

# **NARAYANI STEELS LIMITED**

(CIN: U27109WB1996PLC082021)

**Kolkata**

**ANNUAL REPORT FOR 2016-17**

**22<sup>nd</sup> Annual General Meeting**

**On Wednesday, the 30<sup>th</sup> day of August, 2017 at 10.00 A.M  
at 23A, N.S. Road, 7<sup>th</sup> Floor, Room No-31, Kolkata-700 001, West Bengal, India**

**Registered Office:**

**23A, N.S.Road, 7<sup>th</sup> Floor,  
Room No-31, Kolkata-700001,  
West Bengal, India**

**|NARAYANI STEELS LIMITED|**

**|ANNUAL REPORT 2016-17|**

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**The Board of Directors:**

1.Sri Kishan Lal Choudhary	Chairman
2. Sri Sunil Choudhary	Managing Director and CEO
3. Smt Bina Choudhary	Non-Executive Director.
4. Sri Bivor Bagaria	Director and CFO.
5. Sri Krishnamacharyulu Eunny	Independent Director.
6. Sri Ramesh Prathapa	Independent Director.
7. Sri Bhaskararao Puvvala.	Independent Director.
8. Sri. Atul Kumar Saxena.	Independent Director.

**Statutory Auditors:**

M/s. A C Bhuteria and Co.  
Chartered Accountants  
Kolkata.

**Bankers:**

1. Union Bank of India.
2. TATA Capital Financial Services Ltd.
3. Andhra Bank.
4. ICICI Bank

**Secretarial Auditors:**

ASN Associates  
Company Secretaries  
D. No 9-29-19/A, Flat No.201, Level-2,  
Waltair Heights,  
Balaji Nagar, Siripuram, Visakhapatnam, -530  
003.Andhra Pradesh

**Registrar and ShareTransfer Agent:**

Bigshare Services Private limited.  
Marol, Andheri East,  
Mumbai-400 059,  
Maharashtra

**Registered Office:**

23A, N.S. Road, 7th Floor,  
Room-31  
Kolkata  
West Bengal  
India  
700 001

**Corporate Office:**

#30-15-138/20,  
II Floor, Binayaka Complex  
Dabagardens,  
Visakhapatnam  
Andhra Pradesh,India  
530 020

**Company Secretary and  
Compliance Officer:**

CS. Arun Kumar Meher

## **COMPOSITION OF BOARD OF COMMITTEES**

<b>AUDIT COMMITTEE:</b>	<b>STAKE HOLDER'S RELATIONSHIP COMMITTEE:</b>
1. Pratapa Ramesh.-Chairman 2. Puvvala BhaskaraRao.-Member 3. Atul Kumar Saxena.-Member	1.EunnyKrishnamacharyulu.- Chairman 2. Pratapa Ramesh.-Member. 3. Atul Kumar Saxena.-Member.
<b>NOMINATION AND REMUNERATION COMMITTEE:</b>	
1.Eunny Krishnama charyulu - Chairman 2. Puvvala Bhaskara Rao- Member 3. Pratapa Ramesh- Member	

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given to all the Members that the 22<sup>nd</sup> Annual General Meeting of the Members of Narayani Steels Limited will be held on Wednesday, the 30<sup>th</sup> of August, 2017 at 10.00 A.M. at the Registered Office of the Company situated at 23A, N.S. Road, 7<sup>th</sup> Floor, Room - 31, Kolkata- 700 001, West Bengal, India to transact the following business:

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### **ORDINARY BUSINESS:**

**1. TO CONSIDER THE FINANCIAL STATEMENTS, DIRECTORS AND AUDITORS REPORT OF THE COMPANY.**

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) consisting of the Statement of Profit & Loss for the period ending 31st March, 2017, Cash Flow Statement for the period ended 31st March, 2017 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Directors' Report, Independent Auditors' Report and Secretarial Auditors' Report thereon.

**2. TO APPOINT THE STATUTORY AUDITORS OF THE COMPANY.**

To appoint M/s. A C Bhuteria and Co. Chartered Accountants, Kolkata (FRN:303105E) as Statutory Auditors of the Company for the Financial Year 2017-18, in place of M/s. S .Jaykishan (FRN: 309005E), Chartered Accountants, Kolkata who retire at the ensuing Annual General Meeting.

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

**"RESOLVED THAT** pursuant to provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013("the Act") read with Companies (Audit and Auditors) Rules, 2014 M/s. A C Bhuteria and Co. Chartered Accountants, Kolkata (FRN:303105E) be and are hereby appointed as Statutory Auditors of the Company for the Financial Year 2017-18 in place of M/s. S .Jaykishan (FRN: 309005E), Chartered Accountants, Kolkata, at such remuneration and out of pocket expenses as mutually agreed between the Board and Auditors."

**3. TO APPOINT A DIRECTOR IN PLACE OF SHRI. KISHAN LAL CHOUDHARY (DIN:00289428), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFER HIMSELF FOR RE-APPOINTMENT.**

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

**"RESOLVED THAT** Shri. Kishan Lal Choudhary (DIN: 00289428), who is liable to retire by rotation, be and is hereby re-appointed as Director of the company."

**4. TO APPOINT A DIRECTOR IN PLACE OF SHRI. SUNIL CHOUDHARY (DIN 00289479), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFER HIMSELF FOR RE-APPOINTMENT.**

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

**"RESOLVED THAT** Shri. Sunil Choudhary (DIN 00289479), who is liable to retire by rotation, be and is hereby re-appointed as Director of the company."

**SPECIAL BUSINESS:**

**5. TO GRANT RELIEF TO SHRI. KISHAN LAL CHOUDHARY (DIN: 00289428), FROM CHAIRPERSONSHIP OF THE COMPANY.**

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

**“RESOLVED THAT** the consent of the board be and hereby accorded to relieve Sri. kishan Lal Choudhary from the Chairpersonship of the company considering the facts mentioned in the Explanatory Statements Annexed to the notice.”

**6. TO APPOINT SHRI SUNIL CHOUDHARY (DIN 00289479) TO ACT AS CHAIRMAN OF THE COMPANY.**

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 196,197, 203 and any other applicable provisions of the Companies Act 2013 read with Schedule V of the Act and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of statutory authorities, if any, as may be required Shri Sunil Choudhary (DIN 00289479) be and is hereby appointed as Chairman and Managing Director of the Company for a period of 3 years w.e.f 04th day of August, 2017, and remuneration of Shri. Sunil Choudhary (DIN:00289479), be and is hereby fixed on the following terms and conditions:

(i) Salary: Rs.3,00,000(Rupees Three Lakhs Rupees Only) per month.  
In addition to salary, he shall be provided with the following perquisites:

Medical Reimbursement: Actual Expenses incurred for the Managing Director and his family.

Gratuity: Gratuity payable shall be in accordance with the provisions of payment of Gratuity Act, 1972

Commission: .01% of Net Profit.

