810
Other receivables		
Unsecured, considered good	796,967,035	723,614,398
Doubtful	-	-
(B)	796,967,035	723,614,398
Total Trade Receivable (A+B)	823,118,406	752,524,208

NOTE 17 : CASH AND BANK BALANCES	31st. March 2016 (₹)	31st. March 2015 (₹)
Cash and cash equivalents		
Balances with banks		
On Current Accounts	3,788,259	5,618,612
Deposit (includes Margin Money) with original maturity less than three months	64,054,144	68,892,556
Cash In Hand	3,864,624	5,015,024
Total Cash and Bank Balance	71,707,027	79,526,192

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

NOTE 18 : REVENUE FROM OPERATION	31st. March 2016 (₹)	31st. March 2015 (₹)
Sales (Gross)	4,032,058,028	4,144,057,883
Business & Other Service Income	511,118,309	406,732,011
Revenue from Operation (Gross)	4,543,176,337	4,550,789,894
Less: Excise Duty	442,410,524	438,482,147
Total Revenue from Operation (Net)	4,100,765,813	4,112,307,747

DETAILS OF REVENUE FROM OPERATION	31st. March 2016 (₹)	31st. March 2015 (₹)
Sales		
Iron & Steel product	4,032,058,028	4,144,057,883
	4,032,058,028	4,144,057,883
Services Rendered		
Business & Other Service Income	511,118,309	406,732,011
	511,118,309	406,732,011

NOTE 19: OTHER INCOME	31st. March 2016 (₹)	31st. March 2015 (₹)
Interest Income On		
- Bank Deposits	5,467,278	4,619,015
- Others	396,437	2,912,893
Unspent liabilities and provisions no longer required written back	635,697	836,622
Trade Discount/ Rebate	-	19,055
Foreign Exchange Gain	-	689,747
Others	278,808	-
Total Other Income	6,778,220	9,077,332

NOTE 20 : PURCHASES & RAW MATERIAL CONSUMED	31st. March 2016 (₹)	31st. March 2015 (₹)
Inventory at the beginning of the year	881,473,315	454,878,374
Add. Purchases	3,077,072,258	3,969,110,489
Freight	13,491,232	14,645,378
	3,972,036,805	4,438,634,241
Less: Inventory at the end of the year	380,861,745	881,473,315
Total Purchases & Raw Material Consumed	3,591,175,060	3,557,160,926

DETAILS OF PURCHASES	31st. March 2016 (₹)	31st. March 2015 (₹)
Purchase		
Iron & Steel product	3,077,072,258	3,969,110,489
	3,077,072,258	3,969,110,489

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

NOTE 21 : (INCREASES)/DECREASE IN INVENTORIES	31st. March 2016 (₹)	31st. March 2015 (₹)
Inventory at the end of the year		
Finished Goods	404,970,970	318,951,154
Less: Inventory at the begninning of the year		
Finished Goods	318,951,154	206,427,067
Total (Increases)/Decrease in Inventories	(86,019,816)	(112,524,087)

NOTE 22 : EMPLOYEE BENEFIT EXPENSES	31st. March 2016 (₹)	31st. March 2015 (₹)
Salaries & Bonus	14,278,315	13,056,651
Contribution to Provident Fund	1,876,147	1,729,347
Gratuity	455,828	838,700
Staff Welfare Expenses	250,000	-
Managing Directors' Remuneration **(Refer Note 25 below)**	1,500,000	3,000,000
Total Employee Benefit Expenses	18,360,290	18,624,698

NOTE 23 : OTHER EXPENSES	31st. March 2016 (₹)	31st. March 2015 (₹)
Consumption of Stores and Spares	18,367,607	19,734,671
Excise Duty on Increase/(Decrease) in Inventories	10,335,268	12,205,796
Power and Fuel	157,847,344	154,230,788
Operation & Maintainence Charges	10,661,524	9,746,401
Freight and Forwarding Charges	19,490,598	22,575,026
Rent	351,435	2,977,404
Rates and Taxes	680,587	659,671
Fees and Subscription (PY includes Rs. 38,28,126 towards inc. in Authorised Capital)	428,359	4,785,571
Insurance	320,562	233,422
Repair & Maintainence	46,537,301	6,995,013
Motor Vehicle & Travelling Expenses	6,487,416	4,178,479
Selling & Distribution Expenses	18,567,913	16,347,011
Payment to Statutory Auditor **(Refer Note 23.1 below)**	168,400	200,300
Commission Charges	9,420	33,903
Consultancy Charges	682,250	977,450
Bank Charges (including LC and BG Charges)	18,862,249	16,728,996
Accounts & Finance Charges	4,329,000	1,980,000
Listing Fees	226,250	172,500
Foreign Exchange Loss	16,863	-
Loss on Sale of Asset	23,942	-
Others Administrative Expenses **(Refer Note 23.2 below)**	10,019,918	5,631,954
Total Other Expenses	324,414,206	280,394,356

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

NOTE 23.1 : PAYMENT TO STATUTORY AUDITOR	31st. March 2016 (₹)	31st. March 2015 (₹)
As Auditor		
- Audit Fees	75,000	75,000
- Tax Audit Fees	25,000	25,000
- Limited Review Fees	33,000	33,000
- Others	35,400	67,300
	168,400	200,300

NOTE 23.2 : OTHER ADMINISTRATIVE EXPENSES INCLUDE	31st. March 2016 (₹)	31st. March 2015 (₹)
- Directors' Sitting Fees	265,000	260,000
- CSR Activities	1,956,795	1,265,270
	2,221,795	1,525,270

NOTE 24 : FINANCE COST	31st. March 2016 (₹)	31st. March 2015 (₹)
Interest to Banks on Term Loans	22,639,465	30,237,033
Others	152,924,998	156,316,545
Total Finance Cost	**175,564,463**	**186,553,578**

NOTE 25 : DIRECTOR REMUNERATION	31st. March 2016 (₹)	31st. March 2015 (₹)
a) Director Remunaration Paid		
Basic	750,000	1,500,000
House Rent Allowance	145,000	290,000
Bonus	125,000	250,000
Other	480,000	960,000
	1,500,000	3,000,000
b) Computation of Profit for the purpose of Directors Remuneration		
Profit before tax as per profit & loss account	49,526,435	157,865,479
Add : Depreciation	34,523,395	33,310,129
Directors' Remuneration	1,500,000	3,000,000
	85,549,830	194,175,609
Less : Depreciation as per Companies Act, 2013	34,523,395	33,310,129
Directors' Remuneration	1,500,000	3,000,000
Net profit as per Section 198 of Companies Act, 2013	**49,526,435**	**157,865,479**

NOTE 26 : EARNING PER SHARE	31st. March 2016 (₹)	31st. March 2015 (₹)
Net Profit after tax (₹)	22,742,763	107,655,043
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	46,763,750	46,763,750
Basic Earnings per Share (in ₹)	0.49	2.30
Weighted average No. of Equity Shares outstanding in calculation of Diluted EPS	46,763,750	46,763,750
Diluted Earning per Share (in ₹)	0.49	2.30
Nominal Value of Share	10	10

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

Note 27: EMPLOYEE BENEFITS:

Disclosure pursuant to Accounting Standard-15 (revised) "Employee Benefits.

PARTICULARS	31st. March 2016 (₹)	31st. March 2015 (₹)
a) Defined Contribution Plan		
Employer's Contribution to Provident and Other Funds	1,876,147	1,729,347
b) Defined Benefit Plan		
The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method as on 31st March, 2016 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective plans.		
(i) Net Employee Benefit expense (recognized in Employee Benefit Expense)		
Current Service Cost	469,610	450,175
Interest Cost on benefit plans	230,654	163,558
Net Actuarial (gains)/losses recognized in the year	(244,436)	224,967
Total Employer expense recognized in the Statement of Profit and Loss	455,828	838,700
(ii) Actual Return on Plan Assets	N.A.	N.A.
(iii)Net Assets/ (Liabilities) recognized in the Balance Sheet	3,339,003	2,883,175
(iv)Movement in Defined Benefit Obligation		
Opening defined benefit obligation	2,883,175	2,044,475
Current Service Cost	469,610	450,175
Interest Cost on benefit plans	230,654	163,558
Benefit paid	-	-
Net Actuarial (gains)/losses recognized in the year	(244,436)	224,967
Closing defined benefit obligation	3,339,003	2,883,175
(v)Movement in fair value of Plan Assets	N.A	N.A
(vi)Major categories of plan assets as a percentage of the fair Value of total plan assets	N.A	N.A
(vii)Actuarial Assumptions		
Mortality Table	IALM (2006-2008) Ultimate	IALM (2006-2008) Ultimate
Discount Rate per annum Compounded	8.00%	8.00%
Rate of increase in salaries per annum	6.00%	6.00%
(viii) (a)The estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employee market.		
(b)The gratuity liabilities is unfunded. Accordingly, information regarding Planned Assets is not applicable.		
(ix) The above information is certified by the actuary.		

Note 28: DISCLOSURE IN RELATION TO RELATED PARTIES:
Related party disclosure is identified by the management in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

a) Name of Related Parties and nature of relationship

Key Management Personnel	**Managing Director** Mr. Jugal Kishore Agarwal **Director** Mr. Mohan Lal Agarwal Mr. Mahesh Kumar Agarwal Mr. Asit Baran Dasgupta Mr. Shyam Bahadur Singh Ms. Archana Gupta Sha **Chief Financial Officer** Mr. Bikash Roy Chowdhury **Company Secretary** Mr. Bharat Agarwal
Relatives of Key Management personnel	Mr. Ghanshyam Das Agarwal (Brother of Director) Mr. Manoj Kumar Agarwal (Brother of Director) Mr. Nirmal Kumar Agarwal (Brother of Director) Mr. Sachin Agarwal (Son of Mr. Jugal Kishore Agarwal) Mr. Naveen Agarwal (Son of Mr. Jugal Kishore Agarwal)
Enterprises over which Key Management Personnel / Relatives have significant influence	Adhunik Corporation Ltd. Adhunik Infotech Ltd. Adhunik Power & Natural Resource Ltd. Adhunik Alloys & Power Ltd. Sungrowth Shares & Stock Ltd. Mahananda Suppliers Ltd. Adhunik Meghalaya Steels Private Ltd. Adhunik Metaliks Ltd. and its subsidiary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

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

b) Aggregated Related Party Disclosures:

Nature of Transactions	Name of Related Party	31st. March 2016 (₹)	31st. March 2015 (₹)
Remuneration to KMP	Mr. Jugal Kishore Agarwal	1,500,000	3,000,000
	Mr. Bikash Roy Chowdhury	1,500,000	1,500,000
	Mr. Bharat Agarwal	554,998	392,360
Directors Sitting Fees	Mr. Ashok Bector	-	60,000
	Mr. Asit Baran Dasgupta	60,000	60,000
	Mr. Mahesh Kumar Agarwal	60,000	60,000
	Mr. Mohan Lal Agarwal	40,000	40,000
	Mr. Shyam Bhadur Singh	45,000	30,000
	Ms. Archana Gupta Sha	60,000	10,000
Purchase of Raw Material			
Billet	Adhunik Corporation Ltd.	162,981,859	147,292,582
Coal & Coal Fines	Adhunik Corporation Ltd.	-	2,063,474
Sale of Finished Goods & Byproducts			
Wire Rod	Adhunik Alloys & Power Ltd.	806,532	500,604
	Adhunik Metaliks Ltd.	978,500	2,869,379
TMT Bar	Adhunik Metaliks Ltd.	16,551,452	-
Coal	Adhunik Corporation Ltd.	15,875,167	-
Misrolled,Wastage,E.Cutting Etc	Adhunik Corporation Ltd.	87,545,480	155,965,316
Expenditure for services/others			
Rent	Mr. Mahesh Kumar Agarwal	6,000	6,000
	Adhuniik Infotech Ltd.	341,805	2,640,000
Accounts & Finance Maintenance Charges	Adhuniik Infotech Ltd.	4,329,000	1,980,000

c) Outstanding Balance Related Party:

Nature of Relationship	31st. March 2016 (₹)	31st. March 2015 (₹)
Key Managerial Persons/ Relatives of Key Management Personnel		
Balance outstanding as at the year-end – Debit	-	-
Balance outstanding as at the year-end – Credit		
Mr. Bikash Roy Chowdhury	110,280	88,258
Mr. Bharat Agarwal	51,424	32,850
Enterprises over which key Management Personnel/Relatives having significant influence		
Balance outstanding as at the year-end – Debit		
Adhunik Alloys & Power Ltd.	125,596	531,293
Adhunik Metaliks Ltd.	6,157,126	2,827,174
Adhunik Corporation Ltd.	-	395,040
Balance outstanding as at the year-end – Credit		
Adhunik Corporation Ltd.	44,882,087	5,385,128
Adhunik Infotech Ltd.	8,851,802	14,241,518

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

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

NOTE 29 : VALUE OF IMPORTS CALCULATED ON CIF BASIS:	31st. March 2016 (₹)	31st. March 2015 (₹)
Stores & Spares	5,989,021	1,073,805

NOTE 30 : EXPENDITURE IN FOREIGN CURRENCY:	31st. March 2016 (₹)	31st. March 2015 (₹)
Travelling Expenses	2,128,065	1,817,207
Bank Charges	-	118,633

NOTE 31 : EARNINGS IN FOREIGN EXCHANGE:	31st. March 2016 (₹)	31st. March 2015 (₹)
Export of steel materials	-	67,587,018

NOTE 32: CONTINGENT LIABILITIES (to the extend not provided for)	31st. March 2016 (₹)	31st. March 2015 (₹)
Contingent Liabilities Outstanding guarantees and counter guarantees to various bank, in respect of the guarantees given by those banks in favor of various government authorities, suppliers and others.	31,500,000	36,500,000

NOTE 33: In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

NOTE 34: The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account.

NOTE 35: In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed.

NOTE 36: Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

NOTE 37: Unclaimed dividend of earlier years aggregating to Rs. 2,72,000/- deposited in separate bank account, out of which an amount of Rs 68,000/- which is liable to transferred to Investor Education Protection Fund (IEPF) has been duly transferred during the year under audit.

NOTE 38: Keeping in mind, decrease in the net profit by 78.87% in the financial year 2015-16, the Managing Director willingly expressed to forego 50% of his remuneration and receive Rs. 15 Lakhs only, against Rs. 30 Lakhs as per the shareholders' approval and Employment contract with the company.

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

Signatories to Schedules 1 to 39.

As per our report of even date
FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 27th Day of May 2016

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED
CIN-L65921WB1979PLC03200
Regd. Office : 14, N.S.ROAD, 2ND FLOOR, KOLKATA-700001
Phone:033-3051 7100, Fax- 033-2289 0285
Website: www.adhunikindustries.com, E-mail-info@adhunikgroup.com

Notice

NOTICE IS HEREBY GIVEN THAT THE 37th ANNUAL GENERAL MEETING OF ADHUNIK INDUSTRIES LIMITED WILL BE HELD ON WEDNESDAY, THE 14TH DAY OF SEPTEMBER, 2016 AT 02.30 PM AT BHARATIYA BHASHA PARISHAD, 36-A, SHAKESPEARE SARANI, KOLKATA – 700 017 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company as at 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Mahesh Kumar Agarwal (DIN: 00507690) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

3. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of sections 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendation of Audit committee, the retiring Auditors, M/s. Sudhir Kumar Jain & Associates, Chartered Accountants (Registration no. 318016E) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Thirty Seventh Annual General Meeting till the conclusion of the Forty Second Annual General Meeting of the Company Company subject to ratification by shareholders at every Annual General Meeting at a remuneration to be fixed by the Board of Directors based on recommendation of Audit committee in consultation with the Auditor from time to time in addition to reimbursement of all out-of pocket expenses as may be incurred in connection with the audit of the accounts of the Company plus applicable service tax."

SPECIAL BUSINESS

4. To approve the remuneration of Cost Auditors for the financial year ending March 31, 2017 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Dipak Lal & Associates, Cost Accountants, (Membership No. 28441) Kolkata, of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus service tax and out-of-pocket expenses), as approved by the Board of Directors based on the recommendation of the Audit Committee to conduct the audit of the cost records of the company for the financial year 2016-17, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified."

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

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

   "RESOLVED THAT pursuant to the provisions of Section 149,150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Chandra Shekhar Jalan (DIN: 01023586), appointed as an Additional Non- Executive Independent Director w.e.f. 27th May, 2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five years with effect from the conclusion of 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting in the calendar year 2021."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Material Related Party Transactions to be entered by the company for Financial Year 2016-17of a value of Rs. 1,52,00,06,000/-(Rupees One Hundred and Fifty Two Crores and Six Thousand only) with the related party."

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

For and on behalf of the Board

Regd. Office:
14, N. S. Road, 2nd Floor
Kolkata - 700 001.
Dated: August 12, 2016

Jugal Kishore Agarwal
Managing Director
(DIN No: 00227460)

NOTES:

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

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. Members/proxies should bring duly filled Attendance Slips along with their copy of Annual Report to the meeting. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting are annexed hereto.

5. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declaration for their appointment/re-appointment.

6. Electronic copy of the Annual Report 2015-16 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015-16 is being sent in the permitted mode.

Notice (Cont.)