RESOLVED FURTHER THAT where in any Financial Year during his tenure, if the company has no profit or its profits are inadequate, the minimum remuneration will be paid, subject to such statutory approvals as may be applicable.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation relating to the payment of remuneration to the managerial personnel or to Schedule V to the Companies Act,2013,the Board of Directors be and are hereby authorised to vary or increase the remuneration within the prescribed limits.

RESOLVED FURTHER ALSO THAT the Board of Directors be and are hereby authorised to take all necessary steps and to do all deeds and things as may be deemed expedient or desirable to give effect to this resolution.”

**7. APPROVAL FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013:**

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 (the Act) and Rules made there under and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company

be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials services or property in respect to sale, in such parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature for a period of 3 years.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to determine the actual sums to be involved in the transaction and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”.

**8. TO ACCORD CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO M/S. A.S. RAO & CO., COST AUDITORS OF THE COMPANY.**

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

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Audit and Auditors) Rules, 2014, (including any Statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded for re-appointment of M/s. A.S. Rao & Co., Cost Auditors, Hyderabad as Cost Auditors of the Company from the date on which they were appointed by the Board of Directors to conduct the audit of cost records of the Company for the Financial Year 2017-18 and be paid a remuneration amounting to Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus out of pocket expenses and applicable Service tax, if any.”

**RESOLVED FURTHER THAT** the Managing Director and/ or Director(s) of the Company be and are hereby jointly/severally authorized to do or cause to be done all such acts, matters, deeds and other things as it may in their absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid Resolution.”

**9. TO APPOINT OF MR. BIVOR BAGARIA AS WHOLETIME DIRECTOR OF THE COMPANY AND FIX HIS REMUNERATION.**

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

“**RESOLVED THAT** subject to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 and pursuant to Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, Mr. Bivor Bagaria be and is hereby appointed as Whole-time Director of the company on the following terms:

(i) Salary: Rs.85,000(Rupees Eighty Five Thousand Only) per month. In addition to salary, he shall be provided with the following perquisites:

Medical Reimbursement: Actual Expenses incurred for the Managing Director and his family.

Gratuity: Gratuity payable shall be in accordance with the provisions of payment of Gratuity Act, 1972

**RESOLVED FURTHER THAT** where in any Financial Year during his tenure, if the company has no profit or its profits are inadequate, the minimum remuneration will be paid, subject to such statutory approvals as may be applicable.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation relating to the payment of remuneration to the managerial personnel or to Schedule V to the Companies Act,2013,the Board of Directors be and are hereby authorised to vary or increase the remuneration within the prescribed limits.

**RESOLVED FURTHER THAT** the Managing Director and/ or Director(s) of the Company be and are hereby jointly/severally authorized to do or cause to be done all such acts, matters, deeds and other things as it may in their absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid Resolution.”

**10. TO DELEGATE THE BORROWING POWERS TO THE BOARD OF DIRECTORS OF THE COMPANY.**

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

“RESOLVED THAT pursuant to section 180(1)(c) of the Companies Act,2013 and any other applicable provisions if any, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company(herein after referred to as the Board which term shall include any committee constituted by the board or any person(s) authorized by the board to exercise the powers conferred on the board by this resolution) to borrow and raise such sum or sums of money from time to time as may be required for the purpose of business of the company from company’s bankers and other banks including Foreign Banks, Financial Institutions, or other persons, firms, bodies corporate or any other Juristic person on such terms and conditions as may be considered and suitable by the board of directors up to a limit of Rs.500,00,00,000(Five Hundred Crores Only), notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves.”

**11. TO MORTGAGE AND/OR CREATE CHARGE ON THE PROPERTIES OF THE COMPANY BOTH PRESENT AND FUTURE FOR AVAILING THE LOAN/CREDIT FACILITIES FROM THE BANKS AND FINANCIAL INSTITUTIONS FROM TIME TO TIME.**

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

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (here-in-after referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to create such mortgages/charges/hypothecation and /or other encumbrances, if any created by the Company on all or any part of the immovable and /or movable properties, current and/or fixed assets, tangible or intangible assets, book debts and/ or claims of the Company and other permitted assets where-so-ever situated, present and future, with power to enter upon and take possession of assets of the Company in certain events when so provided in the Agreements(s) /Deeds entered into, such charges to rank either pari passu with or second, subsequent, and subordinate to all mortgages, charges, hypothecation and other encumbrances created/to be created by the Company in favour of Indian or Foreign Financial Institutions, NBFCs, Banks and other lending institutions and/ or to such other persons, if any from whom the Company has/ or proposed/ proposes to borrow money/sums of money by way of Term Loans, Cash Credits, Overdrafts, Discounting of Bills, Inter Corporate Deposits, Commercial Papers or such other Financial Instruments permitted to be issued by the appropriate authorities from time to time together with interest, cost charges and other incidental expenses and other monies in terms of the



Agreement(s) entered/ to be entered into by the Board of Directors/ any Committee thereof, upto the overall borrowing limits of Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) as fixed pursuant to Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Managing Director and/ or Director(s) of the Company be and are hereby jointly/severally authorized to do or cause to be done all such acts, matters, deeds and other things as it may in their absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid Resolution.”

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For and on behalf of the Board of Directors of  
Narayani Steels Limited

Registered Office:  
23A,N.S.Road, 7<sup>th</sup> floor, Room No.31,Kolkata  
West Bengal, India.

Sd/-  
(Sunil Kumar Choudhary)  
Managing Director and Chief Executive Officer  
DIN: 00289479

Place: Visakhapatnam.

Date: 04.08.2017

#### NOTES

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/ herself and such Proxy need not be a Member of the Company. A proxy so appointed shall not have right to speak at the meeting. The Instrument of Proxies, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight (48) hours before the commencement Meeting. Proxies submitted on behalf of Companies, Societies, etc., must be supported by appropriate Resolutions/authority, as applicable.
2. A person can act as a Proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total Share Capital of the Company. In case of proxy is proposed to be appointed by the a Member holding more than ten percent of the total Share Capital of the Company carrying voting rights, then such Proxy shall not act as Proxy for any other person or Shareholder.
3. Members / Proxies shall bring Attendance Slips filled in and duly signed for attending the meeting.
4. Documents referred to in the Notice open for inspection at the Registered Office of the Company during working hours on all working days till the date of Annual General Meeting and also at the place of the Meeting at the scheduled time of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 28.08.2017 to 30.08.2017 (both days inclusive).
6. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the Meeting to the Company at its Registered Office.
7. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

- 8 Registrar and Share Transfer Agent: M/s. Bigshare Services Private Limited have been appointed by the Company as Registrar and Share Transfer Agent by the Company. Hence, Depository Participants/ Shareholders / Investors of the Company are advised to send all documents / correspondence such as requests for Dematerialization of Shares, Transfer of Shares, Change of Address , Registration of e- mail id, Change of Bank Mandate / NEACS , and other Shares related documents.
- 9 Green Initiative: As a responsible Corporate Citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India. We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live. The Members who have not registered their e- mail address are requested to register their e-mail id's with the Company, Registrar and Share Transfer Agent or Depository Participant as the case may be.
- 10 In compliance with provisions of section 108 of the Act and rules framed there under, as amended from time to time, and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the members are provided with the facility to cast their vote electronically ,through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
11. The Board of the Directors has appointed Mr. N Agrawal & Associates Practicing Chartered Accountant (FRN:015892S) as scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
12. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
13. 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.
14. Details under Regulation 36(3)of SEBI (LODR)Regulations,2015("SEBI listing Regulations"),with the Stock Exchange in respect of the directors seeking appointment/re-appointment at the Annual General Meeting, the Directors have furnished the requisite information for their appointment/re-appointment.

Details of Directors seeking Re-Appointment at the Annual General Meeting

<b>Name of the Director</b>	SUNIL CHOUDHARY	KISHAN LAL CHOUDHARY
<b>Director Identification Number (DIN)</b>	00289479	00289428
<b>Date of Appointment on Board</b>	13.11.1996	13.11.1996
<b>Shareholding in Narayani Steels Limited</b>	12,24,500 Equity Shares	10,03,500 Equity Shares

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013:**

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**REGARDING ITEM NO. 5:**

**TO GRANT RELIEF TO SHRI KISHAN LAL CHOUDHARY(DIN:00289428),FROM CHAIRMANSHIP OF THE COMPANY.**

Shri. kishan Lal Choudhary was the First Director, Promoter and served in various positions in the Company . He has dedicated his entire time and given uninterrupted service to the Company and by contribution of his whole life, today Company achieves a major steel manufacturer in the market in India and it was clearly reflected in the financials of the Company including strategic business planning and analysis of future competition. Now, Narayani Steels is the listed entity and his contributions are clearly recorded . Now, Sri. kishan Lal Choudhary wants to relieve from the Chairpersonship of the Company on his health grounds.”

The Board of the Directors recommends the resolution set forth in Item No.5 for approval of Members.

Except Promoters, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

**REGARDING ITEM NO. 6:**

**TO APPOINT OF SHRI SUNIL CHOUDHARY (DIN 00289479) TO ACT AS A CHAIRMAN OF THE COMPANY.**

Shri. Sunil Choudhary (DIN 00289479) who is currently working as Managing Director and Chief Executive Officer of the Company and who is the chief promoter and First Director of the Company, wants to take more responsibility in order to achieve more growth and development in the Company and want to work as Chairman because of relieving Shri. Kishan Lal Choudhary from the position of Chairman of the Company. Now, the Board of Directors decided to relieve Shri. Kishan Lal Choudhary from such position. In view of rich experience and the present responsibilities of the Company, the Board has proposed to change the designation and appointment of Shri. Sunil Choudhary from the present position of Managing Director to the position of Chairman and Managing Director of the Company. Further, the Board has proposed to pay the remuneration as mentioned in the Notice supra.

The Board of the Directors recommends the resolution set forth in Item No.6 for approval of Members.

Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

**REGARDING ITEM NO. 7:**

**APPROVAL FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013:**

The Members are informed that the Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013 “Related Party Transactions” requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in Sub-section

(1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All transactions entered into by the Company with Related Entities are at arm's length basis and in the ordinary course of business.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the transactions according to requirements of the Company along with annual limit that your Company may enter into with the Related Parties (as defined under Section 2(76) of the Companies Act, 2013)..

The Members are further informed that no Member/s of the Company being a Related Party or having any interest in the Resolution as set out at Item No. 7 shall be entitled to vote on this special Resolution. The Board of Directors recommends the Resolution set forth in Item No. 7 for approval of the Members.

The Board of the Directors recommends the resolution set forth in Item No.7 for approval of Members.

Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

#### **REGARDING ITEM NO.8:**

#### **RATIFICATION AND PAYMENT OF REMUNERATION TO M/S. A.S. RAO & CO., COST AUDITORS OF THE COMPANY:**

The Members are informed that as per the Cost Audit Orders, Cost Audit is applicable to the Company's products/ business of the Company for the Financial Year 2016-17.

In view of the same and 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, the Board of Directors of the Company at its Meeting held on 04.08.2017 had re-appointed M/s. A. S. Rao & Co., Cost Accountants, Hyderabad as Cost Auditors to conduct the audit of cost records of your Company for the Financial Year 2017-18 subject to the consent of the Members of the Company. Further, as per the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 (a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.25,000 proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your consent for appointment and ratification for payment of remuneration to Cost Auditors is require. The Board of the Directors recommend passing of the Ordinary Resolution at Item No.8 of the Notice.

The Board of the Directors recommends the resolution set forth in Item No.8 for approval of Members.

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.8 of the Notice.

#### **REGARDING ITEM NO 9.**

#### **TO APPOINT MR. BIVOR BAGARIA AS WHOLETIME DIRECTOR OF THE AND APPROVE HIS REMUNERATION.**

The members are informed that Mr. Bivor bagaria, who is a qualified Senior Chartered Accountant and director and C.F.O. Of the Company, was appointed as non-executive director at the time of his appointment in your Company. Now Company day today financial activities have been increased due to conversion from Private Company into Public and listed its shares in BSE SME Platform. Now Mr. Bivor Bagaria is giving his full time to Company in order to finish the day today activity of the Company on due time. Board of Directors has decided to gave 10,20,000 per annum in order to give compensate the time which he is providing to the Company.

The Board of the Directors recommends the resolution set forth in Item No.9 for approval of Members.

Except Mr.Bivor Bagaria, Proposed Appointee ,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.8 of the Notice.

#### **REGARDING ITEM NO 10.**

##### **DELEGATE THE BORROWING POWERS TO THE BOARD OF DIRECTORS OF THE COMPANY.**

The members are informed that whenever a Public Company borrows fund, take loan or obtains any financial assistance in excess of the paid up capital and free reserves apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business, it has to comply the provisions of section 180(1)(c) of the companies act,2013,which envisages a special resolution to be passed by the members, authorizing the directors to borrow moneys exceeding the paid-up share capital and free reserves. The board considered to obtain more funds in addition to the existing loan/credit facilities, but not exceeding Rs.500,00,00,000(Five Hundred Crores).In view of the proposed plans for expansion and to cater working capital of the Company.

The Board of the Directors recommends the resolution set forth in Item No.10 for approval of Members.

Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

#### **REGARDING ITEM NO 11.**

##### **TO MORTGAGE AND/OR CREATE CHARGE ON THE PROPERTIES OF THE COMPANY BOTH PRESENT AND FUTURE FOR AVAILING THE LOAN/CREDIT FACILITIES FROM THE BANKS AND FINANCIAL INSTITUTIONS FROM TIME TO TIME.**

The members are informed that Whenever the Company borrows funds from time to time as per its requirements from the bankers, financial institutions and other Juristic Persons, subject to overall limit as approved by shareholders, need may arises to mortgage and create charge on the asset of the Company as per the requirement of the lenders and this would be regarded as disposal of the Company's property/undertakings and it is incumbent to obtain the shareholders approval under Section 180(1)(a) of the Companies Act,2013by way of Special Resolution. The Board shall exercise such power only after obtaining the consent of the shareholders at their meeting

The Board of the Directors recommends the resolution set forth in Item No.11 for approval of Members.

Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

\*\*\*

Registered Office:  
23A,N.S.Road, 7<sup>th</sup> floor, Room No.31,Kolkata  
West Bengal, India.

For and on behalf of the Board of Directors of  
Narayani Steels Limited

Place: Visakhapatnam.  
Date: 04.08.2017.

Sd/-  
(Sunil Choudhary)  
Managing Director and Chief Executive Officer  
DIN: 00289479

## ANNEXURE FOR E-VOTING PROCEDURE

### The e-Voting process to be followed by the shareholders to cast their votes:

- During the voting period, the shareholders can visit the e-Voting website [www.evotingindia.com](http://www.evotingindia.com) and select the relevant EVSN / Company for voting.
- The shareholders can login to the e-Voting system using their user-id (i.e. demat account number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio.
- After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Physical shareholders will have to login with the DOB and Bank details for every voting.
- Security holders have to then select the EVSN for which they desire to vote.
- Security holders can then cast their vote on the resolutions available for voting.
- Security holders can also view the resolution details on the e-Voting website.
- Once the security holder casts the vote, the system will not allow modification of the same.
- During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

#### E-Voting will start on

EVSN Reference No:	170729017	E-Voting Start Date & Time	E-Voting End Date & Time
		27.08.2017	29.08.2017
		At.9.00A.M	At 5.00 P.M
Cut off date:	23.08.2017		

**Route Map:**



## DIRECTOR'S REPORT

To,  
The Members,  
Narayani Steels Limited.

Your Directors have pleasure in presenting their 22<sup>nd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL SUMMARY OF THE COMPANY:

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue	775,50,85,110.00	5,04,06,93,462.00	775,50,85,110.00	5,04,06,93,462.00
Expenses	757,03,03,267.00	4,90,78,23,721.00	757,03,03,267.00	4,90,78,23,721.00
Profit before Extra-ordinary Items, Interest and Depreciation, Tax	18,47,81,843.00	13,28,69,741.00	18,47,81,843.00	13,28,69,741.00
Less: Interest	14,77,05,916.00	1,09,12,3987.00	14,77,05,916.00	1,09,12,3987.00
Profit before Extraordinary Item, Depreciation and Tax	370,75,927.00	2,37,45,754.00	370,75,927.00	2,37,45,754.00
Less: Depreciation	54,04,297.00	53,86,544.00	54,04,297.00	53,86,544.00
Profit before Extraordinary Items and Tax	3,16,71,630.00	1,83,59,210.00	3,16,71,630.00	1,83,59,210.00
Add: Extra-ordinary Items	-	-	-	-
Profit before Tax	3,16,71,630.00	1,83,59,210.00	3,16,71,630.00	1,83,59,210.00
Current Tax	1,03,56,384.00	50,55,185.00	1,03,56,384.00	50,55,185.00
Deferred Tax	3,43,725.00	10,37,548.00	3,43,725.00	10,37,548.00
Income tax for earlier years	-	-	-	-
Profit After Tax	2,09,71,521.00	1,22,66,477.00	2,09,71,521.00	1,22,66,477.00
Dividend (including Interim if any and final )	-	-	-	-
Net Profit after dividend and Tax	2,09,71,521.00	1,22,66,477.00	2,09,71,521.00	1,22,66,477.00
Share of Profit in Associates	-	-	14,98,206.00	14,46,976.00
	2,09,71,521.00	1,22,66,477.00	2,24,69,727.00	1,37,13,453.00



Earning per Share (Basic)	2.25	1.68	2.41	1.88
Nominal Value per Equity Share:				
For the year ended 31st March, 2017 - Rs. 10/-				
For the year ended 31st March, 2016 - Rs. 10/-				

**2. STATE OF COMPANY'S AFFAIRS UNDER CLAUSE (i) TO SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013:**

**a) FINANCIAL SUMMERIES**

**STANDALONE:**

During the year under review, the Company has recorded an Gross Income of **Rs. 784,00,37,979** Crores as compared to the previous year amount of **Rs.512,64,26,758** Crores. The Expenditure incurred before depreciation and intersst during the year was **Rs. 18,47,81,843** Crores as against the amount of **Rs. 13,28,69,741** Crores during the previous year. The depreciation and Tax provided during the year were **Rs.54,04,297** Lakhs and **Rs. 1,07,00,109** Crores respectively as compared to the depreciation and Tax provided for the previous year were **Rs. 53,86,544 Lakhs** and **Rs. 60,92,733** Lakhs respectively. Hence, the Company has earned a Net Profit of **Rs. 209,71,521** Crores as compared to the previous year amount of **Rs. 122,66,477** Crores. During this year, the Net Profit has increased **@ 71.00%** as compared to the previous year as the market activity regained its growth during the year.

**CONSOLIDATED:**

During the year under review, the Company has recorded an Gross Income of **Rs. 784,00,37,979** Crores as compared to the previous year amount of **Rs.512,64,26,758** Crores. The Expenditure incurred before depreciation and intersst during the year was **Rs. 18,47,81,843** Crores as against the amount of **Rs. 13,28,69,741** Crores during the previous year. The depreciation and Tax provided during the year were **Rs.54,04,297** Lakhs and **Rs. 1,07,00,109** Crores respectively as compared to the depreciation and Tax provided for the previous year were **Rs. 53,86,544 Lakhs** and **Rs. 60,92,733** Lakhs respectively. Share of profit in association is **14,98,206** during the year and **Rs.14,46,976** in previous year. Hence, the Company has earned a Net Profit of **Rs. 2,24,69,727** Crores as compared to the previous year amount of **Rs. 1,37,13,453** Crores. During this year, the Net Profit has increased **@ 64.00%** as compared to the previous year as the market activity regained its growth during the year.

(b) **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There are no changes in the nature of business of the Company during the Financial Year 2016-17.

**3. EXTRACT OF THE ANNUAL RETURN:**

As required under Clause (a) to Sub-section (3) of Section 134 of the Companies Act, 2013, the extract of Annual Return in form MGT-9 as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is enclosed in Annexure-2.

**4. AUDITORS:**

**A) STATUTORY AUDITORS:**

At the Annual General Meeting held on the 31th day of May, 2016, the appointment of M/s. S. Jaykishan ,Chartered Accountants, Kolkata (FRN: 309005E) was ratified by the Shareholders to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. Since the term of the Statutory Auditors is completed, the Board recommend the appointment of M/s. A C Bhuteria and Co. Chartered Accountants, Kolkata (FRN:303105E) as Statutory Auditors of the Company in place of M/s. S. Jaykishan ,Chartered Accountants, Kolkata (FRN: 309005E) for the Financial Year 2017-18.