7. Electronic copy of the Notice of the 37th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. The notice and Annual Report is also available on the company's website www.adhunikindustries.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection between 10.00A.M. to 4.00 P.M. on all working days except Saturdays, Sundays and Holidays.

8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants. Members holding shares in physical form are required to submit their PAN details to the company.

10. The Register of Members and Share Transfer Books of the Company will remain closed from 8th September, 2016 to 14th September, 2016 (both day inclusive).

11. Members are requested to quote their folio number / DP ID, Client ID in all correspondences.

12. Member's holding Company's shares in electronic form are required to bring details of Depository Account such as DP ID, Client ID number for their identification.

13. Members are requested to address all correspondence to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata - 700001.

14. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendments Rules 2015 and Regulation 44 of SEBI Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instruction for remote e-voting are annexed to the notice.

15. Pursuant to Section 205A and 205C of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claim shall lie against the fund or the Company. So, members are advised to claim the same from the Company immediately. Members who have not so far encashed their Dividend warrants for the Accounting years ended 31.03.2009 to 31.03.2011as provided may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.

16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.

17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.

18. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" in 2011 by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent to the shareholders in Electronic Mode. To support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members who hold shares in physical form are requested to submit their e-mail address to the Company /Registrar & Share Transfer Agent, Maheshwari Datamatics Private Limited. We are sure you would appreciate the "Green Initiative" taken by MCA and solicit your patronage and support to participate in such initiative.

19. Route map along with landmark to the venue of the Annual General Meeting is annexed to this notice.

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

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as

substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The instructions for remote e-voting are as under:

(i) The remote e-voting period begins on Sunday, 11th September, 2016(10:00 a.m. IST) and ends on Tuesday, 13th September, 2016 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, 7th September, 2016, may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

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

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

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two c haracters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

Notice (Cont.)

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant ADHUNIK INDUSTRIES LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same in his E-mail Id- goenkamohan@gmail.com.

21. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

22. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 7th September, 2016.

23. 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.

24. The Board of Directors of the Company has appointed CS Mohan Ram Goenka failing him CS Sneha Khaitan, Partner, MR & Associates, Practising Company Secretaries, Kolkata, as the Scrutinizer to scrutinize the remote e-voting process as well as the voting through Ballot Paper at the AGM in a fair and transparent manner.

25. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut -off date i.e. 7th September, 2016 may obtain the User Id and password by sending a request at investorsail@adhunikgroup.co.in or to the Registrar at mdpldc@yahoo.com. However, if the member is already registered with CDSL for remote e-voting then he can use his existing user ID and password for casting the vote through e-voting.

26. 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.

27. 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.

28. The Results declared along with Scrutinizer's Report shall be placed on the Company's website www.adhunikindustries.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing and same shall simultaneously be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT

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

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

ITEM NO. 4

The Board of Directors on the recommendation of Audit Committee has approved the appointment and remuneration of M/s. Dipak Lal & Associates, Cost Accountants, (Membership No. 28441) as cost auditor of the Company, for a remuneration of Rs. 25,000/- to conduct the audit of the cost records maintained by the Company for the financial year ending on 31st March, 2017 at a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus service tax and out-of-pocket expenses).

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

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

ITEM NO. 5

As per the provisions of Section 149(1) of the Companies Act, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Chandra Shekhar Jalan as an Additional Non-Executive Independent Director of the Company pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company on May 27, 2016 and will hold office only up to the conclusion of 37th Annual General Meeting. The Company had received notice in writing from a member along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Chandra Shekhar Jalan for the office of director of the Company.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Chandra Shekhar Jalan will be appointed as an Independent Director of the Company. He shall not be liable to retire by rotation and shall hold office as an Independent Director for a term up to five consecutive years on the Board of the Company.

The matter regarding appointment of Mr. Chandra Shekhar Jalan as an Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to the conclusion of 42nd Annual General Meeting of the Company.

Mr. Chandra Shekhar Jalan is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company had received the consent to act as director and declaration from him that he meets the criteria of independence as prescribed both under Section 149 (6) of the Act and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Chandra Shekhar Jalan fulfills the conditions specified in the Act and the Rules made there under and also under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and is independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Chandra Shekhar Jalan as an Independent Director is now being placed before the members in General Meeting for their approval.

Copy of the draft letter for appointment of Mr. Chandra Shekhar Jalan as an Independent Director setting out the terms and conditions of his appointment shall be open for inspection without any fees by the Members at the Registered Office during normal business hours on any working day of the Company between 10:00 A.M. to 04:00 P.M. except Saturdays, Sunday and Holidays till the date of AGM.

Mr. Chandra Shekhar Jalan is interested and concerned in the Resolution mentioned at in item no.5 of the Notice. Other than Mr. Chandra Shekhar Jalan, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice, whether financially or otherwise.

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

ITEM NO. 6

As per the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and subject to such conditions as prescribed in rules framed in this regard, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein except with the consent of the Board of Directors given by a resolution at a meeting of the Board. It is further provided that in case of a Company having paid up share capital of not less than such amount or transactions not exceeding such sums as are prescribed in the rules framed in this regard, no contract or arrangement shall be entered into except with the prior approval of the company by a Resolution. It is further provided that nothing in Section 188(1) shall apply to any transactions entered into by the Company which are entered in its ordinary course of business and are at arm's length.

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

The Company in the course of its business is required to enter into contracts or arrangements with its "Related Parties" as defined under Section 2 (76) the Companies Act, 2013, during the Financial Year 2016-17. These transactions are estimated at Rs. 1,52,00,06,000/- (Rupees One Hundred and Fifty Two Crores and Six Thousand only) for F.Y. 2016-17 which are of value exceeding 10% of the Annual Consolidated Turnover of the Company as per the Last Audited Financial Statement of the Company.

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

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

Notice (Cont.)

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

Sl. No.	Name of Party	Name of related Director/ KMP	Nature of Relationship	Nature and particulars of the Contract	Material terms of Contract	Item	Manner of price determination	Estimated Value (₹ in Lacs)
1	Adhunik Corporation Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Sale of Goods	FOR	Coal/ Miss Roll	Arm's length pricing	2,000.00
2	Adhunik Corporation Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Purchase of Goods	FOR	Billets	Arm's length pricing	5,000.00
3	Adhunik Metaliks Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Purchase of Raw Materials	Ex-Factory	Silico Manganese & Store's items	Arm's length pricing	1,000.00
4	Adhunik Alloys & Power Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Purchase of Goods and Service	Ex-Factory	Billets	Arm's length pricing	1,000.00
5	Adhunik Alloys & Power Ltd	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Sale of Goods and Service	Ex-Factory	TMT, Misc. Stores and Spares	Arm's length pricing	2,000.00

6	Adhunik Power & Natural Resources	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Other Income	-	Interest Income	Arm's length pricing	100.00
7	Adhunik Infotech Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Purchase of Goods and Service	-	Office Rent & IT and Accounting Maintenance Services	Arm's length pricing	100.00
8	Futuristic Steel Ltd.	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Sale of Goods and Service	Ex-Factory	TMT, Rolled, Misc. Stores and Spares	Arm's length pricing	2,000.00
9	Adhunik Steels Limited	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	Sale of Goods and Service	Ex-Factory	TMT, Rolled, Misc. Stores and Spares	Arm's length pricing	2,000.00
10	Mahesh Kumar Agarwal	Mr. Mahesh Kumar Agarwal, Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	Director	Services Received	-	Rent	Arm's length pricing	0.06
Total								**15200.06**

ANNEXURE TO ITEMS 2 & 5 OF THE NOTICE

Details of Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting

[in pursuance of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mahesh Kumar Agarwal	Chandra Shekhar Jalan
Date of Birth	07/03/1966	19/07/1948
Date of Appointment	27/08/2003	27/05/2016
Date of first appointment on Board	27/08/2003	27/05/2016
Qualification	Graduate in Commerce	MBA (PGDM) from IIM, Calcutta in 1969 (Specialization in Finance and Systems Control)
Expertise in specific functional area	He has over 20 years of experience in the iron and steel sector.	He has over 45 years of experience as MD/CEO/Profit Centre Head in Steel, Metal and Textile and Consultant/Advisor and also has expertise in finance and consultancy.
Terms and conditions of Appointment/Re-appointment	Tenure as a Director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013.	As per the letter of appointment of Independent Directors uploaded on the website of the Company as www.adhunikindustries.com pursuant to clause IV(6) of Schedule IV of the Companies Act, 2013.
Details of remuneration sought to be paid	NIL	NIL
Remuneration last drawn (if applicable)	Sitting Fees not exceeding 1% of the net profits in the aggregate for all of the non-executive directors.	Sitting Fees not exceeding 1% of the net profits in the aggregate for all of the Non-executive Directors.
Shareholding in the Company	5,24,000 Nos	NIL
No. of Board meetings attended during the F.Y. 2015-16	4/4	NA
List of Public Companies in which holds directorship	Adhunik Corporation Limited Sungrowth Share & Stocks Limited Mahananda Suppliers Limited Moira Madhujore Coal Limited Arena Textiles and Industries Limited	Om Besco Rail Products Limited

Chairman/Memberofthecommittees of Directors of other public Companies (includes only Audit Committees and Stakeholders Relationship Committee)	NIL	NIL
Relationships between Directors inter-se	Brother of Mr. Jugal Kishore Agarwal and Mr. Mohan Lal Agarwal	NIL
Justification for choosing the appointee for appointment as an Independent Director	NA	He has significant experience in management, finance, manufacturing and operations. The Company and the Board will immensely benefit by leveraging his leadership quality, general business knowledge and knowledge of complex and operational issues faced by the Company.

For and on behalf of the Board

Registered Office:
14, N.S. Road, 2nd Floor
Kolkata - 700 001.
Dated: August 12, 2016

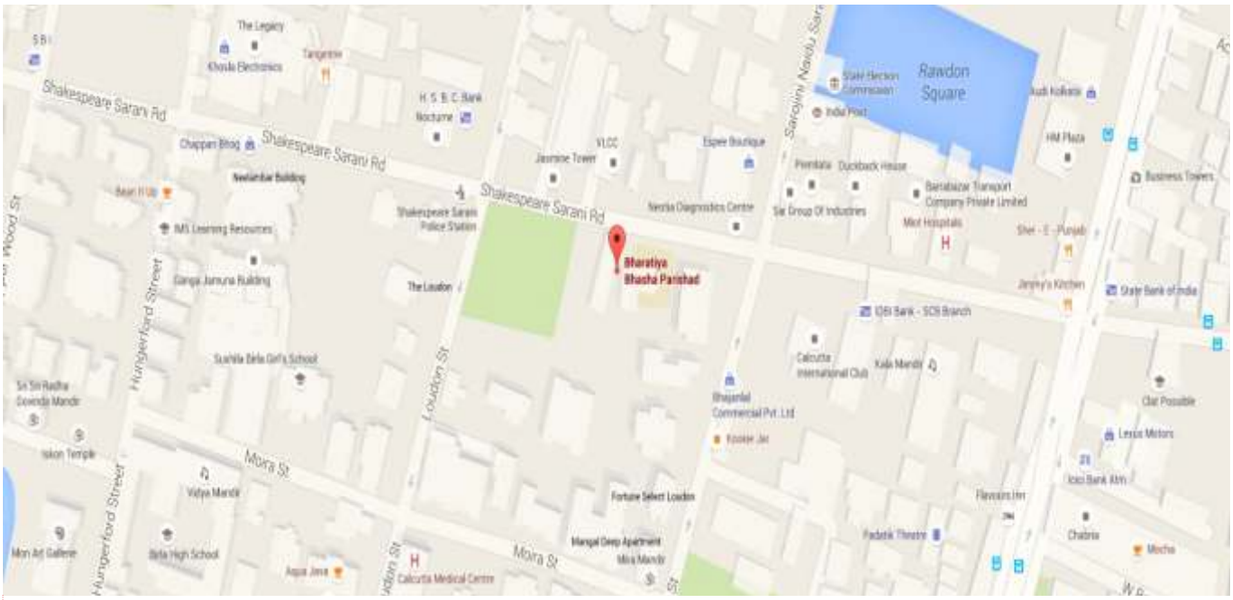
Jugal Kishore Agarwal
Managing Director
(DIN No: 00227460)

Route Map of venue of 37th Annual General Meeting of M/s. Adhunik Industries Limited

Venue

Bharatiya Bhasha Parishad

36-A, Shakespeare Sarani, Kolkata-700 017



ADHUNIK INDUSTRIES LIMITED

CIN-L65921WB1979PLC03200

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

Phone: 033 3051 7100, Fax: 033 2289 0285

Website: www.adhunikindustries.com, E-mail: info@adhunikgroup.com

ATTENDANCE SLIP

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

I / We, ..., hereby record my presence at the 37th Annual General Meeting of the Company to be held on Wednesday, the 14th September, 2016 at 02.30 PM at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700 017.

Name of the Shareholder: _____

DP ID No.* _____

Client ID No.* _____

Folio Number: _____

Number of Equity Shares held: _____

*Applicable for shares held in electronic form.

_____ _____

Member's/Proxy Name (in Block letters) Signature of the Attending Shareholder/Proxy

ADHUNIK INDUSTRIES LIMITED
CIN-L65921WB1979PLC03200
Regd. Office: 14, N.S.ROAD, 2ND FLOOR, KOLKATA-700001
Phone: 033-3051 7100, Fax- 033-2289 0285
Website: www.adhunikindustries.com, E-mail-info@adhunikgroup.com

Form No. MGT-11
PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

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

Address:.....

Signature:..... or failing him

2. Name: ..... E-mail Id:.....

Address: .....

Signature:..... or failing him

3. Name: ..... E-mail Id:.....

Address: .....

Signature:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **37th Annual General Meeting** of the Company, to be held on Wednesday, the 14th September, 2016 at 02.30 PM at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions No.	Particulars	For	Against
1.	Consider and adopt the audited balance sheet of the Company as on 31st March 2016 and the statement of profit and loss for the financial year ended on that date together with the reports of the Auditors and Directors thereon.		
2.	Re-appointment of Mr. Mahesh Kumar Agarwal who retires by rotation.		
3.	Appointment of Auditors and fixing their remuneration.		
4.	Fixation of remuneration of Cost Auditors.		
5.	Appointment of Mr. Chandra Shekhar Jalan as an Independent Director.		
6.	Approval of Related Party Transactions.		

Signed this _____ day of _____2016.

Signature of shareholder_____

Signature of the proxy holder _____

Affix Revenue Stamp of Re. 1/-

Notes:

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

2) A Proxy need not be a member of the Company.

3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

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

36th ANNUAL GENERAL MEETING









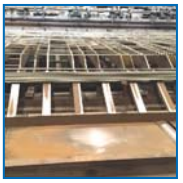


Note

Adhunik
TMT BARS

Adhunik Industries Ltd.

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







ONWARD
TO PROGRESS

36th ANNUAL REPORT

2014-15

ADHUNIK INDUSTRIES LTD.

Adhunik

BHAROSA HAMESHA

THE MAN WHO SHOWED THE WAY TO EXCEL



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

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

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

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

-Late Mahadeo Prasad Agarwal

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CORPORATE INFORMATION

BOARD OF DIRECTORS



Mr. Jugal Kishore Agarwal
Managing Director
(DIN-00227460)



Mr. Mohan Lal Agarwal
Non-Executive Director
(DIN-01047906)



Mr. Mahesh Kumar Agarwal
Non-Executive Chairman
(DIN-00507690)



Mr. Asit Baran Dasgupta
Independent Director
(DIN-02476594)



Mr. Shyam Bahadur Singh
Independent Director
(DIN-01982407)



Ms. Archana Gupta Sha
Independent Woman Director
(DIN- 07089290)

CORPORATE INFORMATION Cont.

CHIEF FINANCIAL OFFICER

Shri Bikash Roy Chowdhury

COMPANY SECRETARY

Shri Bharat Agarwal

STATUTORY AUDITORS

M/s. Sudhir Kumar Jain & Associates
Chartered Accountants

COST AUDITORS

M/s. Dipak Lal & Associates
Cost Accountants

SECRETARIAL AUDITORS

M/s. M R & Associates
Company Secretaries

INTERNAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

WORKS

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

REGISTRAR & TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane
Kolkata-700 001
Phone: (033) 2243-5809
Fax: (033) 2248-4787
E-mail- mdpldc@yahoo.com

Chairman's Statement



Dear Fellow Shareholders,

FY 2014-15 was comparatively a good year for iron & steel industry in India and the country's steel production rose by 7.9 percent over the last fiscal. Indian economy is in the process of recovery with lower fiscal & current account deficit and lower inflation. Our country's growth seems poised to return to a high growth path upon the fructification of the policies announced by the new Government at the center last year. Moreover the new motto of development and the concept of Make in India, inaugurated in October last year, now materializing, will create new pyramid of opportunities of demand for construction steel and the demand so created will be perpetual and not short-lived.The Government of India is aiming at tripling the Steel Capacity to 300 Million Tonnes by 2025. The company's inbuilt strength and quality of the product will enable the company to take advantage of the creation of new demand which is definite because of the Government's concentration on infrastructure development as well. The Company achieved gross revenue from operations amounted to ₹ 455.08 Crores during the F. Y. 2014-15 (P.Y. – Rs. 485.96 Crores). The downfall in revenue from operations was due to fall in prices of finished goods but at the same time prices of raw materials fell too. Further, PBT has increased drastically by 162.60 % during the F. Y. 2014-15 as compared to P. Y. 2013-14 due to synergy in procurement and effective marketing by the Company as well as reduction in cost of finance with the improvement in credit matrix of the Company and credit ratings.

CURRENT SCENARIO OF STEEL INDUSTRIES

The global economy, reviving from slowdown, is expected to offer better business opportunities in future in each and every sector of economy. Further, stable government at the Centre gives positive growth signal for Indian Industry as there is hard core effort of the Government to materialize the plans and policies announced last year and there is step by step development towards the growth path in making India a self-reliant economy. This will give rise to the per capita steel consumption offering significant growth opportunities for the iron and steel industry. The idea of developing smart cities will help to boost steel consumption in smaller, rural towns and cities where practically steel consumption was ever low causing market penetration into areas never thought of earlier. Our marketing team is well poised to capture new opportunities so created. The demand for long products i.e. TMT Bars and Wire Rods in India is expected to remain robust in long run due to escalation in demand created due to upcoming smart cities, infrastructure development and also from other sectors consumer durables, oil and gas, industrial machinery and real estate.

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

CORPORATE SOCIAL RESPONSIBILITY

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

ROAD AHEAD

As India is one of the fast progressing nations around the world and we are expecting fast growth in the near future, demand for steel related products will always be there and will increase substantially keeping in mind the present pace in the Economy. We believe, the Company will be able to flourish in the competitive market along with an increase in demand for the products.

HIGHLIGHTS ON PERFORMANCE

The performance of our steel business has been appreciable despite the challenges in the steel sector. The company by its sound management techniques and adaptability to the fluctuating business environment has been able to maintain overall health and has dynamic policies and strategies to meet the unforeseen and unpredictable challenges that may be imminent. During the year, your Company witnessed a growth in profit figures, coupled with wider geographic extension of customer base in the country while retaining the erstwhile foreign market and also extension of product mix to various growing sectors.

CONCLUSION

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

With best wishes,

Sincerely,

Mahesh Kumar Agarwal
Chairman
29th May, 2015.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 36th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company for the financial year ended 31st March, 2015 is as under:

(₹ in Lakhs)

Particulars	Year ended	
	31st March, 2015	31st March, 2014
Total Revenue	41,213.85	44,154.67
Total Expenditure (including depreciation and other expenses etc.)	39,635.20	43,553.52
Profit Before Tax	**1,578.65**	**601.15**
Total Tax expense	502.10	166.16
Profit After Tax	**1,076.55**	**434.99**
Profit brought forward from earlier year	4,303.60	3,868.61
Less: Depreciation adjustment pertaining to earlier years	14.60	-
Profit available for Appropriation	5,365.55	4,303.60
Paid up Equity Share Capital	4,676.38	4,676.38
Net Worth	10,041.93	8,979.98

OPERATIONS

The key highlights of Company's performance during the year under review are:

- Revenue from operations decreased by 6.66% to ₹ 41,213.85 Lakhs due to fall in prices of finished goods as compared to last year.
- EBIDTA increased by 12.19% to ₹ 3,777.29 Lakhs due to synergy in procurement and effective marketing as compared to last year.
- Profit before Tax significantly increased by 162.60% to ₹ 1,578.65 Lakhs.
- Net Profit significantly increased by 147.49% to ₹ 1,076.55 Lakhs.

STATE OF THE COMPANY'S AFFAIRS

The financial year 2014-15 has been a very successful and important year for the Company. In spite of significant challenges faced in its operating sector due to fall in prices of finished products, spurred by significant imports from countries like China, Korea etc., your Company has been able to manage the situation at its end and achieved the desired results due to synergy in procurement and effective marketing and taking appropriate decision by the management of the Company keeping in mind the prevailing market trends and promptly implemented the decisions in order to grab the temporary opportunity created in the market.

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

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

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

There is no change in the nature of business implemented by the Company during the Financial Year 2014-15.

INDUSTRY SCENARIO AND OUTLOOK

Indian steel industry plays crucial role in development of nation and is considered as the backbone of civilization and the level of per capita consumption of steel is an important determinant of the socio-economic development of the country. The Indian steel industry is divided into primary and secondary sectors. The primary sector comprises a few large integrated steel providers producing billets, slabs and hot rolled coils. The secondary sector involves small units focused on the production of value-added products such as cold rolled coils, galvanized coils, angles, columns, beams .

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

DIVIDEND AND RESERVES

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

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

SHARE CAPITAL

The Authorized Capital of the Company was increased from ₹ 500,000,000/- (Rupees Fifty Crores only) to 1,000,000,000/- (Rupees One Hundred Crores only) during the financial year 2014-2015 approved by the members in the last Annual General Meeting held on 18th September, 2014.

As on 31st March, 2015, the issued, subscribed and paid up share capital of your Company stood at ₹ 467,637,500/- (Rupees Forty Six Crores Seventy Six Lakhs Thirty Seven Thousand and Five Hundred Only) comprising of 46,763,750 (Four Crores Sixty Seven Lakhs Sixty Three Thousand and Seven Hundred and Fifty only) number of Equity shares of ₹ 10/- each fully paid up.

INDUSTRIAL RELATIONS

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

CREDIT RATING

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DETAILS OF BOARD MEETINGS

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

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

Date of the meeting	No. of Directors attended the meeting
29th May, 2014	6 (Six)
13th August, 2014	6 (Six)

Date of the meeting	No. of Directors attended the meeting
13th November, 2014	5 (Five)
12th February, 2015	7 (Seven)

COMMITTEES OF BOARD

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee and Management and Finance Committee. There are currently five Committees of the Board, as follows:

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

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

a. Audit Committee

During the year under review, the Board of Directors of your Company constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Committee had met four times i.e. on 29th May, 2014, 13th August, 2014, 13th November, 2014 and 12th February, 2015. The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman / Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Shri Ashok Bector*	Member
3.	Shri Mahesh Kumar Agarwal	Member
4.	Shri Shyam Bahadur Singh**	Member
5.	Smt. Archana Gupta Sha**	Member

*Resigned w.e.f. 12th February, 2015
** Appointed w.e.f. 12th February, 2015

Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company.

b. Nomination & Remuneration Committee

During the year under review, the Board of Directors of your Company constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Committee had met two times i.e. on 29th May, 2014 and 12th February, 2015. The details of composition of the Nomination & Remuneration Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Ashok Bector*	Ex-Chairman
2.	Shri Archana Gupta Sha**	Present Chairman
3.	Shri Shyam Bahadur Singh***	Member

Sl. No.	Name	Chairman/ Members
4.	Shri Mahesh Kumar Agarwal	Member

*Resigned w.e.f. 12th February, 2015.
** Appointed w.e.f. 12th February, 2015
** Appointed w.e.f. 29th May, 2014

c. Corporate Social Responsibility Committee

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

During the year, the Committee had met once i.e. on 2nd June, 2014. The details of composition of the Corporate Social Responsibility Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal	Chairman
2.	Shri Shyam Bahadur Singh	Member
3.	Shri Mohan Lal Agarwal	Member

d. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has renamed the existing "Shareholders' / Investors' Grievance Committee" as " Stakeholders' Relationship Committee".

The Committee had met four times i.e. on 29th May, 2014 and 13th November, 2014, 15th January, 2015 and 6th March, 2015. The details of composition of the Stakeholders' Relationship Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Mahesh Kumar Agarwal(Chairman)	Chairman
2.	Shri Mohan Lal Agarwal	Member
3.	Smt. Archana Gupta Sha *	Member
4.	Shri Ashok Bector **	Member

*Appointed w.e.f. 12th February, 2015
**Resigned w.e.f. 12th February, 2015

e. Management and Finance Committee

The Company has also constituted a Management and Finance Committee. The Committee met 2 (Two) times during the Year 2014-15 i.e. on 1st November, 2014 and 4th March, 2015. The details of composition of the Management and Finance Committee are as under:-

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) of the Companies Act, 2013, your Directors state that

(i) In the preparation of the annual accounts for the financial year ended March 31st, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent except as otherwise stated in the Notes to Financial Statements so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2015 and of the profit of the Company for the year ended on that date;

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors had prepared the annual accounts on a 'going concern' basis;

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are being operated effectively; and

(vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and being operated effectively.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

a) Shri Asit Baran Dasgupta (DIN: 02476594)

b) Shri Shyam Bahadur Singh (DIN: 01982407)

c) Smt. Archana Gupta Sha (DIN: 07089290)

DIRECTORS

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement and your Company's Articles of Association Shri Ashok Bector, (DIN: 00582126) Independent Director of the Company resigned and Smt. Archana Gupta Sha (DIN: 07089290) had been appointed as Additional Woman Independent Director of the Company with effect from 12th February, 2015

Shri Asit Baran Dasgupta (DIN: 02476594), Shri Shyam Bahadur Singh (DIN: 01982407) and Smt. Archana Gupta Sha (DIN: 07089290) have furnished their individual declaration on 1st April, 2015 pursuant to Section 149(7) of the Companies Act, 2013 confirming their status as Independent Directors pursuant to provisions of Section 149(6) of the Companies Act, 2013.

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

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

KEY MANAGERIAL PERSONNEL(KMPs)

During the year under review, Shri Jugal Kishore Agarwal, (DIN: 00227460) Managing Director, Shri Bikash Roychowdhury, Chief Financial Officer and Shri Bharat Agarwal, Company Secretary of the Company were nominated as the Whole-time Key Managerial Personnel (KMPs) of the Company.

In accordance with provisions of Section 203 of the Companies Act, 2013, the following are the Whole time Key Managerial Personnel (KMPs) of your Company as on March 31, 2015 -

Name	Designation	Date of Appointment	Date of Cessation
Shri Jugal Kishore Agarwal	Managing Director	29.05.2014	-
Shri Bikash Roy Chowdhury	Chief Financial Officer	29.05.2014	-
Shri Bharat Agarwal	Company Secretary	29.05.2014	-

The members had also re-appointed Shri Jugal Kishore Agarwal (DIN: 00227460) as the Managing Director of the Company in the last Annual General Meeting held on 18th September, 2014 for a period of three (3) years w.e.f. 30th November, 2014.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

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

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

- The Board member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in appropriate manner.
- Independent Director shall be a person of integrity, expertise and experience; and / or someone who the Committee / Board believes could contribute to the growth / philosophy / strategy of the Company.
- In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievement.
- Director should possess high level of personal and professional ethics, integrity and values. He should be able to balance the legitimate interests and concerns of all the Company's stakeholders while arriving at decisions, rather than advancing the interest of a particular constituency.
- Director must be willing to devote sufficient time and energy in carrying out his / her duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

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

RISK MANAGEMENT

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

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

Your Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organizational structures, processes, standards, code of conduct and behaviors govern how the Group conducts the business of the Company and manages associated risks.

CORPORATE SOCIAL RESPONSIBILITY

In lines with the provisions of Section 135 of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) Policy for the development and benefit of the weaker section of the society and the same is approved by the CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides a road map for its CSR activities. The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy

of discharging its CSR responsibilities related to social service through various trusts / societies in addition to its own initiatives and donations made to other non-government organizations.

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

Pursuant to the requirements under Section 135 of the Companies Act, 2013 and Rules made thereunder a report on CSR activities and initiatives taken during the year in the prescribed format is given in **Annexure-B**, which is annexed hereto and forms part of the Board's Report.

The Company has been playing a pro-active role in the socio economic growth and has contributed to all spheres ranging from health, education, rural infrastructure development, hygiene and empowerment of women, environment conservation etc. The Company takes part in some of the social programs in India, touching the lives of hundreds of people positively by supporting social programs.

The major CSR activities taken up by the Company are as under-

a) Health care activities

The Company had organized various social development activities in the area of healthcare by way of providing free medical check-up and administer free treatment and medicines for the needy people. Free health camps are organized in the rural areas to provide quality healthcare services to the local population of the area surrounding the Company's steel plant at Durgapur.

b) Education

The Company provide financial support to children for education in schools. School dresses, books, stationery and other materials are provided free of cost to the many needy students on regular basis in order to support their education. The Company also provides vocational training to workers of the backward area on a regular basis. Apart from that, the Company also organized various small primary education camps to provide basic education to the children of weaker section of society. The Company also contributed for construction of school building in Kolkata by providing donation in the corpus created by M/s. Hariyana Nagrik Sangh for the purpose.

c) Other social activities

The Company undertakes other social welfare activities and rural development projects including providing drinking water, food, health drinks, garments, tarpaulin for their home and other things of daily needs to the needy people of the backward and rural areas.

DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

The names and other particulars of the Directors/Key Managerial Personnel (KMPs) / Employees of your Company as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in the **Annexure - C** to the Board's Report and form part of this report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees' and individual Directors' pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement (Clause 49).

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

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

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

In a separate meeting of independent Directors, held on 12th February, 2015, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its Committees and individual Directors were also discussed.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATES COMPANIES

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

DEPOSITS

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

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

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

INTERNAL CONTROL AND AUDIT

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

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

BUSINESS RESPONSIBILITY REPORT

SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated inclusion of the Business Responsibility Report (BRR) as part of Annual Report for Listed Companies.

At AIL, corporate sustainability is demonstrated through:

(a) Fair, transparent and ethical governance,
(b) Engagement with marginalized and vulnerable communities,
(c) Adherence to and respect for all human rights,
(d) Offering specialized services and solutions to meet distinct needs of its clients,
(e) Reduction of impact of its operations on the environment and
(f) Promotion of employee well-being and safety.

AIL mainly operates in Eastern India . Its units of operation are encouraged to identify target beneficiaries in line with their local needs. The objective is to drive sustainability through various initiatives across the units of operation, supply chain, community and customers. While volunteering by employees is encouraged, the Company also utilizes its own expertise to address needs of the community and the environment.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s. Sudhir Kumar Jain & Associates, Chartered Accountants, the statutory auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, will be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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

COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants, a Cost Audit Firm, as Cost Auditor of the Company w.e.f. 1st April, 2015 to 31st March, 2016 to carry out audit of cost records of the Company.The remuneration proposed to be paid to them in Financial Year 2015-16 requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M R & Associates, Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31st, 2015 is annexed herewith marked as **Annexure - D** to this Report. In this connection, with the auditor observation in this report, it is mentioned that the Company had already applied to MCA for removal of cases u/s 162(1) and 220 (3) of the Companies Act, 1956 quashed/ dismissed by the Hon'ble Courts in its records

The Board has also appointed M/s.M R Associates, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2015-16.

RELATED PARTY TRANSACTIONS

According to the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, all transactions entered with Related Parties during the financial year 2014-15 were on arm's length basis and were in the ordinary course of business.

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and may be accessed at the link http://www.adhunikindustries.com/download/_1421230517.pdf

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

As there are no materially significant related party transactions during the year under review entered into 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, so the disclosure of Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and senior management of the Company. Board members and senior management personnel have affirmed compliance with the Code for the financial year 2014-15. A certificate from the CEO / Managing Director is annexed in this regard.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013, the Company is not required to transfer any amount to Investor Protection and Education Fund as the Company is declaring dividends since financial year 2007-08 and as such there is no amount of dividend which was due and payable, remained unclaimed and unpaid for a period of seven years.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees is drawing remuneration in excess of the limits set out in the said Rules. Therefore no disclosure is required in this context.

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is annexed to the Corporate Governance Report which is a part of Annual Report.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials and fuels cost and availability, transportation costs, changes in Government regulations and tax structure, economic developments within India and other factors such as litigation and industrial relations.

APPRECIATION

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

For and on behalf of the Board

Registered office
14 Netaji Subhas Road,
Kolkata - 700001
Date: 29.05.2015

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

ANNEXURES TO THE BOARD'S REPORT

Annexure - A

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

A. Conservation of Energy

i) a) Energy conservation measures taken;

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

- Use of Coal Based Methane (CBM) Gas exclusively for re-heating Furnace in place of earlier used Producer Gas generated from coal.
- Replacement of inefficient motor with energy efficient motors coupled with variable speed drives.
- Replaced old conventional light fittings by latest generation CFL and LED light fittings in the operational and official floors.
- Effective maintenance and improvement in power factor by installing Capacitor Bank in the plant.
- Installation of D.C. Drives in Power Panels in place of earlier A.C. Drives in the Block Mill.

b) Impact on conservation of energy;

The Company observed the following positive impact due the energy conservation measures taken by the Company as under -

- Reduction in Plant specific energy consumption at various levels.
- With the use of CBM Gas in place of coal will lead to reduction in carbon emission to the green environment to great extent and thus reduces pollution.
- With installation of energy efficient motors, efficiency of the Plant is overall improved.
- Plant availability is also improved.

ii) Steps in utilization of alternate sources of energy

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

iii) Capital investment on energy conservation equipments

The total capital investment on energy conservation equipment's incurred by the Company during the financial year ended March 31, 2015 is ₹ 38.16 Lakhs

B. Technology Absorption

i) The efforts made by the Company towards technology absorption during the year under review are as under:

- Installation of advanced Oxygen Analyzer machine to reduce scale loss during the production process.
- Installation of various machine based testing system to check the quality of the product produced.

ii) Adhunik Industries Limited finished products are always set a reputable standard in the market in comparison to its peers. With the adoption of various advanced methodology in the production process will help the Company to reduce its cost of production and also the quality and durability of the products are also improved.

iii) The Company had not imported any foreign technology during the period under review.

iv) The Company had not incurred any major expenditure which can be specifically appropriated to Research and Development work.