**B) COST AUDITORS.**

M/s. A.S. Rao & co., Cost Accountants, Hyderabad, was appointed as Cost Auditors of the Company to conduct the audit of Cost Accounts maintained by the Company. The Company has received the Cost Audit Report from the Cost Auditor for the FY 2016-17

**C) SECRETARIAL AUDITORS:**

The Board of Directors of the Company has appointed M/s. ASN and Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed herewith to this Report. The Secretarial Audit Report contains qualification, reservation or adverse mark.

**D) INTERNAL AUDITORS:**

M/s. A. Ramachandra Rao & Co. Chartered Accountants (FRN: 02857S), Visakhapatnam-530013, Andhra Pradesh, India, be and are hereby appointed as Internal Auditors of the Company.

**5. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:**

**Hari Equipments Private Limited (Associate Company)**

During the Financial Year 2016-17,its Associates Company i.e Hari Equipments Private Limited has gross turnover of Rs.188,07,87,195/- as compare to Rs.179,01,35,105/- as against the previous Financial Year and its profit after tax in 2016-17 is R.39,94,152 as compare to Rs.38,57,637 in previous Financial Year.(Annexure-3)

**6. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

During the F.Y. 2016-17 the Board of Directors met for 9 (Nine) times to discuss about the business and other important matters relating to the Company which forms part of this report.. The details of which are given in Annexure-1. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**7. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Sub-section (5) of Section 134 of the Companies Act, 2013 and as required under Clause (c) to Sub-section (3) of Section 134 of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:—

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the Annual Accounts on a Going Concern basis;
- (e) the Company being listed Company, Sub-clause (e) to Sub-section (5) of Section 134 of the Companies Act, 2013 pertaining to laying down Internal Financial Controls is applicable to the Company; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**8. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION INCLUDING DISCHARGE OF THEIR DUTIES AND OTHER MATTERS:**

The Company is covered under Sub-section (1) of Section 178, therefore the Board on the recommendation of the Nomination & Remuneration Committee has devised and implemented a Nomination and Remuneration Policy for Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 and a summary of the same is disclosed in Annexure-8 as required under Clause (e) to Sub-section (3) of Section 134 of the Companies Act, 2013, .

**9. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND COMPANY SECRETARY IN PRACTICE IN THEIR REPORTS UNDER CLAUSE (f) TO SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013:**

As required under Clause (f) to Sub-section (3) of Section 134 of the Companies Act, 2013, the explanation or comments on qualifications, reservations, adverse marks or disclaimers made by the Auditors in their reports is disclosed in Annexure -5.

**10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

As required under Clause (g) to Sub-section (3) of Section 134 of the Companies Act, 2013, the Company has not given any Loan, but gave Guarantees and provide security to other Company during the year.

Details of Guarantees and security provided to any other body corporate during the previous financial year as given below.

1. Company has given Corporate Guarantees for the credit facility taken by Hari Equipments Pvt. Ltd
2. Company has provided one of its property at Visakhapatnam as security with the bank for credit facilities availed by Kedarnath Commotrade Pvt. Ltd

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM:**

As required under Clause (h) to Sub-section (3) of Section 134 of the Companies Act, 2013, the particulars of every Contract or Arrangements entered into by the Company with Related Parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form AOC-2 as **Annexure-4**.

**12. THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES UNDER CLAUSE (j) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:**

During the Financial Year 2016-17, the Company has transferred an amount to its Reserves and surplus of Rs.9,49,03,443/- of the Company for Standalone financial results and Rs.9,64,01,649/- for Consolidated Financial Results.

**13. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND UNDER CLAUSE (k) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:**

Your Directors have not recommended any dividend in view of the sluggish market conditions prevalent in the Steel Industry and to meet the Working Capital requirements for effective operations as per the plans conceived.

**14. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

As required under Clause (L) to Sub-section (3) of Section 134, no material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this Financial Statements relate on the date of this Report.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED UNDER CLAUSE (m) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:**

The particulars as prescribed under Clause (m) to Sub-section (3) of Section 134 of the Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo is provided as under:

(a) Conservation of Energy:

(i)	The steps taken or impact on conservation of energy	To improve the Power Factor upto 0.99.
(ii)	The steps taken by the company for utilizing alternate sources of energy	125 KVA DG power is used whenever APEPDCL power fails.
(iii)	The capital investment on energy conservation equipment's	Power Capacitors.

(b) Technology Absorption:

(i)	The efforts made towards technology absorption	Spectrometer of Oxford and MK. for In-house testing lab.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Saved expenses on testing from Outside agencies.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-	
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	The expenditure incurred on Research and Development	-

(c) Foreign Exchange Earnings /Outgo:

<b>Particulars</b>	<b>2016-17 (Rs.)</b>	<b>2015-2016 (Rs.)</b>
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
Interest on Buyers' Credit Loan	Nil	2,06,178
Import of Traded Goods	Nil	8,91,43,144

**16. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY AS REQUIRED UNDER CLAUSE (n) TO SUB-SECTION (3) OF SECTION 134:**

The Company has devised and implemented a Risk Management Policy and all the risks are discussed at the Senior Management Level at their Meetings periodically to ensure that the risk mitigation plans are well thought out and implemented and adverse impact of risks is avoided or kept within manageable proportions though the elements of risk threatening the Company's existence are very minimal. This policy are mentioning in [www.narayanitmt.com](http://www.narayanitmt.com)

**17. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR UNDER CLAUSE (o) TO SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013:**

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable to the Company.

**18. FORMAL ANNUAL EVALUATION:**

Being an listed Public Limited Company having a Paid-up Capital of less than Rupees Twenty Five Crores, the provisions of Clause (p) to Sub-section (3) of Section 134 of the Companies Act, 2013, relating to a statement on Formal Annual Evaluation by the Board of its own performance and that of its Committees and individual Directors are not applicable.

**19. VIGIL MECHANISM POLICY:**

Pursuant to the provisions of Sub-section (9) & (10) of Section 177 of the Companies Act, 2013, a Vigil Mechanism Policy for Directors and Employees to report genuine concerns has been established. The Company has also provided adequate safeguards against victimization of Employees and Directors who express their concerns.

The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.narayanitmt.com/>.

**20. SECRETARIAL AUDIT REPORT:**

The provisions relating to Secretarial Audit under Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are applicable to the Company as the turnover exceeds Rs. 250,00,00,000/- and the same is enclosed as Annexure-5.

**21. DEPOSITS:**

The Company has neither accepted nor renewed any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**22. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern Status and Company's operations in future.

**23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has established an internal control over financial reporting criteria 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.

Also, as per the Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 issued by the Independent Auditors of the Company, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

**24. THE BOARD AND KMP.****a) Change in the Composition of the Board of Directors:**

No change has been occurred during the Financial Year 2016-17, details of Senior Executive and KMP are shown in our website. [www.narayanitmt.com](http://www.narayanitmt.com)

**b) Details of composition of audit committee as per section 177(8) of the companies act,2013**

The audit committee consists of the following persons.