C. Foreign Exchange Earnings and Outgo

a) Activities relating to exports, initiatives taken to increase exports; development of new export markets for product and export plans:

The Company is actively exploring the export market and has taken various initiatives to increase exports of its products.

b) Total foreign exchange earned in terms of actual inflow and outgo:

Total foreign exchange used and earned	2014-15	2013-14
Foreign Exchange Inflow (₹ in Lakhs)	675.87	1,491.90
Foreign Exchange Outgo (₹ in Lakhs)	30.10	14.90

Annexure - B

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

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

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

2. The composition of CSR Committee is as under:

Shri Mahesh Kumar Agarwal
Shri Mohan Lal Agarwal
Shri Shyam Bahadur Singh

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

2011 - 12, 2012 - 13 and 2013 - 14 is ₹ 631.35 Lakhs.

4. The prescribed CSR expenditure at 2%: ₹ 12.63 Lakhs

5. Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year 2014 - 15: ₹ 12.65 Lacs
b) Amount unspent, if any: Not Applicable
c) Manner in which the amount spent during the financial year 2014 - 15 is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads:i)Direct expenditure on projects or programs ii)Overheads	Cumulative expenditure upto the reporting period i.e. 2014-15	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
				₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
I	Organizing health check-up camps for promoting preventive health care, sanitation and arranging drinking water supply	Health Care	Durgapur, West Bengal	1.64	1.64	1.64	Direct
II	Promoting basic education by organizing temporary primary classes	Education	Durgapur, West Bengal	2.25	2.25	2.25	Direct
III	Construction of School for promoting education	Education	Kolkata, West Bengal	4.51	4.51	4.51	Through implementing agency i.e.Hariyana Nagrik Sangh
IV	Organizing programs for distribution of food and supply of health drinks and fruits to the weaker section on regular basis	Food and malnutrition	Durgapur, Kolkata, West Bengal	2.23	2.24	2.24	Direct
V	Supervision of CSR activities	Overheads	Durgapur, West Bengal	2.00	2.01	2.01	Direct
TOTAL				12.63	12.65	12.65	

6. **In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount:** Not Applicable

7. **A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company:**

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

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 29.05.2015

Mahesh Kumar Agarwal
Chairman of the CSR Committee
(DIN: 00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Annexure-C

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

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year	Name of the Director	Ratio
		Shri Jugal Kishore Agarwal	63:1
		1. Apart from Managing Director, no Director is in receipt of any remuneration from the Company. 2. Sitting Fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year	Shri Jugal Kishore Agarwal	NIL
		Shri Bikash Roychowdhury	59.24%
		Shri Bharat Agarwal	1.89%
3.	The percentage increase in the median remuneration of employees in the financial year	In the financial year, there was an increase of 3.23 % in the median remuneration of employees.	
4.	The number of permanent employees on the rolls of Company	There were 129 permanent employees on the rolls of the Company as on March 31st, 2015.	
5.	The explanation on the relationship between average increase in remuneration and Company performance	The Profit before Tax for the financial year ended March 31st, 2015 increased by 162.60% whereas increase in median remuneration was 3.23%. The average increase in median remuneration was in line with the performance of the Company and partly on individual employee's performance.	
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The total remuneration of Key Managerial Personnel increased by 13.06 % from ₹ 43.27 Lakhs in 2013-14 to ₹ 48.92 Lakhs in 2014-15 whereas the Profit before Tax increased by 162.60% to ₹ 1,578.65 Lakhs in 2014-15 (₹ 601.15 Lakhs in 2013-14)	
7.	Variations in the market capitalization 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	The market capitalization of the Company as on March 31st, 2015 is ₹ 636.92 Crores and price earnings ratio as March 31, 2015 is 59.22. No public offer made by the Company since listing of shares of the Company. (Note-No comparable data is available as equity shares of the Company got listed with BSE on May 26, 2014 and no active trading was carried on also at Calcutta Stock Exchange during the period of comparison.)	
8.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 is 10.24 % whereas increase in managerial remuneration for the same financial year was NIL.	

<table>
<tr><th>Sr. No.</th><th>Requirements</th><th colspan="4">Disclosure</th></tr>
<tr><td rowspan="4">9.</td><td rowspan="4">Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company</td><td>Particulars</td><td>Remuneration for FY 2014-15 (₹ in Lakhs)</td><td>% of Gross Revenue for FY 2014-15</td><td>% of Net Profit for FY 2014-15</td></tr>
<tr><td>Shri Jugal Kishore Agarwal - MD</td><td>30.00</td><td>0.07</td><td>2.79</td></tr>
<tr><td>Shri Bikash Roy Chowdhury</td><td>15.00</td><td>0.03</td><td>1.39</td></tr>
<tr><td>Shri Bharat Agarwal</td><td>3.92</td><td>0.01</td><td>0.36</td></tr>
<tr><td>10.</td><td>The key parameters for any variable component of remuneration availed by the Directors</td><td colspan="4">Shri Jugal Kishore Agarwal, Managing Director is not paid any variable remuneration. Apart from that, no remuneration paid to any other Director of the Company during the year ended March 31st, 2015.</td></tr>
<tr><td>11.</td><td>The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year</td><td colspan="4">The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.</td></tr>
<tr><td>12.</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company</td><td colspan="4">It is hereby affirmed that the remuneration paid during the year ended 31st March, 2015 is as per the Remuneration Policy of the Company</td></tr>
</table>

General Note:

1. Calculation of Market Capitalization, price to earnings and other details are based on stock price on Bombay Stock Exchange on relevant dates.

2. Profit of the Company is calculated as per Section 198 of the Companies Act, 2013.

Annexure-D

Form No. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADHUNIK INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 31st March,2015 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 the Company for the financial year ended on 31st March, 2015 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

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

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

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

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

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

· vi) Other laws applicable to the Company as per the representations made by the Company

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(Not notified during the period under Audit)

(ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.

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

· a) The MCA Portal is yet to remove the cases u/s 162(1) and 220(3) of the Companies Act, 1956 quashed / dismissed by the Hon'ble Courts.

We further report that,

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

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

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

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

We further report that during the audit period the Company

a) Has obtained prior approval from its members under section 180(1)(a) of the Companies Act, 2013 upto a limit of Rs. 500 Crores.

b) Has obtained prior approval from its members under section 180(1)(c) of the Companies Act, 2013 upto a limit of Rs. 500 Crores.

This Report is to be read with our letter of even date which is annexed **"ANNEXURE - A"** and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries

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

Place : Kolkata
Date : 29.05.2015

"ANNEXURE – A"

(TO THE SECRETARIAL AUDIT REPORT OF ADHUNIK INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015)

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

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.

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

For MR & Associates
Company Secretaries

[M R Goenka]
Partner

Place : Kolkata
Date : 29.05.2015

FCS No.:4515
C P No.:2551

Annexure-E

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

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

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

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

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April - 2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,231,050	-	3,231,050	6.91%	3,231,050	-	3,231,050	6.91%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	31,823,750	-	31,823,750	68.05%	31,823,750	-	31,823,750	68.05%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**35,054,800**	**-**	**35,054,800**	**74.96%**	**35,054,800**	**-**	**35,054,800**	**74.96%**	**-**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI's	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A)	35,054,800	-	35,054,800	74.96%	35,054,800	-	35,054,800	74.96%	-

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding (Cont.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April - 2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-		-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	11,641,270	-	11,641,270	24.89%	9,514,788	-	9,514,788	20.35%	-4.55%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	24,680	-	24,680	0.05%	59,572	1	59,573	0.13%	0.07%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	43,000	-	43,000	0.09%	2,130,364	-	2,130,364	4.56%	4.47%
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	4,225	-	4,225	0.01%	0.01%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	11,708,950	-	11,708,950	25.04%	11,708,949	1	11,708,950	25.04%	-
Total Public (B)	11,708,950	-	11,708,950	25.04%	11,708,949	1	11,708,950	25.04%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	46,763,750	-	46,763,750	100.00%	46,763,749	1	46,763,750	100.00%	-

ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahesh Kumar Agarwal	524,000	1.12%	-	524,000	1.12%	-	-
2	Manoj Kumar Agarwal	516,550	1.10%	-	516,550	1.10%	-	-
3	Ghanshyam Das Agarwal	510,500	1.09%	-	510,500	1.09%	-	-
4	Jugal Kishore Agarwal	494,500	1.06%	-	494,500	1.06%	-	-
5	Nirmal Kumar Agarwal	489,000	1.05%	-	489,000	1.05%	-	-
6	Mohan Lal Agarwal	441,500	0.94%	-	441,500	0.94%	-	-
7	Rita Agarwal	75,000	0.16%	-	75,000	0.16%	-	-
8	Chandrakanta Agarwal	52,500	0.11%	-	52,500	0.11%	-	-
9	Meena Agarwal	50,000	0.11%	-	50,000	0.11%	-	-
10	Jugal Kishore Agarwal (HUF)	50,000	0.11%	-	50,000	0.11%	-	-
11	Nirmal Kumar Agarwal (HUF)	27,500	0.06%	-	27,500	0.06%	-	-
12	Adhunik Steels Ltd.	340,000	0.73%	-	340,000	0.73%	-	-
13	Mahananda Suppliers Ltd.	16,600,000	35.50%	-	16,600,000	35.50%	-	-
14	Sungrowth Share & Stocks Ltd.	14,883,750	31.83%	-	14,883,750	31.83%	-	-

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			35,054,800	74.96%	35,054,800	74.96%
	Changes during the year			No Change during the year			
	At the end of the year			35,054,800	74.96%	35,054,800	74.96%

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Padmalaya Advisory Services LLP						
	At the beginning of the year	01/04/2014	-	6,850,000	14.65%	6,850,000	14.65%
	Changes during the year	14/11/2014	Transfer	(2,000,000)	-4.28%	4,850,000	10.37%
	Changes during the year	21/11/2014	Transfer	(350,000)	-0.75%	4,500,000	9.62%
	Changes during the year	28/11/2014	Transfer	(1,000,000)	-2.14%	3,500,000	7.48%
	Changes during the year	05/12/2014	Transfer	(500,000)	-1.07%	3,000,000	6.42%
	Changes during the year	19/12/2014	Transfer	(33,487)	-0.07%	2,966,513	6.34%
	Changes during the year	31/12/2014	Transfer	(513,848)	-1.10%	2,452,665	5.24%
	Changes during the year	09/01/2015	Transfer	(500,000)	-1.07%	1,952,665	4.18%
	Changes during the year	16/01/2015	Transfer	(529,690)	-1.13%	1,422,975	3.04%
	Changes during the year	30/01/2015	Transfer	(1,037,085)	-2.22%	385,890	0.83%
	Changes during the year	20/02/2015	Transfer	(51,008)	-0.11%	334,882	0.72%
	Changes during the year	06/03/2015	Transfer	(334,882)	-0.72%	-	-
	At the end of the year	31/03/2015		-	-		-
2	Gyaneshwar Consultants LLP						
	At the beginning of the year	01/04/2014		1,550,000	3.31%	1,550,000	3.31%
	Changes during the year	28/11/2014	Transfer	(350,000)	-0.75%	1,200,000	2.57%
	At the end of the year	31/03/2015		1,200,000	2.57%	1,200,000	2.57%

(iv) Shareholding Pattern of top ten Shareholders (Cont.)							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	Brijgopal Consultants LLP						
	At the beginning of the year	01/04/2014		1,540,000	3.29%	1,540,000	3.29%
	Changes during the year	21/11/2014	Transfer	(350,000)	-0.75%	1,190,000	2.54%
	At the end of the year	31/03/2015		1,190,000	2.54%	1,190,000	2.54%
4	Om Sarvavidya Consultants LLP						
	At the beginning of the year	01/04/2014		1,500,000	3.21%	1,500,000	3.21%
	Changes during the year	05/12/2014	Transfer	(400,000)	-0.86%	1,100,000	2.35%
	At the end of the year	31/03/2015		1,100,000	2.35%	1,100,000	2.35%
5	Shakambhari Advisory Services LLP						
	At the beginning of the year	01/04/2014		200,950	0.43%	200,950	0.43%
	Changes during the year	08/08/2014	Transfer	(200,950)	-0.43%	-	-
	At the end of the year	31/03/2015		-	-	-	-
6	Shri Nand Kishor Singh						
	At the beginning of the year	01/04/2014		43,000	0.09%	43,000	0.09%
	Changes during the year	30/05/2014	Transfer	(4,601)	-0.01%	38,399	0.08%
	Changes during the year	06/06/2014	Transfer	(4,107)	-0.01%	34,292	0.07%
	Changes during the year	13/06/2014	Transfer	(908)	0.00%	33,384	0.07%
	Changes during the year	23/06/2014	Transfer	(325)	0.00%	33,059	0.07%
	Changes during the year	30/06/2014	Transfer	(1,100)	0.00%	31,959	0.07%
	Changes during the year	25/07/2014	Transfer	(17,645)	-0.04%	14,314	0.03%
	Changes during the year	01/08/2014	Transfer	(6,622)	-0.01%	7,692	0.02%
	Changes during the year	22/08/2014	Transfer	(1,084)	0.00%	6,608	0.01%
	Changes during the year	05/09/2014	Transfer	(6,597)	-0.01%	11	0.00%
	Changes during the year	12/09/2014	Transfer	(11)	0.00%	-	0.00%
	Changes during the year	02/01/2015	Transfer	3,350	0.01%	3,350	0.01%
	Changes during the year	16/01/2015	Transfer	(3,350)	-0.01%	-	0.00%
	Changes during the year	06/03/2015	Transfer	15,475	0.03%	15,475	0.03%
	Changes during the year	13/03/2015	Transfer	1,000	0.00%	16,475	0.04%
	Changes during the year	20/03/2015	Transfer	24,400	0.05%	40,875	0.09%
	Changes during the year	27/03/2015	Transfer	2,000	0.00%	42,875	0.09%
	At the end of the year	31/03/2015		42,875	0.09%	42,875	0.09%
7	Balram Commodities Trade Pvt. Ltd. #						
	At the beginning of the year	01/04/2014		120	-	120	0.00%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		120	0.00%	120	0.00%
8	Shri Sunil Sailesh Kumar Shah #						
	At the beginning of the year	01/04/2014		54	0.00%	54	0.00%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		54	0.00%	54	0.00%
9	Shri Kalpesh S Shah #						
	At the beginning of the year	01/04/2014		54	0.00%	54	0.00%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		54	0.00%	54	0.00%
10	Smt. Urmilaben K Mawar #						
	At the beginning of the year	01/04/2014		54	0.00%	54	0.00%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		54	0.00%	54	0.00%

(iv) Shareholding Pattern of top ten Shareholders (Cont.)							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
11	Prudent Broking Services Pvt. Ltd. *						
	At the beginning of the year	01/04/2014		-	-	-	-
	Changes during the year	17/10/2014	Transfer	14	0.00%	14	0.00%
	Changes during the year	24/10/2014	Transfer	169	0.00%	183	0.00%
	Changes during the year	07/11/2014	Transfer	225	0.00%	408	0.00%
	Changes during the year	14/11/2014	Transfer	79	0.00%	487	0.00%
	Changes during the year	21/11/2014	Transfer	(162)	0.00%	325	0.00%
	Changes during the year	28/11/2014	Transfer	(5)	0.00%	320	0.00%
	Changes during the year	05/12/2014	Transfer	(315)	0.00%	5	0.00%
	Changes during the year	31/12/2014	Transfer	271	0.00%	276	0.00%
	Changes during the year	02/01/2015	Transfer	100	0.00%	376	0.00%
	Changes during the year	09/01/2015	Transfer	708	0.00%	1,084	0.00%
	Changes during the year	16/01/2015	Transfer	(60)	0.00%	1,024	0.00%
	Changes during the year	06/02/2015	Transfer	(945)	0.00%	79	0.00%
	Changes during the year	13/02/2015	Transfer	2,001	0.00%	2,080	0.00%
	Changes during the year	20/02/2015	Transfer	(741)	0.00%	1,339	0.00%
	Changes during the year	06/03/2015	Transfer	5,500	0.01%	6,839	0.01%
	Changes during the year	13/03/2015	Transfer	2,413	0.01%	9,252	0.02%
	Changes during the year	20/03/2015	Transfer	40,710	0.09%	49,962	0.11%
	Changes during the year	27/03/2015	Transfer	660	0.00%	50,622	0.11%
	At the end of the year	31/03/2015		50,622	0.11%	50,622	0.11%
12	Shri Deep S Bhanusali *						
	At the beginning of the year	01/04/2014		-	-	-	-
	Changes during the year	13/03/2015	Transfer	2,087,542	4.46%	2,087,542	4.46%
	Changes during the year	31/03/2015	Transfer	(20,000)	-0.04%	2,067,542	4.42%
	At the end of the year	31/03/2015		2,067,542	4.42%	2,067,542	4.42%
13	Nirmal Bang Securities Pvt. Ltd.*						
	At the beginning of the year	04/01/2014		-	-	-	-
	Changes during the year	31/03/2015		20,000	0.04%	20,000	0.04%
	At the end of the year	31/03/2015		20,000	0.04%	20,000	0.04%
14	Smt. Kavita Gupta *						
	At the beginning of the year	01/04/2014		-	-	-	-
	Changes during the year	20/03/2015	Transfer	19,947	0.04%	19,947	0.04%
	At the end of the year	31/03/2015		19,947	0.04%	19,947	0.04%

* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Jugal Kishore Agarwal						
	At the beginning of the year	01/04/2014	NA	494,500	1.06%	494,500	1.06%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		494,500	1.06%	494,500	1.06%
2	Shri Mohan Lal Agarwal						
	At the beginning of the year	01/04/2014	NA	441,500	0.94%	441,500	0.94%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		441,500	0.94%	441,500	0.94%
3	Shri Mahesh Kumar Agarwal						
	At the beginning of the year	01/04/2014	NA	524,000	1.12%	524,000	1.12%
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2015		524,000	1.12%	524,000	1.12%

Note: No shares held by Shri Ashok Bector (resigned from the post of director as on February 12, 2015), Shri Shayam Bahadur Singh, Shri Asit Baran Dasgupta and Smt. Archana Gupta Sha (appointed as additional woman independent director of the Company w.e.f. February 12, 2015), all independent directors of the Company during the period under review. Further, no shares held by Shri Bikash Roychowdhury, CFO of the Company and Shri Bharat Agarwal, Company Secretary of the Company during the period under review.

V. INDEBTEDNESS

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

(Amt. ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,036,570,048	116,883,184	-	1,153,453,232
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,036,570,048	116,883,184	-	1,153,453,232
Change in Indebtedness during the financial year				
* Addition	37,072,964	-	-	37,072,964
* Reduction	(75,590,298)	(62,175,789)	-	(137,766,087)
Net Change	(38,517,334)	(62,175,789)	-	(100,693,123)
Indebtedness at the end of the financial year				
i) Principal Amount	998,052,714	54,707,395	-	1,052,760,109
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	998,052,714	54,707,395	-	1,052,760,109

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name:	Shri Jugal Kishore Agarwal	
	Designation:	Managing Director	
1	Gross salary (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	3,000,000 - -	3,000,000 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	 - -	- - -
5	Others, please specify	-	-
	Total (A)	3,000,000	3,000,000
Ceiling as per the Act			₹ 7,893,274

B. Remuneration to other Directors (₹)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Shri Asit Baran Dasgupta	Shri Shyam Bahadur Singh	Smt. Archana Gupta Sha (Appointed as an Independent Director as on 12-02-2015)	
	Fee for attending board committee meetings Commission Others, please specify	60,000 - -	30,000 - -	10,000 - -	
	Total (1)	60,000	30,000	10,000	
	Independent Directors	Shri Ashok Bector (Resigned from the Board of Directors as on 12-02-2015)			
	Fee for attending board committee meetings Commission Others, please specify	60,000 - -			160,000 - -
	Total (2)	60,000	-	-	160,000
2	Other Non-Executive Directors	Shri Mohan Lal Agarwal	Shri Mahesh Kumar Agarwal		
	Fee for attending board committee meetings Commission Others, please specify	40,000 - -	60,000 - -		100,000 - -
	Total (3)	40,000	60,000	-	100,000
	Total (B)=(1+2+3)	160,000	90,000	10,000	260,000
	Total Managerial Remuneration (Exclusive of Sitting Fees)				3,000,000
Overall Ceiling as per the Act					₹ 9,471,929

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name		Shri Bikash Roychowdhury	Shri Bharat Agarwal	(₹ /Lac)
	Designation	CEO	CFO	CS	
1	Gross salary (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	NOT APPLICABLE	1,500,000 - -	392,360 - -	1,892,360 - -
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit - others, specify		- -	- -	- -
5	Others, please specify		-	-	-
	Total		1,500,000	392,360	1,892,360

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. ECONOMIC OVERVIEW

Indian Economy

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel. Rapid rise in production resulted in India becoming 3rd largest producer of crude steel in 2014-15 and the country continues to be the largest producer of sponge iron or DRI in the World. India is expected to become the world's second largest producer of crude steel by 2015-16. The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid development in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.

The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh green field projects in different states of the country.

(Source: Ministry of Steel, Government of India)

Global Economy

There was a slight improvement in the economies of developed markets in 2014-15 coupled with the improvement of emerging markets. Overall, the global economic outlook is positive with industrial production forecast to grow by 4-5 per cent in 2016. In 2015, the economic environment improved in developed markets, with growth in the EU, the US and Japan. The outlook for the EU improved in the latter half of 2015, with higher levels of employment, rising GDP and improved access to capital. The region is expected to see a gradual recovery backed by an accommodating monetary policy, low inflation and improving consumer and business sentiment.

Some of the major highlights are as under:

- In 2014, the world crude steel production reached 1665 million tonnes (MT) and showed a growth of 1% over 2013.
- WSA has projected Indian steel demand to grow by 7.3% in 2016 as compared to global steel use growth of 1.4% respectively. Chinese steel use is projected to decline by 0.5%.
- Per capita finished steel consumption in 2016 is estimated at 217 kg for world and 510 kg for China by WSA.

B. INDUSTRY STRUCTURE AND DEVELOPMENTS

Financial Year 2014-15 was challenging for the entire Indian economy mainly due to continuing high rate of inflation and depreciation of the rupee. These factors had slightly adverse impact on the economy resulting in comparatively lower GDP growth rate, rising input costs, slow pace of industrial production, infrastructure development and the impact of global slowdown constrained the overall performance of every industry. Almost all sectors registered lower growth rate during Financial Year 2014-15.

Steel production capacity of the country expanded from about 75 million tonnes per annum (MTPA) in 2009-10 to about 101.02 million tonnes (MT) in 2013-14, when output was 81.7 MT. India produced 7.07 MT of steel in January 2015 reporting the fourth highest production level globally which was 1.7 per cent higher than the country's steel production in the same month last year. The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 60 Kg in 2013-14.

The Government of India is aiming to scale up steel production in the country to 300 MMT by 2025 from 81.7 MMT in 2013-14. The Ministry of Steel has announced to invest in modernization and expansion of steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) in various states to enhance the crude steel production capacity in the current phase from 12.84 MTPA to 21.4 MTPA and from 3 MTPA to 6.3 MTPA respectively.

Further, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US$ 31.67 million).

Some of the other recent government initiatives taken in this sector for developments are as follows:

- An Inter-Ministerial Group (IMG) has been setup in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.
- A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances/resolution of issues delaying the investments in the sector.
- To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30 per cent.

The liberalization of the industrial policy and other government initiatives have given a definite impetus for entry, participation and growth of the private sector in the steel industry. Allowing foreign direct investment (FDI) has been a positive step since India is heavily dependent on foreign technologies. These foreign technologies generally add life to the plant and production units, which ultimately lead to the country's economic growth. The Government of India has allowed 100 per cent FDI through the automatic route in the Indian steel sector.

In order to provide thrust on research and development (R&D), the Ministry of Steel is encouraging R&D activities both in public and private steel sectors, by providing financial assistance from Steel Development Fund (SDF) and Plan Scheme of the Central Government. To encourage beneficiation and palletization of iron ore fines in the country, basic customs duty on the plants and equipment required for initial setting up or substantial expansion of iron ore pellets plants and iron ore beneficiation plants has been reduced. Import of critical raw materials for steel industry, such as coking coal, non-coking coal and scrap are subject to zero or very low levels of custom duty.

(Source: Indian Brand of Equity Foundation)

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

C. OPPORTUNITIES AND THREATS

The global economy is reviving from slowdown and is expected to offer better business opportunities in future in each and every sector of economy. Further, stable government is now in place in the country gives positive growth signal for Indian Industry. Though there are some short term challenges as well in front of the new government, Government of India has emphasized on infrastructure development to achieve desired GDP growth rate and this would open new opportunities for steel oriented business and industries associated with it.

Further, the low per capita steel consumption in India coupled with a large population base provides significant growth, opportunities to the iron and steel industry. The steel demand in India is expected to remain robust in long term due to increasing demand from several sector including automotive, consumer durables, oil and gas, industrial machinery, real estate and infrastructure.

However, the steel industry is subject to cyclical swings arising from factors such as excess capacity, regional imbalances in demand and supply and volatile swings in market demand and prices. One of major threats to the industry is depleting availability and volatile pricing of raw materials.

India possesses the world's eighth largest iron ore reserve. It is the fourth largest iron ore producer in the world but yet fell short in supplying adequate quantity of iron ore to the iron and steel producer as a large chunk of production was exported. Insufficient infrastructure and logistic, land availability and environmental issues are also a concern for growth of domestic iron & Steel industry.

The demand for TMT and wire rod is cyclical in nature reflecting a similar trend in the iron & steel industry and as a result, there is substantial volatility in prices. During the current financial year 2014 -15, the prices remain highly volatile throughout the period. However, the Company is able to achieve desired output and result with the implementation of better cost control measures and timely decision making process in order to reap temporary advantage in the market.

D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

E. FUTURE OUTLOOK

As India is one of the developing nations around the world and expecting fast growth in the near future, demand for steel related products will always be there. So, the Company will be able to survive in the competitive market with increase in demand for the products. India's growth reports are attractive in comparison with many other developed and developing economies. However, the nation's adverse fiscal deficit and negative current account balance call for some bold rectification measures from the Government. The Government would be focusing on consolidation of the economic recovery through expeditious clearance of existing projects, selective disinvestment and accelerated foreign direct investment through policy reforms. Also, Government's emphasis on infrastructure projects would raise demand for products from Construction & Mining Equipment Industries in the domestic market. So, there is ample growth opportunity exists in the industry for the Company.

F. RISKS AND CONCERNS

Risk management is the continuing process to identify, analyze, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. In today's complex business environment, effective risk management is critical to success of any business. The Company has a risk management team, which periodically evaluating the risks associated with the business and taking necessary initiatives to minimize its impact. This also helps the Company in taking business decisions with balanced risks and rewards comparison. The risk management framework ensures compliance with the requirements of amended clause 49 of listing agreement.

Risk Management comprises of three key components as below:

I. Risk identification
ii. Risk assessment and its mitigation
iii. Risk monitoring and its assurance

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

i. Industry Risk

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

ii. Raw Material Risk

Inability of the Company to procure right quality and quantity of raw material at right price could affect business sustainability. The operational unit of the Company is located in the Eastern India steel belt where factories of all major steel producers are located. So, raw materials are easily and locally available and accessible. Further, the requirements can also partly mitigated from supply from the group companies.

iii. Cost Risk

Managing costs is a key to protect profitability, especially across volatile market cycles. The Company had implemented a vast cost reduction/ cost control program under the supervision of expert team of professionals who are actively engaged in findings various cost reduction techniques that could be implemented without hampering the quality and credibility of the brand of its products.

iv. Health, Safety and Environment Risk

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

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee in which majority of members are Independent Director periodically reviews significant audit findings, adequacy

of internal control and compliance with Accounting Standards amongst others with the help of the Internal and Statutory Auditors and reports to the Board on its adequacy. It helps in ensuring the integrity of the accounting system and reliability of all financial and operational information. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In spite of the slowdown in the overall economy, the company is able to achieve the desired output and result during the period under review. Also, the prices of raw materials fluctuate rapidly in the present market scenario as well as selling prices. But due to synergy in procurement and effective marketing, the Company is able to achieve drastic increase in PBT as compared to previous year.

I. HUMAN RESOURCES/INDUSTRIAL RELATIONS

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future ready with respect to the challenges posed by ever- changing market realities. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company maintains a cordial relationship with its employees. Its emphasis on safe work practices and productivity improvement is unrelenting. Your Directors wish to place on record the excellent co-operation and contribution made by the employees at all levels to the growth and development of the Company.

J. CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and Calcutta Stock Exchange Limited (CSE), the report containing the details of Corporate Governance systems and processes at Adhunik Industries Limited is as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

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

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

3. BOARD OF DIRECTORS

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

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

4. BOARD COMPOSITION

The composition of Board of Directors are in conformity with the Corporate Governance Code. The Board has a strength of 6 (Six) Directors as on March 31, 2015. The Board comprises 1 (One) Executive and 5 (Five) Non-Executive Directors out of which 3 (Three) are Independent Directors and rest are Non-Independent Directors.

5. MEETINGS, ATTENDANCE AND AGENDA OF THE BOARD MEETING

During 2014-15, the Board met four times on May 29, 2014, August 13, 2014, November 13, 2014 and February 12, 2015. The maximum time gap between any two consecutive meetings was not more than four months. All the agenda items are supported by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating and financial performance and annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to concerned officials and departments.

The composition and category of Directors on the Board, their attendance at the Board Meeting and the last Annual General Meeting and the Directorship/ Chairmanship / Membership of Committee of each Director in other companies as on 31st March, 2015 are as under:

S.No.	Name of Director	DIN	Attendance		Category of Directors	Other		Other committee	
			Board Meeting	Last AGM		Directorship	Chairmanship	Membership	Chairmanship
1	Shri Mahesh Kumar Agarwal (Chairman)	00507690	4	Yes	Non Independent, Non-Executive	9	Nil	2	Nil
2	Shri Jugal Kishore Agarwal (Managing Director)	00227460	4	Yes	Non-Independent & Executive	9	Nil	3	Nil
3	Shri Mohan Lal Agarwal	01047906	4	Yes	Non Independent & Non-Executive	9	Nil	2	Nil
4	Shri Shyam Bahadur Singh	01982407	3	Yes	Independent & Non-Executive	2	Nil	2	Nil
5	Shri Asit Baran Dasgupta	02476594	4	Yes	Independent & Non-Executive	Nil	Nil	Nil	Nil
6	Shri Ashok Bector *	00582126	4	Yes	Independent & Non-Executive	1	Nil	Nil	Nil
7	Smt. Archana Gupta Sha #	07089290	1	NA	Independent & Non-Executive	Nil	Nil	Nil	Nil

* resigned as Director of Company w.e.f. February 12, 2015.

\# appointed as Director of Company w.e.f. February 12, 2015.

1. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.
2. In accordance with Clause 49 of the Listing Agreement, Membership / Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding Adhunik Industries Limited) have been considered.
3. Other directorship includes directorship in public companies only.
4. None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Clause 49 of the Listing Agreement.

5. None of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he/she is a Director. Further, the Director on the Board serving as a whole time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he/she is a Director.

6. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies and the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with revised Clause 49 of the Listing Agreement with the Stock Exchanges and Companies Act, 2013.

7. Shri Mohan Lal Agarwal, who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to clause 49(vi) forms part of the notice.

6. INDEPENDENT DIRECTORS (IDS)

In accordance with the provisions of Companies Act, 2013 and clarifications/circulars issued from time to time, the Company has appointed Shri Asit Baran Dasgupta (DIN: 02476594), Shri Shyam Bahadur Singh (DIN: 01982407), Shri Ashok Bector, (DIN: 00582126), as Independent Directors of the Company to hold office for a period of 5 (Five) consecutive years from the date of the Thirty Fifth Annual General Meeting (AGM) of the Company held on September 18, 2014. In this regard, the Company has issued formal letter of appointment to the Independent Directors and the same is also hosted on the website of the Company.

Shri Ashok Bector, (DIN: 00582126), Independent Director of the Company has resigned on 12th February, 2015 and Smt. Archana Gupta Sha (DIN: 07089290) was appointed as an Independent Director on the same day.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as well as annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. All requisite declarations were placed before the Board.

7. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of every Independent Director pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement with Stock Exchanges.

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

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

8. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 12, 2015 without the presence of the Chairman, Managing Director, CFOs, the Non-Executive Non Independent Directors and the Management Team. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

9. INDEPENDENT DIRECTORS INDUCTION, FAMILIARIZATION AND TRAINING:

As per Clause 49(II)(B)(7) of the Listing Agreement, the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

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

a) The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

b) Such programs / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

c) The programs / presentations also familiarize the Independent Directors with their roles, rights and responsibilities.

d) When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

e) The Company circulate news and articles related to the industry on a regular basis and provide specific regulatory updates from time to time;

f) At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.

g) Quarterly presentations on operations made to the Board which generally includes information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

h) Quarterly results / press release of the Company are sent to the Directors.

The details of such familiarization programs have been placed on the website of the Company and may be accessed at the link http://www.adhunikindustries.com/download/_1433946724.pdf

10. CODE OF CONDUCT OF INDEPENDENT DIRECTORS

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

11. BOARD BUSINESS

The normal business of the Board shall include:

a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring the effectiveness of the company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.

e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation framework.

Other responsibilities of Board shall include:

a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.

b. The Board should set a corporate culture and the values by which executives throughout a group will behave.

c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.

d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.

e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.

f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.

g. The Board should be able to exercise objective independent judgement on corporate affairs.

h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.

j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.

k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.

l. Board members should be able to commit themselves effectively to their responsibilities.

m. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.

n. The Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

12. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all the Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company.