Sr.No	Particulars	Designation
01	Ramesh Pratapa	Chairman
02	Puvvala Vaskara Rao	Independent Director
03	Atul Kumar Saxena.	Independent Director

**25. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company is disclosed in Annexure-6.

**26. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The statement on Declaration to be given by Independent Directors under Sub-section (6) of Section 149 of Companies Act, 2013 and Companies Appointment and Qualification of Directors) Rules, 2014 as required under Clause (d) to Sub-section (3) of Section 134 of the Companies Act, 2013 is enclosed as Annexure-7.

**27. INSURANCE:**

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

**28. EMPLOYEE RELATIONS:**

During the year, the Employee relations in the Company remained cordial and highly conducive to congenial working environment in all its establishments and further the Company has been in touch relating to recruitment of required personnel from time to time. Your Directors would like to place on record the dedication and commitment of all the Employees of your Company in achieving the good results.

**29. STATUS OF UTILISATION OF PROCEEDS RAISED FRPM IPO:**

The Company has raised an amount of Rs. 11,52,00,000 Crores through Initial Public Offer by getting itself listed on the Emerge Platform of Bombay Stock Exchanges. The table below depicts the status of the utilization of the proceeds raised by the Company from IPO:

Particulars	Amount
Amount raised through Public Issue	11,52,00,000
Less: Payment towards share issue expenses	50,39,000
Less: Utilization towards working capital and general corporate purpose	11,01,61,000

### **30. MANAGEMENT DISCUSSIONS AND ANALYSIS:**

The Board has been continuing its efforts and taken the required steps in the area of Industry structure and Development, Growth Strategy, Segment-wise Performance, Internal Control Systems and their adequacy, Analysis of Strengths, Weaknesses, Opportunities and Threats, Financial Performance with respect to Operational Performance, Material developments in human resources / industrial relations, Strict Compliances, Talent Management, Leadership Development, and Talent Retention, Learning and Development.

### **31. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the whole-hearted assistance and co-operation received by the Company from Members, Customers, Dealers, Distributors, Bankers, Financial Institutions, Government & Other Agencies, Local Bodies, other Corporate Bodies and the Public and look forward to their support in coming years. They express their gratitude to all the Shareholders of the Company for the confidence reposed in the Management. Your Directors appreciate the sincere services rendered by the Employees at all levels. Thanks are also extended to our Professionals, Advisors, Well-wishers and Persons dealing with the Company.

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For and on behalf of the Board of Directors of  
Narayani Steels Limited

Sd/-  
(Sunil Choudhary)  
Managing Director and Chief Executive Officer  
DIN: 00289479

Sd/-  
(Bivor Bagaria)  
Director and Chief Financial Officer  
DIN: 06765822

Registered Office:  
23A, N.S. Road, 7<sup>th</sup> Floor,  
Room - 31, Kolkata- 700 001,  
West Bengal, India

Place: Visakhapatnam  
Date: 04.08.2017



## Annexure-1

### **CORPORATE GOVERNANCE REPORT**

#### **1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

We continue to believe that good corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders value.

#### **2. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONEL(KMP):**

(a) Constitution of the Board and KMP:

<b>Title</b>	<b>Name of Director</b>	<b>DIN and/or PAN</b>	<b>Designation</b>	<b>Category</b>	<b>Type</b>
Mr.	Krishnamacharyulu Eunny	07281774, AADPE3997P	Director	Independent	Non-Executive
Mr.	Ramesh Prathapa	07281821, AECPP2493L	Director	Independent	Non-Executive
Mr.	Bhaskararao Puvvala	07282264, ACSPP8584E	Director	Independent	Non-Executive
Mr.	Atul Kumar Saxena	07284335, APXPS2517Q	Director	Independent	Non-Executive
Mr.	Sunil Choudhary	00289479, AEZPC3417N	Managing Director	Promoter	Executive
Mr.	Kishan Lal Choudhary	00289428, ABJPC9711A	Director and Chairman	Professional	Non-Executive
Mrs.	Bina Choudhary	00299534, AEZPC3416P	Director	Promoter	Non-Executive
Mr.	Bivor Bagaria	06765822, AOWPB4840F	Director	Professional	Non-Executive

Mr.	Bivor Bagaria	AOWPB4840F, ICAI M.No. 307336	CFO	NA	NA
Mr.	Sunil Kumar Choudhary	AEZPC3417N	CEO	NA	NA
Mr.	Arun Kumar Meher.	BPBPM1402F, ICSI M.No. ACS 48598	Company Secretary and Compliance officer	NA	NA

The Company has a Non-executive Director as its Chairman, whose is related to the Promoters of the Company and also with the persons occupying management positions at the Board level. Also, One-half of the Board of the Company consists of Independent Directors having requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an Independent Director.

(b) Meeting of the board and committee:

- i) Total compliance of procedures relating to the Board Meetings and the meetings of the Committees thereof,
- ii) The meetings are usually held at the Corporate Office of the Company, and
- iii) The Draft Minutes are circulated to the members of the Board/Committees for their comments and will be duly recorded in the concerned books.

**BOARD MEETINGS**

During the Financial year 9 Board Meeting held. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below.

Name of Director	Category	No. Meeting Attended	Whether Present at previous AGM held on 31.05.2016
Krishnamacharyulu Eunny	Non-Executive Independent	9	Yes
Ramesh Prathapa	Non-Executive Independent	9	Yes
Bhaskara Rao Puvvala	Non-Executive Independent	9	Yes

Atul Kumar Saxena	Non-Executive Independent	9	Yes
Sunil Choudhary	Executive	9	Yes
Kishan Lal Choudhary	Non-Executive	9	Yes
Bina Choudhary	Non-Executive	9	Yes
Bivor Bagaria	Non-Executive	9	Yes

### COMMITTEES MEETINGS:

Currently, the Board has Three Committees: the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, consist entirely of Independent Directors.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of Duties, Responsibilities and Activities
Audit Committee	<ol style="list-style-type: none"> <li>Pratapa Ramesh</li> <li>Puvvala Bhaskara Rao</li> <li>Atul Kumar Saxena</li> </ol>	<ol style="list-style-type: none"> <li>The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.</li> <li>Review and monitor the Auditor's independence and performance, and effectiveness of audit process</li> <li>Examination of the financial statement and the Auditors' Report thereon</li> <li>Approval or any subsequent modification of transactions of the Company with Related Parties</li> <li>Scrutiny of Inter-Corporate Loans and Investments</li> </ol>
Nomination and Remuneration Committee	<ol style="list-style-type: none"> <li>Eunny Krishnamacharyulu.</li> <li>Puvvala Bhaskara Rao.</li> <li>Pratapa Ramesh.</li> </ol>	<ol style="list-style-type: none"> <li>The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;</li> <li>Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</li> <li>Remuneration to Directors,</li> </ol>

		Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
Stakeholders Relationship Committee	<ol style="list-style-type: none"> <li>1. Eunny Krishnamacharyulu.</li> <li>2. Pratapa Ramesh.</li> <li>3. Atul Kumar Saxena.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Committee reviews and ensures Redressal of Investor Grievances.</li> <li>2. The Committee noted that all the Grievances of the Investors have been resolved during the year.</li> </ol>
Corporate Social Responsibility Committee	NA	

### 3. EMPLOYEES:

Continuous Employee Training Programs including seminars conducted for upgrading their skills and knowledge in their respective areas.

### 4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System is designed to ensure operational efficiency, protection, conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman and Managing Director.

The Internal Control System is supported by an Internal Audit Process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems, processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

**5. CLIENTS:**

Highest priority and commitment to meet clients' is the main motto of our company

**6. OTHER STAKEHOLDERS:**

The Company is always concern about Clients, dealers, Customers, Suppliers, Competitors, Creditors and Local Community and strives to meet all expectations reasonably.

**7. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

Pursuant to the provision of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, this provision is not applicable to company.

**8. CORPORATE AFFAIRS & VISION:**

The Company has been continuing effectively the best Corporate Affairs with the following:

- a) Advanced Planning Techniques and strategic supervision by the Board of Directors;
- b) Excellent co-ordination at all levels of management to achieve the tasks;
- c) Immediate attention towards Customers' requirements and public relations;
- a) Cautious approach in operations, rendering services efficiently and effectively to the clients;
- b) Adequate response towards socio-economic responsibilities;
- c) Focus on protecting the safety of the clients and the employees;
- d) To design the standards, policies, procedures and best practices in addition to the existing policies;
- e) To grow the Company and to generate long term Business results and expanding market presence;
- f) To retain the talented and dedicated Employees and implementing the best Administrative Manual;

## 9. GENERAL SHAREHOLDER INFORMATION

- a) Financial Year:2016-17
- b) Name and Address of the Stock Exchanges where the shares are listed:  
Bombay Stock Exchanges Ltd.  
Dalal Street, Fort,  
Pin-400001,  
Mumbai,

## 10. DISCLOSURES:

- a) The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
- b) From the date of listing in BSE SME, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any Regulatory Authority for non-compliance of any matter related to the Capital Market.
- c) To the extent possible, the Company has complied with the mandatory requirement of this clause.
- d) The Company has complied with all applicable Accounting Standards in preparation of its financial statements pursuant to the amended Schedule III of Companies Act, 2013.
- e) Complied with the various statutory provisions and submitted the required information to the concerned authorities relating to the business affairs of the Company from time to time

## 11. REGISTRARS SHARE TRANSFER SYSTEM & AGENTS:

M/s. Bigshare Services Private Limited, Mumbai is our Registrar and Share Transfer agent to take care of the works relating to physical shares and electronic connectivity and other D-Mat related services.

Address	Bigshare Services Private Limited, E-3, Ansa Industrial Estate, Saki Vihar Road Sakinaka , Mumbai - 400 072, Phone: 040 - 23374967 Fax : 040 – 23370295 E-Mail: <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
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## 12. ADDRESS FOR CORRESPONDENCE:

23A,N.S.Road,  
7<sup>th</sup> floor,Room No-31,  
Kolkata-700001,  
West Bengal  
E-Mail: [info@narayanitmt.com](mailto:info@narayanitmt.com)  
Website: [www.natayanitmt.com](http://www.natayanitmt.com)  
CIN: U27109WB1996PLC082021

**Auditors' Certificate on Corporate Governance**

**To  
The Members of  
Narayani Steels Limited  
Kolkata.**

We have examined the compliance of conditions of Corporate Governance by M/s. Narayani Steels Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Bombay Stock Exchanges Ltd.

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

**For ASN Associates  
Company Secretaries**

**Satyanarayana A  
Partner  
FCS No.: 3986  
C P No.: 2354**

**Place: Kolkata (Camp)  
Date: 29.05.2017**

**Annexure-2**

<b>FORM NO. MGT 9</b>		
<b>EXTRACT OF ANNUAL RETURN</b>		
<b>As on the Financial Year ended on 31/03/2017</b>		
<i>Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</i>		
<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
i)	CIN	: U27109WB1996PLC082021
ii)	Registration Date	: 10 <sup>th</sup> February, 1995
iii)	Name of the Company	: NARAYANI STEELS LIMITED
iv)	Category of the Company	: Indian Non-government Company
	Sub-category of the Company	: Company having Share Capital and Limited by Shares
v)	<b>Address of the Registered office &amp; contact details</b>	
	Address	: 23A, N.S. Road, 7th Floor, Room-31
	Town / City	: Kolkata
	State	: West Bengal
	Pin Code	: 700 001
	Country Name	: India
	Telephone (with STD Code)	: 7382602726
	Fax Number	: Nil
	Email Address	: <a href="mailto:narayani.steels1996@gmail.com">narayani.steels1996@gmail.com</a>
	Website, if any	: <a href="http://www.narayanitmt.com/">http://www.narayanitmt.com/</a>
vi)	Whether listed Company	: Yes



vii)	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ), if any:-</b>					
	Name of RTA	:	Bigshare Services Private Limited			
	Address	:	E2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East)			
	Town / City	:	Mumbai			
	State	:	Maharashtra			
	Pin Code	:	400 072			
	Telephone	:	022-40430200			
	Fax Number	:	022-28475207			
	Email Address	:	<a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>			
<b>II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY</b>						
			Manufacture of Basic Iron and Steel			
All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-						
<b>Sl. No.</b>	<b>Name and Description of main products / services</b>		<b>NIC Code of the Product / service</b>	<b>% to total turnover of the Company</b>		
1.	Basic Iron and Steels Trading Services		99611924	25.96%		
	Basic Iron and Steel Manufacturing Services		99886010	74.04%		
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>						
No. of Companies for which information is being filled			1			
<b>S. no.</b>	<b>Name and Address of the Company</b>		<b>CIN/GLN</b>	<b>Holding/ Subsidiary /Associate</b>	<b>% of Shares held</b>	<b>Applicable Section</b>
1.	Name: Hari Equipments Private Limited	Address: 23A, N.S. Road, 7th Floor, Room No-31 Kolkata Kolkata- 700001, West Bengal, India.	U51504WB1971PTC080792	Associate	37.51 %	Sub-section 6 of Section 2 of Companies Act, 2013.