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

13. BOARD MEETINGS

Scheduling and selection of agenda items for Board meetings

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

ii) The meetings are usually held at the Company's Corporate Office at 2/1A, Sarat Bose Road, “Lansdowne Towers” Kolkata-700 020.

iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval in the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be

included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

iv) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

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

a) Board Material Distributed In Advance

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

b) Recording Minutes of Proceedings at Board/Committee Meetings

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

c) Post Meeting Follow Up Mechanism

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

14. BOARD COMMITTEES

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

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

The Board has various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management and Finance Committee as on March 31, 2015. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

I. AUDIT COMMITTEE

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange(s). The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

During the year under review, 4 (Four) meetings of the Audit Committee were held during the year 2014-15 on May 29, 2014, August 13, 2014, November 13, 2014 and February 12, 2015. The maximum time gap between any two consecutive meetings did not exceed 4 (Four) months. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the Listing Agreement, was present in all the meetings of the Audit Committee held during the year.

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

Sl. No	Name	Chairman/ Members
1.	Asit Baran Dasgupta	Chairman
2.	Ashok Bector*	Member
3.	Mahesh Kumar Agarwal	Member
4.	Shyam Bahadur Singh**	Member
5.	Archana Gupta Sha***	Member

*Resigned as Director of Company and member of Committee w.e.f. 12th February, 2015
** Appointed as member of Committee w.e.f. 12th February, 2015
*** Appointed as Director of Company and member of Committee w.e.f. 12th February, 2015

a) Attendance record of Audit Committee:

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Asit Baran Dasgupta (Chairman)	Independent Non-Executive	4	4
Shri Ashok Bector #	Independent Non-Executive	4	4
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	4	4
Smt. Archana Gupta Sha ##	Independent Non-Executive	-	-
Shri Shyam Bahadur Singh ###	Independent Non-Executive	-	-

Resigned as Director of Company and member of Committee w.e.f. 12th February, 2015
Appointed as Director of Company and member of Committee w.e.f. 12th February, 2015
###Appointed as member of Committee w.e.f. 12th February, 2015

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

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

b) Powers of The Audit Committee:

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

c) The Role of Audit Committee Includes:

The terms of reference, role and scope of Audit Committee are in line with those prescribed by Clause 49 of the Listing Agreement with the stock exchange(s).

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

1. Oversight the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

   b) Changes, if any, in accounting policies and practices and reasons for the same

   c) Major accounting entries involving estimates based on the exercise of judgment by management

   d) Significant adjustments made in the financial statements arising out of audit findings;

   e) Compliance with listing and other legal requirements relating to financial statements;

   f) Disclosure of any related party transactions; and

   g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussing with the internal auditors any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration/Compensation Committee" as the "Nomination and Remuneration Committee". The Nomination and Remuneration Committee ("the Committee') shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under the Listing Agreement with the Stock Exchanges.

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

The Committee comprised of 3 (Three) members out of which two are Independent Directors. This Committee comprises of Smt. Archana Gupta Sha (Chairman w.e.f February 12, 2015), Shri Shyam Bahadur Singh and Shri Mahesh Kumar Agarwal. (Mr. Ashok Bector has resigned as Director of Company and Chairman of Committee w.e.f. February 12, 2015).

The Committee shall be responsible for:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board for diversity.

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

e) Other policy as per the requirements of the Acts.

2 (Two) meetings of the Committee were held during the financial year on May 29, 2014 and February 12, 2015.

a) Attendance record of Nomination and Remuneration Committee:

Name of the Member	Category	Number of meetings	Meetings attended
Shri Ashok Bector #	Independent Non-Executive	2	2
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	2	2
Shri Shyam Bahadur Singh ##	Independent Non-Executive	2	2
Smt. Archana Gupta Sha(Chairman) ###	Independent Non-Executive	-	-

resigned as Independent Director of Company and Chairman of the Committee w.e.f. February 12, 2015.
appointed as Member of Committee w.e.f. May 29, 2014.
appointed as Member of Committee w.e.f. February 12, 2015.

b) Remuneration Policy

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and Senior Management, the details of which forms part of the Director's Report.

c) Details of remuneration paid/payable to the Directors during the financial year 2014-15

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

(Figures in ₹)

Name of Director	Basic + Benefit	Board Meeting Sitting Fess	Audit Committee Meeting Fees	Total
Shri Mahesh Kumar Agarwal	Nil	40,000	20,000	60,000
Shri Jugal Kishore Agarwal	3,000,000	Nil	Nil	3,000,000
Shri Mohan Lal Agarwal	Nil	40,000	Nil	40,000
Shri Ashok Bector *	Nil	40,000	20,000	60,000
Shri Shyam Bahadur Singh	Nil	30,000	Nil	30,000
Shri Asit Baran Dasgupta	Nil	40,000	20,000	60,000
Smt. Archana Gupta Sha**	Nil	10,000	Nil	10,000

*resigned as Director on February 12, 2015.
** appointed as Independent Director on February 12, 2015.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has renamed the existing "Shareholders / Investors' Grievance Committee" as " Stakeholders Relationship Committee".

The Stakeholders Relationship Committee ('the Committee') comprised of 3 (Three) members including one Independent Director. This Committee comprises of Shri Mahesh Kumar Agarwal (Chairman), Shri Mohan Lal Agarwal and Smt. Archana Gupta Sha as a member of the Committee.

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

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

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

4 (Four) Meetings of the Committee were held during the financial year on May 29, 2014, November 13, 2014, January 15, 2015 and March 6, 2015.

a) Attendance record of Stakeholders Relationship Committee:

Name of the Member	Category	Number of meetings	Meetings attended
Shri Mahesh Kumar Agarwal (Chairman)	Non Independent Non-Executive	4	4
Shri Mohan Lal Agarwal	Non Independent Non-Executive	4	4
Smt. Archana Gupta Sha #	Independent Non-Executive	1	1
Shri Ashok Bector ##	Independent Non-Executive	3	3

appointed as Director of Company and Member of Committee w.e.f. February 12, 2015.
resigned as Director of Company and Member of Committee w.e.f. February 12, 2015.

b) Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2015	Nil
Number of complaints not solved to the satisfaction of shareholders	N. A.
Number of complaints pending as on 31st March, 2015	Nil

E-mail ID earmarked for redressing Investors queries in terms of Clause 47(f) of the listing agreement- investorsail@adhunikgroup.co.in

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

1 (One) meeting of the Corporate Social Responsibility Committee of the Company was held during the year 2014-15 on June 02, 2014. The attendance of each member of the Committee is given below:

Members	No. of Meetings Held	No.of Meetings Attended
Shri Mohan Lal Agarwal	1	1
Shri Mahesh Kumar Agarwal	1	1
Shri Shyam Bahadur Singh	1	1

V. MANAGEMENT AND FINANCE COMMITTEE

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

i) Reviewing the management and take decision regarding taking further loans, equipment finance, car loans for employees and/or other financial assistance

ii) Opening and closure of Bank Account(s) as and when required.

iii) Reviewing financial and risk management policies.

iv) To sub-delegate any of the powers of the Committee to the Managing Director, Directors/or the Key Managerial Personnel.

v) To look after and supervise the keeping and maintaining of the records to be kept and maintained under the provisions of the Companies Act and/or other legislation governing the affairs of the Company and ensure compliance with the provision of such law and to do all such acts, deeds and things as may be necessary or expedient to ensure compliance with such laws and also to appear and represent the Company before any Officer or authority appointed under any such laws for the time being in force.

The Committee met 2 (Two) times during the Year 2014-15 on November 1, 2014 and on March 4, 2015. Attendance of Directors in the Meetings are as follows:

Members	No. of Meetings Held	No. of Meetings Attended
Shri Mohan Lal Agarwal	2	2
Shri Mahesh Kumar Agarwal	2	2
Shri Jugal Kishore Agarwal	2	2

15. SHAREHOLDERS COMMUNICATIONS

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

16. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

17. NEWS RELEASES, PRESENTATIONS, AMONG OTHERS:

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

18. SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. There were also no investor's complaint pending against the company as on March 31, 2015 on SCORES, the web based compliant redressal system of SEBI.

19. WEBSITE MAINTENANCE

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

20. DISCLOSURES

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

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

A Statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. All these transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. There was no materially significant related party transaction entered into by the Company with the promoter Directors or their relatives during the period.

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and may be accessed at the link http://www.adhunikindustries.com/download/_1421230517.pdf

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

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

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

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

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing agreement, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company.The Company affirms that none of the employees have been denied access to the Audit Committee.

v) **Policy against Sexual and Workplace Harassment**

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

vi) **Shareholding of Directors in the Company as on March 31, 2015.**

Name of Directors	Number of equity shares
Shri Jugal Kishore Agarwal	494,500
Shri Mohan Lal Agarwal	441,500
Shri Mahesh Kumar Agarwal	524,000

vii) **Code for prevention of Insider Trading practices**

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

21. MEANS OF COMMUNICATION

a) The Financial results are regularly submitted to the stock exchanges in accordance with the listing agreement and published in one English Daily (Business Standard) and one Bengali Daily (Aajkal).

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

22. GENERAL BODY MEETINGS

A) Details of Previous Annual General Meeting:

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

Year	Date	Time	Venue	Number of special resolutions passed
2013-14	September 18, 2014	10:30 am	Bharatiya Bhasa Parishad, 36-A, Shakespeare Sarani, Kolkata-700017	5
2012-13	September 30, 2013	11.00 am	2/1 A Sarat Bose Road, Kolkata-700 020	Nil
2011-12	September 29, 2012	11:00 am	2/1 A Sarat Bose Road, Kolkata-700 020	Nil

B) Postal Ballot

No resolution was passed through Postal Ballot in 2014-15. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

23. GENERAL SHAREHOLDERS' INFORMATION

a) AGM DETAILS

Day and date	Thursday, September 17, 2015.
Venue	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kolkata-700 017.
Time	At 10:30 A.M.
Book closure dates	11th September, 2015 to 17th September, 2015 (Both day inclusive)

b) REGISTRAR & SHARE TRANSFER AGENTS

M/s Maheshwari Datamatics Private Limited.
6, Mangoe Lane, 2nd Floor
Kolkata- 700 001.
Tel no. 91-33-22435809 | Fax no. 91-33-22484787
E-mail- mdpldc@yahoo.com

c) CEO/CFO CERTIFICATION

The CEO and CFO certification issued in accordance with the provisions of Clause 49 of Listing Agreement with Stock Exchanges for the year is annexed and forms part of the Annual Report.

d) SHARE TRANSFER SYSTEM

The Registrars and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchange.

e) MARKET PRICE DATA

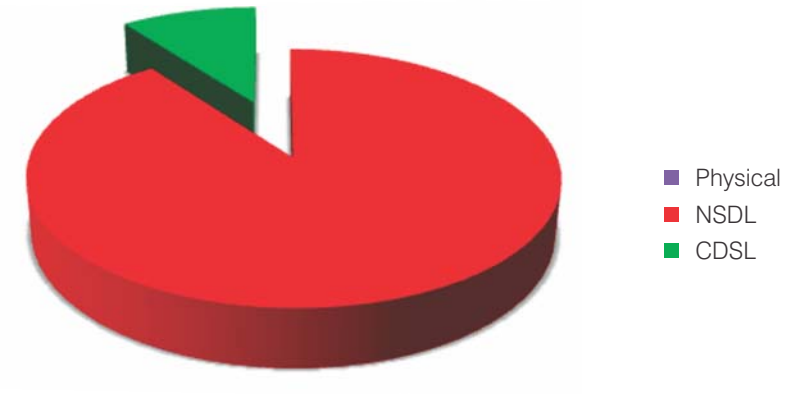
Month	BSE		
	High (₹)	Low (₹)	Volume (No.)
April, 2014 (Note- b)	-	-	-
May, 2014	85.40	67.00	8,238
June, 2014	117.00	74.10	42,438
July, 2014	127.00	83.15	538,201
August, 2014	146.15	102.30	1,019,411
September, 2014	159.95	125.75	924,738
October, 2014	178.20	146.00	719,513
November, 2014	169.95	144.25	4,812,977
December, 2014	161.30	89.25	2,290,713
January, 2015	167.00	99.10	2,925,237
February, 2015	206.70	124.00	1,001,459
March, 2015	197.90	123.00	1,391,668

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

b) The shares of the Company got listed with BSE on 26th May, 2014. Thus, high low data and volume for the month of April, 2015 is not applicable.

f) DETAILS OF DEMAT AND PHYSICAL SHARES AS ON MARCH 31, 2015

Description	Number of Holders	Number of Shares	% of Equity
CDSL	549	4,738,561	10.1330%
NSDL	266	42,025,188	89.8670%
Physical	1	1	0.0000%
Total	816	4,67,63,750	100.0000%



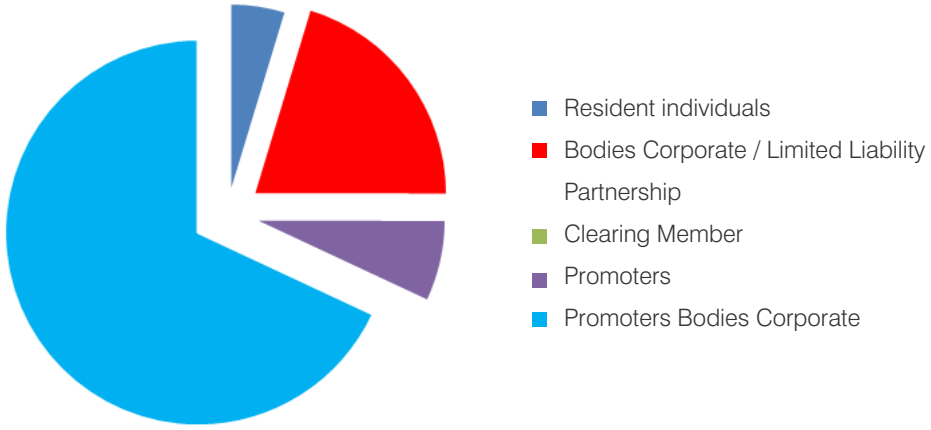
g) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

Category (Share)	Shareholders		No of Shares	
	Number	% to total	Number	% to total
Upto 500	763	93.5049	36,955	0.0790
501-1000	12	1.4706	10,014	0.0214
1001-2000	7	0.8578	8,855	0.0189
2001-3000	4	0.4902	10,294	0.0220
3001-4000	4	0.4902	14,799	0.0316
4001-5000	2	0.2451	8,757	0.0187
5001-10000	NIL	NIL	NIL	NIL
10001 and above	24	2.9412	46,674,076	99.8084
Total	816	100.0000	46,763,750	100.0000

h) CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2015

S. No.	Category	Numbers of holders	Number of shares	% to equity
1	Promoters	11	3,231,050	6.9093
2	Promoters Bodies Corporate	3	31,823,750	68.0522
3	Bodies Corporate\ Limited Liability Partnership	46	9,514,788	20.3465
4	Resident individuals	748	2,189,937	4.6830
5	Clearing Members	8	4,225	0.0090
	Total	816	46,763,750	100.0000

i) SHAREHOLDING PATTERN AS ON MARCH 31, 2015.



j) DEMATERIALIZATION OF SHARES AND LIQUIDITY

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2014-15 to NSDL and CDSL, the depositories. As on 31st March, 2015 4, 67, 63,749 Equity Shares of the Company representing almost 100.00 % of the issued and subscribed share capital stood dematerialized.

k) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE

Name of the Stock Exchange	Stock code / Symbol
BSE Limited PhirozeJeejeebhoy Towers Dalal Street, Mumbai- 400 001.	538365
The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001.	028188
ISIN No.-	INE452L01012

The annual listing fee for the year 2014-15 has been paid to the above stock exchange.

l) FINANCIAL CALENDAR TENTATIVE

Financial year 2015-16

1	First quarter results	Within August 14, 2015
2	Second quarter and half-year results	Within November 14, 2015
3	Third quarter results	Within February 14, 2016
4	Annual Result	Within 30th May, 2016

m) DIVIDEND HISTORY

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

n) SECRETARIAL AUDIT

The Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 1956 (as applicable), Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Secretarial Audit Report for the financial year ended March 31, 2015 is provided in the Annual Report.

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

Not applicable

p) PLANT LOCATION :

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

q) INVESTORS CORRESPONDENCE

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

The Company Secretary
Adhunik Industries Limited
Lansdowne Towers
2/1A, Sarat Bose Road, Kolkata – 700020
Tel no. 91-33-30517100 | Fax no. 91-33-22890285
E Mail: investorsail@adhunikgroup.co.in
or
M/s Maheshwari Datamatics Pvt. Limited.
6, Mangoe Lane, 2nd Floor, Kolkata- 700 001
Tel no. 91-33-22435809 | Fax no. 91-33-22484787

For and on behalf of the Board

Registered Office
14, Netaji Subhas Road,
Kolkata – 700 001

Date: August13, 2015

Mahesh Kumar Agarwal
Chairman

Jugal Kishore Agarwal
Managing Director

DECLARATION BY CEO ON CODE OF CONDUCT

To
The Members
M/s. Adhunik Industries Limited

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with stock exchanges, in so far as it was applicable to them and there was no non-compliance thereof during the year ended March 31, 2015.

Place: Kolkata
Date: August13, 2015.

Jugal Kishore Agarwal
Managing Director

Company Secretary Certificate regarding compliance of conditions of Corporate Governance

To the Members of
M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited, for the year ended 31.03.2015, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).

2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For MR & Associates
Company Secretaries

Place: Kolkata
Date: August 13, 2015

M R Goenka
Partner
C P No.: 2551

CEO AND CFO CERTIFICATION

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

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 and confirm that to the best of our knowledge and belief :

(i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee :

(i) significant changes, if any, in internal control during the year;

(ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Jugal Kishore Agarwal
Managing Director

Bikash Roy Chowdhury
Chief Financial Officer

Kolkata
August13, 2015.

Independent Auditors' Report

To the Members of
Adhunik Industries Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Adhunik Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the accounts for the year ended on that date audited by the branch auditors of the Company's branch at Mandi, Punjab.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements / information of branch included in the financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 28,53,300/- as at 31st March, 2015 and total revenues of ₹ Nil for the year ended on that date, as considered in the financial statements. The financial statements / information of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditor.
Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2015 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement of the matters specified in paragraph 3 and 4 of the order to the extent applicable.

As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of accounts as required by law have been kept by the Company so far, as appears from our examination of those books (and proper accounts adequate for the purposes of our audit have been received from the branch not visited by us),

c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report;

d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and the returns received from the branch not visited by us,

e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) The going concern, in our opinion, may not have an adverse effect on the functioning of the Company.

g) On the basis of written representations received from the Directors as on 31st March, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.

h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :

1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements.

2) The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses;

3) There is no amount which required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended on that date.

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Registration No: 318016E
Chartered Accountants

CA. S Jain
(Partner)
Membership No. 053537

Place: Kolkata
Date: The 29th Day of May, 2015

Annexure to the Independent Auditors Report

The Annexure referred to in our report to the members of Adhunik Industries Limited ('The Company') for the year ended 2015.

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) as explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;

ii. (a) as explained to us, physical verification of inventory has been conducted at reasonable intervals by the management;

(b) in our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

(c) in our opinion and on the basis of examination of the records, the Company is generally maintaining proper records of inventory and no material discrepancies were noticed on physical verification;

iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clause iii (a) and iii(b) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

v. According to the information and explanation given to us, the Company has not accepted any deposits, and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, and we are of the opinion that prima facie such prescribed accounts and records have been made and maintained.

vii. (a) According to the records, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues applicable to the Company with appropriate authorities during the year. According to the information and explanations given to us there were no arrears of outstanding statutory dues as at the last day of the financial year concerned 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 is no dues of Income Tax or Wealth Tax or Service Tax or Custom Duty or Excise Duty or Value Added Tax or Cess which have not been deposited on account of any dispute;

(c) According to the information and explanations given to us, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank.

x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xi. Based on our audit procedures and on the information and explanations given by the management, we report that the Company has not raised any term loan during the year.

xii. Based on our audit procedures and on the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor we have been informed of such case by the management.

FOR SUDHIR KUMAR JAIN & ASSOCIATES
(Chartered Accountants)
Firm Registration. No: 318016E

CA. S. Jain
(Partner)

Membership No. 053537

Place: Kolkata

Date: The 29th Day of May, 2015

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

BALANCE SHEET AS AT 31st MARCH 2015

PARTICULARS	Notes	31st March 2015 (₹)	31st March 2014 (₹)
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
Share Capital	3	467,637,500	467,637,500
Reserves and Surplus	4	536,555,278	430,360,603
		1,004,192,778	897,998,103
B. Non-Current Liabilities			
Long Term Borrowing	5	164,601,395	294,661,184
Deferred Tax Liabilities (Net)	6	89,390,063	87,759,011
Other Long Term Liabilities	7	24,998,935	8,605,496
		278,990,393	391,025,691
C. Current Liabilities			
Short Term Borrowing	8	819,081,094	782,008,130
Trade Payable	9	708,356,526	359,448,840
Other Short Term Liabilities	10	169,969,977	90,372,390
Short Term Provisions	11	10,271,708	2,044,475
		1,707,679,305	1,233,873,835
		2,990,862,476	2,522,897,629
ASSETS			
A. Non Current Assets			
Fixed Assets			
a) Tangible Asset	12	550,456,129	556,527,737
b) Capital Work-In-Progress		16,148,812	25,272,418
Non Current Investments	13	400,000	400,000
Long Term Loans and Advances	14	11,898,975	6,123,787
		578,903,916	588,323,942
B. Current Assets			
Inventories	15	1,218,741,069	715,329,499
Trade Receivables	16	752,524,208	777,829,639
Cash & Bank Balances	17	79,526,192	110,555,077
Short Term Loans and Advances	14	361,167,091	330,859,472
		2,411,958,560	1,934,573,687
		2,990,862,476	2,522,897,629
Summary of Significant Accounting Policies	2		

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

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Registration No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 29th Day of May, 2015

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2015

PARTICULARS	Notes	31st March 2015 (₹)	31st March 2014 (₹)
INCOME			
Revenue from Operations (Gross)	18	4,550,789,894	4,859,641,064
Less: Excise Duty	18	438,482,147	450,379,379
Revenue from Operations (Net)		4,112,307,747	4,409,261,685
Other Income	19	9,077,332	6,205,205
Total Revenue (A)		4,121,385,079	4,415,466,890
EXPENSES			
Purchases & Raw Materials Consumed	20	3,557,160,926	3,812,132,906
(Increase)/Decrease in Inventories	21	(112,524,087)	(4,580,494)
Employee Benefit Scheme	22	18,624,698	16,840,672
Other Expenses	23	280,394,356	254,395,805
Total Expenses (B)		3,743,655,893	4,078,788,889
Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) (A)-(B)		377,729,186	336,678,001
Depreciation and Amortization Expenses	12	33,310,129	37,388,058
Finance Costs	24	186,553,578	239,174,481
Profit /(Loss) Before Extraordinary & Exceptional Item and Taxes		157,865,479	60,115,462
Exceptional & Extraordinary Item		-	-
Profit /(Loss) Before Taxes		157,865,479	60,115,462
Tax Expenses			
Current Tax		48,079,809	15,003,749
Deferred Tax		1,631,052	1,951,872
Income Tax for earlier years		499,575	(339,436)
Total Tax Expenses		50,210,436	16,616,185
Profit/(Loss) for the year from continuing operation		107,655,043	43,499,277
Earning per Equity Share (Nominal Value of share ₹ 10)			
Basic		2.30	0.93
Diluted		2.30	0.93
Summary of Significant Accounting Policies	2		

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

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Registration No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 29th Day of May 2015

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

PARTICULARS		31st March 2015 (₹)		31st March 2014 (₹)	
A. Cash Flow from Operating Activities					
Net Profit before Tax and extra ordinary item			157,865,479		60,115,462
Adjustment for :					
Depreciation		33,310,129		37,388,058	
Gratuity		838,700		239,363	
Interest Income		(7,531,908)		(4,185,618)	
Interest Paid		186,553,578	213,170,499	239,174,481	272,616,284
Operating Profit before Working Capital changes			**371,035,978**		**332,731,746**
Adjustments for :					
(Increase)/Decrease in Trade and Other Receivable		(20,479,290)		32,360,625	
(Increase)/Decrease in Inventories		(503,411,571)		2,177,027	
Increase/(Decrease) in Trade Payables & Liabilities		452,605,010	(7,12,85,851)	31,414,154	6,59,51,806
Cash Generated from Operations			**299,750,127**		**398,683,552**
Income Tax (Paid) / Refund			(31,488,936)		(13,224,564)
Cash Flow before extraordinary items			**268,261,191**		**385,458,988**
Extra-Ordinary items			-		-
Net Cash used in Operating Activities	**A**		268,261,191		385,458,988
B. Cash Flow from Investing Activities					
Purchase of Fixed Assets			(28,698,889)		(13,988,318)
Decrease in CWIP			9,123,605		32,443,763
Interest Income			7,531,908		4,185,618
Fixed Deposit made / matured during the year			29,205,795		(46,717,829)
Net Cash used in investing Activities	**B**		17,162,419		(24,076,766)
C. Cash Flow from Financing Activities					
Interest Paid			(186,553,578)		(239,174,481)
Increase/(Decrease) in Secured Loan			(38,517,334)		(53,319,665)
Increase/(Decrease) in Unsecured Loan			(62,175,789)		(64,502,461)
Net Cash from financing Activities	**C**		(287,246,701)		(356,996,607)
Net Increase / (Decrease) in Cash and Cash Equivalents			**(1,823,091)**		**4,385,615**
Cash and Cash Equivalent as at the opening of the year			12,456,727		8,071,112
Cash and Cash Equivalent as at the close of the year			10,633,636		12,456,727

Note : 1) Cash and Cash Equivalent comprises of:

Cash in Hand	5,015,024	6,446,653
Balance with Scheduled Banks (including Bank Overdrawn)	5,618,612	6,010,074
	10,633,636	**12,456,727**

2) This Cash Flow Statement has been prepared under indirect method.

3) Previous Year Figures have been regrouped wherever necessary.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Registration No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)

Membership No. 053537

Place : Kolkata
Date : The 29th Day of May 2015

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

1) CORPORATE INFORMATION:

Adhunik Industries Ltd ("the company") is a public limited company, domiciled in India and incorporated under the provisions of Companies Act, 1956. Its equity shares are listed on Stock Exchanges in India. The Company is primarily engaged in the manufacture and sale of iron and steel products.

2) SIGNIFICANT ACCOUNTING POLICIES:

(I) Basis of Accounting:

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

(II) Presentation and disclosure of financial statement:

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

(III) Use of Estimates:

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

(IV) Revenue Recognition:

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

(a) Revenue from sale of goods and services rendered is recognized when significant risks and rewards of ownership of products and services have passed to the customers.

(b) Claims made in respect thereof are accounted as income in the year of receipts or acceptance by the client or evidence of acceptance received by the client.

(c) Dividend is recognized on cash basis.

(d) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(e) Revenue in respect of rejected / scrapped materials is recognized as and when these are sold or amount there against is ascertained.

(V) Fixed Assets:

(a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection / commissioning expenses, and interest, etc up to the date the asset is put to use.

(b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.

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

(VI) Depreciation:

(a) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

(b) Depreciation on Fixed Assets is provided on Straight Line Method based on the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. The residual value has been considered as 5% for the assets.

(c) Depreciation includes the amount written off in respect of leasehold land over the respective lease period.

(d) Depreciation on Fixed Assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.

(e) Discarded Fixed Assets awaiting disposal are valued at estimated realizable value and disclosed separately.

(f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.

(VII) Fixed Assets acquired under lease:

(a) Finance Lease

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

(ii) Lease assets capitalized, if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(b) Operating Lease

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease payments are recognized as expense in the Profit and Loss Account on a Straight Line Method basis over the lease term.

(VIII) Investments:

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

(IX) Inventories :

(a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realizable value.

(b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(c) By-products are valued at net realizable value.

(d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(X) Cash & Cash Equivalents :

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

(XI) Excise Duty :

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

(XII) Employees' Benefits :

i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of financial year.

iii. Actuarial gain / losses are immediately taken to the Profit & Loss Account and are not deferred.

(XIII) Borrowing Costs:

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

(XIV) Provisions:

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

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

(XV) Taxation:

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

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

(XVI) Segment Reporting:

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

(XVII) Contingent Liabilities:

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

(XVIII) Earning per share:

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

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

(XIX) Impairment of Assets:

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

ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

(XX) Foreign Currency Translation:

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

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

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

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 3 : SHARE CAPITAL	31st March 2015		31st March 2014	
	No. of Shares	(₹)	No. of Shares	(₹)
Authorised Shares				
Equity Shares of ₹ 10/- each				
At the beginning of the year	50,000,000	500,000,000	50,000,000	500,000,000
Addition during the year	50,000,000	500,000,000	-	-
Total	100,000,000	1,000,000,000	50,000,000	500,000,000
Issued, Subscribed and Fully Paid Up Share				
Equity Shares of ₹ 10 each fully paid up	46,763,750	467,637,500	46,763,750	467,637,500
Total	46,763,750	467,637,500	46,763,750	467,637,500

a) Reconciliation of the number of Equity Shares	31st March 2015		31st March 2014	
	No. of Shares	(₹)	No. of Shares	(₹)
Outstanding at the beginning of the year	46,763,750	467,637,500	46,763,750	467,637,500
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	46,763,750	467,637,500	46,763,750	467,637,500

b) Details of Shareholders holding more than 5 percent of equity shares

Name of Shareholder	31st March 2015		31st March 2014	
	No.of Shares held	% of Holding	No.of Shares held	% of Holding
Mahananda Suppliers Limited	16,600,000	35.50	16,600,000	35.50
Sungrowth Share & Stocks Limited	14,883,750	31.83	14,883,750	31.83
Padmalaya Advisory Services LLP	-	-	6,850,000	14.65
Vrindavan Advisory Services LLP	4,563,408	9.76	-	-

c) Terms / Rights attached to Equity Share

The Company has only one class of issued shares i.e. equity shares having nominal value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all the preferential amounts, in proportion to their shareholding.

NOTE 4 : RESERVES AND SURPLUS	31st March 2015 (₹)	31st March 2014 (₹)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last finanacial statement	430,360,603	386,861,326
Add : Net Profit for the year as per Statement of Profit and Loss	107,655,043	43,499,277
Less: Depreciation Adjustment as per Companies Act 2013	(1,460,368)	-
Net Surplus / (Deficit) in the statement of Profit and Loss	536,555,278	430,360,603
Total Reserve and Surplus	536,555,278	430,360,603

NOTE 5 : LONG TERM BORROWING	Non Current Portion		Current Maturities	
	31st March 2015 (₹)	31st March 2014 (₹)	31st March 2015 (₹)	31st March 2014 (₹)
(a) Term loans				
Indian rupee loan from banks (Secured)	109,894,000	177,778,000	69,077,620	76,783,918
(b) Other loans and advances				
From Bodies Corporate (Unsecured)	54,707,395	116,883,184	-	-
Total Long Term Borrowings	164,601,395	294,661,184	69,077,620	76,783,918

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

a) The rupee term loan from banks are secured by way of pari pasu first charge over all the fixed assets of the Company both present and future at factory at Angadpur, Durgapur, West Bengal and first charge by way of hypothecation of the Company's movable properties, save and except asset purchased on lease and hire purchase basis.
b) Guarantee and certain collateral securities have been provided by the Promoters / Directors in their personal capacity.

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

The Company has recognised deferred tax arising on account of timing difference being the difference between the accounting income, that originate in one period and is capable of reverse in or more subsequent periods in compliance with Accounting taxable income and Accounting Standard (AS 22) - Accounting for taxes on income
The major component of deferred tax liabilities arising on account of timimg difference are as follows:

	31st March 2015 (₹)	31st March 2014 (₹)
a) Difference between WDV of Fixed Assets as per Company Act and IT Act	90,325,509	88,422,341
b) Others	(935,446)	(663,330)
Total Deferred Tax Liabilities (Net)	**89,390,063**	**87,759,011**

NOTE 7 : OTHER LONG TERM LIABILITIES	31st March 2015 (₹)	31st March 2014 (₹)
Trade Payables (including Acceptance)	24,998,935	8,605,496
Total Other Long Term Liabilities	**24,998,935**	**8,605,496**

NOTE 8 : SHORT TERM BORROWING	31st March 2015 (₹)	31st March 2014 (₹)
Cash Credit from Banks (Secured)	819,081,094	782,008,130
Total Short Term Borrowings	**819,081,094**	**782,008,130**

Cash Credit from banks are secured by way of :

a) First charge by way of hypothecation of stock, book debts and other current assets of the Company related to factory at Andagpur, Durgapur
b) Second charge on other assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them of the Company related to factory at Andagpur, Durgapur.
c) Guarantee and certain collateral securities have been provided by the Directors in their personal capacity.

NOTE 9 : TRADE PAYABLES	31st March 2015 (₹)	31st March 2014 (₹)
a) Due to Micro, Small & Medium Enterprises	-	-
b) Trade Payable (Including Acceptance)	708,356,526	359,448,840
Total Trade Payable	**708,356,526**	**359,448,840**

Trade Payable include ₹ NIL (₹ NIL) due to small scale and ancilliary industry undertakings (SSI) to the extent such parties have been identified from the available documents / information

As per information available with the Company, none of the parties from whom the Company procure the goods or receives services are enterprises covered under The Macro, Small and Medium Enterprise Development Act, 2006 (the Act)

NOTE 10: OTHER CURRENT LIABILITIES	31st March 2015 (₹)	31st March 2014 (₹)
a) Current maturities of long-term debt **(Refer Note 5)**	69,077,620	76,783,918
b) Advance from customers	95,958,311	7,059,724
c) Unpaid/Unclaimed Dividends	272,000	272,000
d) Statutory Dues	4,662,046	6,256,748
Total Other Current Liabilities	**169,969,977**	**90,372,390**

NOTE 11 : SHORT TERM PROVISION	31st March 2015 (₹)	31st March 2014 (₹)
Provision for Employee Benefits		
Provision for Gratuity	2,883,175	2,044,475
Other Provision		
Provision for Income Tax (Net of Advance Tax)	7,388,533	-
Total Short Term Provision	**10,271,708**	**2,044,475**

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

Note 12: FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2014 (₹)	Addition During the Year (₹)	Sale / Adjustment (₹)	As at 31st Mar, 2015 (₹)	As at 1st April, 2014 (₹)	For the Year (₹)	Sale / Adjustment (₹)	As at 31st Mar, 2015 (₹)	As at 31st Mar, 2015 (₹)	As at 31st Mar, 2014 (₹)
Tangible Assets										
Leasehold Land	8,429,270	-	-	8,429,270	983,870	98,387	-	1,082,257	7,347,013	7,445,400
Freehold Land	1,700,000	-	-	1,700,000	-	-	-	-	1,700,000	1,700,000
Factory Building	171,970,950	-	-	171,970,950	35,391,755	5,364,698	-	40,756,453	131,214,497	136,579,195
Plant & Machinery	592,517,476	28,382,916	-	620,900,392	186,331,791	26,727,860	-	213,059,651	407,840,742	406,185,685
Furniture	663,212	-	-	663,212	373,552	202,575	-	576,127	87,085	289,660
Office Equipment	3,784,120	224,780	-	4,008,900	1,229,216	366,175	(1,401,362)	2,996,753	1,012,147	2,554,904
Vehicle	3,988,524	-	-	3,988,524	2,289,480	529,741	(7,854)	2,827,075	1,161,448	1,699,044
Computer	2,419,583	91,193	-	2,510,776	2,345,734	20,693	(51,152)	2,417,579	93,197	73,849
Total	785,473,135	28,698,889	-	814,172,024	228,945,398	33,310,129	(1,460,368)	263,715,895	550,456,129	556,527,737
Previous Year's Total	771,484,817	13,988,318	-	785,473,135	191,557,340	37,388,058	-	228,945,398	556,527,737	

Note:

Pursuant to Schedule II of Companies Act 2013, Rs. 14,60,368 has been adjusted from retained earnings pertaining to assets of which useful life has expired.

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 13: NON CURRENT INVESTMENT	Number of Shares	Face Value/Share (₹)	31st March 2015 (₹)	31st March 2014 (₹)
Long Term, Quoted (Other than Trade)				
Fully Paid Equity Shares				
- In Adhunik Metaliks Ltd.	40,000	10	400,000	400,000
(The market value is ₹ 8,36,000)				
Total Non Current Investment			**400,000**	**400,000**

NOTE 14 : LOANS AND ADVANCES	Non Current		Current	
	31st March 2015 (₹)	31st March 2014 (₹)	31st March 2015 (₹)	31st March 2014 (₹)
a. Security Deposits				
Unsecured, considered good	11,898,975	6,123,787	84,100,000	84,100,000
A	11,898,975	6,123,787	84,100,000	84,100,000
b. Advances recoverable in cash or in kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	115,003,901	58,671,954
B	-	-	115,003,901	58,671,954
c. Other loans and advances				
Prepaid Expenses	-	-	160,872	134,396
Advance Payment to Supplier	-	-	10,548,583	60,924,842
Balance with IT Authorities (Net of Provision for Taxation)	-	-	-	9,701,915
Balance with statutory/government authorities	-	-	151,353,735	117,326,365
C	-	-	162,063,190	188,087,518
Total Loans and Advances (A+B+C)	11,898,975	6,123,787	361,167,091	330,859,472

NOTE 15 : INVENTORIES	31st March 2015 (₹)	31st March 2014 (₹)
Raw Materials and Components	881,473,315	454,878,374
Finished Goods and Rejected Materials	318,951,154	206,427,067
Stores & Spares	18,316,600	27,137,826
Stock in Transit	-	26,886,232
Total Inventories	1,218,741,069	715,329,499

NOTE 16 : TRADE RECEIVABLE	31st March 2015 (₹)	31st March 2014 (₹)
Unsecured, considered good unless stated otherwise		
Outstanding for the period exceeding six months from the date they are due for payment		
Unsecured, considered good	28,909,810	37,280,525
Doubtful	-	-
(A)	28,909,810	37,280,525
Other receivables		
Unsecured, considered good	723,614,398	740,549,114
Doubtful	-	-
(B)	723,614,398	740,549,114
Total Trade Receivable(A+B)	**752,524,208**	**777,829,639**

NOTE 17 : CASH AND BANK BALANCES	31st March 2015 (₹)	31st March 2014 (₹)
Cash and cash equivalents		
Balances with banks		
On Current Accounts	5,618,612	6,010,074
Deposit (includes Margin Money) with original maturity less than three months	68,892,556	98,098,350
Cash In Hand	5,015,024	6,446,653
Total Cash and Bank Balance	**79,526,192**	**110,555,077**

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 18 : REVENUE FROM OPERATION	31st March 2015 (₹)	31st March 2014 (₹)
Sales	4,144,057,883	4,552,340,389
Business & Other Service Income	406,732,011	307,300,675
Revenue from Operation (Gross)	4,550,789,894	4,859,641,064
Less: Excise Duty	438,482,147	450,379,379
Total Revenue from Operation (Net)	4,112,307,747	4,409,261,685

DETAILS OF REVENUE FROM OPERATION	31st March 2015 (₹)	31st March 2014 (₹)
Sales		
Iron & Steel product	4,144,057,883	4,552,340,389
	4,144,057,883	4,552,340,389
Services Rendered		
Business & Other Service Income	406,732,011	307,300,675
	406,732,011	307,300,675

NOTE 19: OTHER INCOME	31st March 2015 (₹)	31st March 2014 (₹)
Interest Income On		
- Bank Deposits	4,619,015	3,663,199
- Others	2,912,893	522,419
Unspent liabilities and provisions no longer required written back	836,622	-
Trade Discount	19,055	-
Foreign Exchange Gain	689,747	2,019,587
Total Other Income	9,077,332	6,205,205

NOTE 20 : PURCHASES & RAW MATERIAL CONSUMED	31st March 2015 (₹)	31st March 2014 (₹)
Inventory at the beginning of the year	454,878,374	497,313,856
Add. Purchases	3,969,110,489	3,764,547,149
Freight	14,645,378	5,150,275
	4,438,634,241	4,267,011,280
Less: Inventory at the end of the year	881,473,315	454,878,374
Total Purchases & Raw Material Consumed	3,557,160,926	3,812,132,906

DETAILS OF PURCHASES	31st March 2015 (₹)	31st March 2014 (₹)
Purchase		
Iron & Steel product	3,969,110,489	3,764,547,149
	3,969,110,489	**3,764,547,149**

NOTE 21 : (INCREASE) / DECREASE IN INVENTORIES	31st March 2015 (₹)	31st March 2014 (₹)
Inventory at the end of the year		
Finished Goods	318,951,154	206,427,067
Less: Inventory at the beginning of the year		
Finished Goods	206,427,067	201,846,573
Total (Increase) / Decrease in Inventories	**(112,524,087)**	**(4,580,494)**

NOTE 22 : EMPLOYEE BENEFIT EXPENSES	31st March 2015 (₹)	31st March 2014 (₹)
Salaries & Bonus	13,056,651	11,928,892
Contribution to Provident Fund	1,729,347	1,483,794
Gratuity	838,700	427,986
Managing Directors' Remuneration **(Refer Note 25 below)**	3,000,000	3,000,000
Total Employee Benefit Expenses	**18,624,698**	**16,840,672**

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 23 : OTHER EXPENSES	31st March 2015 (₹)	31st March 2014 (₹)
Consumption of Stores and Spares	19,734,671	16,159,349
Excise Duty on Inventory	12,205,796	22,360,296
Power and Fuel	154,230,788	135,322,075
Operation & Maintenance Charges	9,746,401	8,080,899
Freight and Forwarding Charges	22,575,026	20,439,553
Rent	2,977,404	2,651,742
Rates and Taxes	659,671	374,121
Fees and Subscription(includes ₹ 38,28,126 towards increase in Authorised Capital)	4,885,871	658,200
Insurance	233,422	325,882
Repair & Maintenance	6,995,013	2,210,432
Motor Vehicle & Travelling Expenses	4,178,479	3,002,927
Selling & Distribution Expenses	16,347,011	16,613,905
Payment to auditor **(Refer Note 23.1 below)**	100,000	100,000
Commission Charges	33,903	45,000
Consultancy Charges	977,450	602,500
Bank Commission, Letter of Credit and Charges	16,728,996	19,997,372
Listing Fees	172,500	614,300
Others Administrative Expenses **(Refer Note 23.2 below)**	7,611,954	4,837,252
Total Other Expenses	280,394,356	254,395,805

NOTE 23.1 : PAYMENT TO AUDITOR	31st March 2015 (₹)	31st March 2014 (₹)
As Auditor		
- Audit Fees	75,000	75,000
- Tax Audit Fees	25,000	25,000
	100,000	100,000

NOTE 23.2 : OTHER ADMINISTRATIVE EXPENSES INCLUDE	31st March 2015 (₹)	31st March 2014 (₹)
- Directors' Sitting Fees	260,000	370,000
- CSR Activities	1,265,270	-
	1,525,270	**370,000**

NOTE 24 : FINANCE COST	31st March 2015 (₹)	31st March 2014 (₹)
Interest to Banks on Term Loans	30,237,033	37,536,977
Others	156,316,545	201,637,504
Total Finance Cost	186,553,578	239,174,481

NOTE 25 : DIRECTOR REMUNERATION	31st March 2015 (₹)	31st March 2014 (₹)
a) Directors' Remuneration Paid		
Basic	1,500,000	1,500,000
House Rent Allowance	290,000	290,000
Bonus	250,000	250,000
Other	960,000	960,000
	3,000,000	3,000,000
b) Computation of Profit for the purpose of Directors Remuneration		
Profit before tax as per profit & loss account	157,865,479	60,115,463
Add : Depreciation	33,310,129	37,388,058
Directors' Remuneration	3,000,000	3,000,000
	194,175,609	100,503,521
Less : Depreciation as per Companies Act, 2013	33,310,129	37,388,058
Directors' Remuneration	3,000,000	3,000,000
Net profit as per Section 198 of Companies Act, 2013	157,865,479	60,115,463

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 26 : EARNING PER SHARE	31st March 2015 (₹)	31st March 2014 (₹)
Net Profit after tax (₹)	107,655,043	43,499,277
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	46,763,750	46,763,750
Basic Earnings per Share (₹)	2.30	0.93
Weighted average No. of Equity Shares outstanding in calculation of Diluted EPS	46,763,750	46,763,750
Diluted Earning per Share (₹)	2.30	0.93
Nominal Value of Share	10	10

Note 27: EMPLOYEE BENEFITS

Disclosure pursuant to Accounting Standard-15 (revised) "Employee Benefits.

PARTICULARS	31st March 2015 (₹)	31st March 2014 (₹)
a) Defined Contribution Plan		
Employer's Contribution to Provident and Other Funds	1,729,347	1,483,794
b) Defined Benefit Plan		
The present value of obligation is determined basedon actuarial valuation using Projected Unit Credit Method as on 31st March, 2015 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective plans.		
(i) Net Employee Benefit expense (recognized in Employee Benefit Expense)		
Current Service Cost	450,175	357,937
Interest Cost on benefit plans	163,558	153,972
Net Actuarial (gains)/losses recognized in the year	224,967	(83,923)
Total Employer expense recognized in the Statement of Profit and Loss	838,700	427,986
(ii) Actual Return on Plan Assets	N.A.	N.A.
(iii)Net Assets/ (Liabilities) recognized in the Balance Sheet	2,883,175	2,044,475
(iv)Movement in Defined Benefit Obligation		
Opening defined benefit obligation	2,044,475	1,805,112
Current Service Cost	450,175	357,937
Interest Cost on benefit plans	163,558	153,972
Benefit paid	-	(188,623)
Net Actuarial (gains)/losses recognized in the year	224,967	(83,923)
Closing defined benefit obligation	2,883,175	2,044,475
(v)Movement in fair value of Plan Assets	N.A	N.A
(vi)Major categories of plan assets as a percentage of the fair Value of total plan assets	N.A	N.A
(vii)Actuarial Assumptions		
Mortality Table	IALM (2006-2008) Ultimate	IALM (2006-2008) Ultimate
Discount Rate per annum Compounded	8.00%	9.00%
Rate of increase in salaries per annum	6.00%	6.00%
(viii) (a)The estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employee market. (b)The gratuity liabilities is unfunded. Accordingly, information regarding Planned Assets is not applicable.		
(ix)The above information is certified by the actuary.		

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

Note 28: DISCLOSURE IN RELATION TO RELATED PARTIES

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

a) Name of Related Parties and nature of relationship

Key Management Personnel	**Whole Time Director** Mr. Jugal Kishore Agarwal **Director** Mr. Mohan Lal Agarwal Mr. Mahesh Kumar Agarwal Mr. Ashok Bector Mr. Asit Baran Dasgupta Mr. Shyam Bahadur Singh Ms. Archana Gupta Sha **Chief Financial Officer** Mr. Bikash Roy Chowdhury **Company Secretary** Mr. Bharat Agarwal
Relatives of Key Management Personnel	Mr. Ghanshyam Das Agarwal(Brother of Director) Mr. Manoj Kumar Agarwal (Brother of Director) Mr. Nirmal Kumar Agarwal (Brother of Director) Mr. Sachin Agarwal (Son of Mr. Jugal Kishore Agarwal) Mr. Naveen Agarwal (Son of Mr. Jugal Kishore Agarwal)
Enterprises over which Key Management Personnel / Relatives have significant influence	Adhunik Corporation Ltd. Adhunik Infotech Ltd. Adhunik Power & Natural Resource Ltd. Adhunik Alloys & Power Ltd. Sungrowth Shares & Stock Ltd. Mahananda Suppliers Ltd. Adhunik Meghalaya Steels Private Ltd. Futuristic Steels Ltd. Adhunik Metaliks Ltd. and its subsidiary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

b) Aggregated Related Party Disclosures:

Nature of Transactions	Name of Related Party	31st March 2015 (₹)	31st March 2014 (₹)
Remuneration to KMP	Mr. Jugal Kishore Agarwal	3,000,000	3,000,000
	Mr. Bikash Roy Chowdhury	1,500,000	942,000
	Mr. Bharat Agarwal	392,360	385,080
Directors' Sitting Fees	Mr. Ashok Bector	60,000	90,000
	Mr. Asit Baran Dasgupta	60,000	90,000
	Mr. Mahesh Kumar Agarwal	60,000	90,000
	Mr. Mohan Lal Agarwal	40,000	60,000
	Mr. Shyam Bhadur Singh	30,000	40,000
	Ms. Archana Gupta Sha	10,000	-
Purchase of Raw Material			
Billet	Adhunik Corporation Ltd.	147,292,582	649,098,163
Coal & Coal Fines	Adhunik Corporation Ltd.	2,063,474	1,375,885
Sale of Finished Goods			
Wire Rod	Adhunik Alloys & Power Ltd.	500,604	841,228
	Adhunik Metaliks Ltd.	2,869,379	2,696,695
	Adhunik Power & Natural Resources Ltd.	-	3,359,361
Misrolled, Wastage, E.Cutting, etc	Adhunik Corporation Ltd.	155,965,316	167,255,171
Expenditure for services/others			
Rent	Mr. Mahesh Kumar Agarwal	6,000	6,000
	Adhunik Infotech Ltd.	2,640,000	2,640,000
Accounts & Finance Maintenance Charges	Adhunik Infotech Ltd.	1,980,000	1,980,000

c) Outstanding Balance Related Party:

Nature of Relationship	31st March 2015 (₹)	31st March 2014 (₹)
Key Managerial Persons / Relatives of Key Management Personnel		
Balance outstanding as at the year end – Debit	-	-
Balance outstanding as at the year end – Credit	121,108	132,235
Enterprises over which key Management Personnel / Relatives having significant influence		
Balance outstanding as at the year end – Debit	3,753,507	1,761,773
Balance outstanding as at the year end – Credit	19,626,646	19,031,273

NOTE 29 : VALUE OF IMPORTS CALCULATED ON CIF BASIS:	31st March 2015 (₹)	31st March 2014 (₹)
Stores & Spares	1,073,805	482,197

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

NOTE 30 : EXPENDITURE IN FOREIGN CURRENCY:	31st March 2015 (₹)	31st March 2014 (₹)
Travelling Expenses	1,817,207	776,930
Bank Charges	118,633	231,237

NOTE 31 : EARNINGS IN FOREIGN EXCHANGE:	31st March 2015 (₹)	31st March 2014 (₹)
Export of steel materials	67,587,018	149,190,172

NOTE 32: CONTINGENT LIABILITIES (to the extent not provided for)	31st March 2015 (₹)	31st March 2014 (₹)
Contingent Liabilities Outstanding guarantees and counter guarantees to various bank, in respect of the guarantees given by those banks in favor of various government authorities, suppliers and others.	36,500,000	10,000,000

NOTE 33: In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

NOTE 34: The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account.

NOTE 35: In the opinion of the management, leave is meant to be availed of and the employees have been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed.

NOTE 36: Raw materials consumed are accounted after adjustment of normal shortage / surplus of raw materials and rejected raw materials.

NOTE 37: Previous year figures has been regrouped / rearranged wherever necessary.

Signatories to Schedules 1 to 37.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Registration No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)
Membership No. 053537

Place : Kolkata
Date : The 29th Day of May 2015

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

Note

35th ANNUAL GENERAL MEETING











CORPORATE SOCIAL RESPONSIBILITY









CORPORATE SOCIAL RESPONSIBILITY

















Adhunik Industries Ltd.

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Kolkata – 700001, West Bengal, India, Telefax: 033022428551/53
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Web: www.adhunikindustries.com, Trade Enquiry : +91 33 30517100, 9007477753