<b>IV.</b>	<b>SHARE HOLDING PATTERN (Equity Share of Rs.10.00 each)</b>								
<b>i.</b>	<b>Category-wise Share Holding</b>								
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF		36,51,000	36,51,000	49.95%	36,51,000		36,51,000	33.47%	16.48
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		21,63,000	21,63,000	29.60	21,63,000	-	21,63,000	19.83	9.77
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-		58,14,000	58,14,000	79.55%	58,14,000		58,14,000	53.30%	26.25

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
<b>(2) Foreign</b>									
a) NRI Individual/	-	-	-	-	-	-	-	-	-
b) Other Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)</b>	-	58,14,000	58,14,000	79.55%	58,14,000	-	58,14,000	53.30%	26.25

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)		14,95,000	14,95,000	20.45	22,01,400	-	22,01,400	20.18	.27%
<b>Sub-total (B)(1):-</b>	-	14,95,000	14,95,000	20.45%	22,01,400	-	22,01,400	20.18	.27%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-				-				-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	-	-	-	16,35,600	-	16,35,600	14.99%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		-	-	-	12,58,000	-	12,58,000	11.53%	0.00%
c) Others (HUF)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-				28,93,600	-	28,93,600	26.52%	0.00%
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>									
	-	-	-	-	50,95,000	-	50,95,000	46.70%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>									
	-	73,09,000	73,09,000	100%	1,09,09,000	-	1,09,09,000	100%	0.00%

<b>ii. Shareholding of Promoters</b>								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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.	Sunil Kumar Choudhary	1,22,450	16.75%	0.00%	12,24,500	11.22%	0.00%	5.53%
2.	Sunil Kumar Choudhary (HUF)	12,61,000	17.25%	0.00%	12,61,000	11.56%	0.00%	5.69%
3.	Kishan Lal Choudhary	10,03,500	13.74%	0.00%	10,03,500	9.20%	0.00%	4.54%
4.	Kishan Lal Choudhary(HUF)	66000	0.90%	0.00%	66,000	0.61%	0.00%	.29%
5.	Bina Choudhary	56,000	0.76%	0.00%	56,000	0.51%	0.00%	0.25%
6.	Savitri Devi Choudhary	40,000	0.55%	0.00%	40,000	0.37%	0.00%	0.18%
7.	Cooltex Merchandise Pvt Ltd	21,63,000	29.60	0.00%	21,63,000	19.83%	0.00%	9.77%
	<b>TOTAL</b>	2,48,550	79.55%	0.00%	24,85,500	53.30%	0.00%	26.25%

<b>iii. Shareholding of top 10 Share Holders.</b>								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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.	Nita Rajesh Dhami	0	0	0	6,12,000	5.60%	0.00%	0
2.	Rikhav Securities	0	0	0	4,24,400	3.88%	0.00%	0
3.	Gallant Dealers Private Limited	10,03,500	13.73%	0.00%	2,95,000	2.70%	0.00%	11.03
4.	Sree Ramakrishna Alloys Limited	2,50,000	3.42%	0.00%	2,50,000	2.29%	0.00%	1.13%

5.	Tirupati Veneers Pvt Ltd	0	0	0.00%	2,36,000	2.16%	0.00%	0
6	Plycom Private Limited	0	0	0.00%	2,36,000	2.16%	0.00%	0
7	Everest Ply & Veneers Private Ltd	0	0	0.00%	2,32,000	2.12%	0.00%	0
8	Choice Boards Pvt Ltd	0	0	0.00%	2,32,000	2.12%	0.00%	0
9	Emerald Properties Pvt.Ltd	0	0	0.00%	1,20,000	1.10%	0.00%	0
10	TRIMUDRA CREDIT LTD	0	0	0.00%	1,24,000	1.13%	0.00%	0
	<b>TOTAL</b>	12,53,500	17.52%	0.00%	2761400	25.26%	0.00%	8.11%

<i>i v.</i>		<b>Shareholding of director other than promoters</b>							
<b>S l. No.</b>	<b>Shareholder's Name</b>	<b>Designation</b>	<b>Shareholding at the beginning of the year</b>			<b>Share holding at the end of the year</b>			<b>% change in share holding during the year</b>
			<b>No. of Shares</b>	<b>% of total Shares of the Company</b>	<b>% of Shares Pledged / encumbered to total Shares</b>	<b>No. of Shares</b>	<b>% of total Shares of the Company</b>	<b>%of Shares Pledged / encumbered to total Shares</b>	
1	Bivor Bagaria	Director and CFO	0	0	0	0	0	0	0
2	Krishna macharyulu Eunny	Independent Director	0	0	0	0	0	0	0
3	Ramesh Prathapa	Independent Director	0	0	0	0	0	0	0
4	Bhaskara rao Puvvala	Independent Director	0	0	0	0	0	0	0
5	Atul Kumar Saxena	Independent Director	0	0	0	0	0	0	0
	<b>TOTAL</b>		0	0	0	0	0	0	0

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding Deposits (Amount in Rs.)</b>	<b>Unsecured Loans (Amount in Rs.)</b>	<b>Deposits (Amount in Rs.)</b>	<b>Total Indebtness (Amount in Rs.)</b>
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	71,10,96,952	14,03,76,432	-	85,14,73,384
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	71,10,96,952	14,03,76,432	-	85,14,73,384
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	-	-	-	-
• Reduction	71,10,39,436	50,71,673	-	71,61,11,109
Net Change	71,10,39,436	50,71,673	-	71,61,11,109
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	57,516	13,53,04,759	-	1,35,62,275
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	57,516	13,53,04,759	-	13,53,62,275

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>						
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>						
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (in Rs.)
		Sunil Kumar Choudhary	Kishan Lal Choudhary	Bivor Bagaria		
1.	Gross salary (Amount in Rs.)					
	(a) Salary as per provisions contained	36,00,000	-	10,20,00	-	46,20,000

	in Section 17(1) of the Income-tax Act, 1961			0		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others-sitting fees	-	-	-	-	-
	Total (A)	36,00,000	-	10,20,000	-	46,20,000
	Ceiling as per the Act					84,00,000



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL						
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (in Rs.)
		Sunil Kumar Choudhary	Kishan Lal Choudhary	Bivor Bagaria		
1.	Gross salary (Amount in Rs.)					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36,00,000	-	10,20,000	-	46,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others-sitting fees	-	-	-	-	-
	Total (A)	36,00,000	-	10,20,000	-	46,20,000
	Ceiling as per the Act					84,00,000

B. Remuneration to other Directors:						
Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		Eunny Krishnama charyulu	Pratapa Ramesh	Puvvala Bhaskara Rao	Atul Kumar Saxena	
3.	Independent Directors					
	Fee for attending board & committee Meetings (Amount in Rs.)	2200	3000	3000	2400	10,600
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1) (Amount in Rs.)	2200	3000	3000	2400	10,600
4.	Other Non-Executive Directors	Bivor Bagaria	Bina Choudhary	Kishan Lal Choudhary		

	Fee for attending board & committee Meetings	0	1400	1400	-	2,800
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2) (Amount in Rs.)	0	1400	1400	-	2,800
	Total (B)=(1+2) (Amount in Rs.)	0	1800	1800	-	13,400
	Total Managerial Remuneration (Amount in Rs.)	-	-	-	-	46,20,000
	Overall Ceiling as per the Act (Amount in Rs.)	-	-	-	-	84,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total (Amount in Rs.)
1.	Gross salary	-	-	10,20,000	-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

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

For and on behalf of the Board of Directors of  
Narayani Steels Limited

Registered Office  
23A, N.S. Road 7th Floor,  
Room-31  
Kolkata  
West Bengal  
India  
700001

Sd/-  
(Sunil Choudhary)  
Managing Director and Chief Executive Officer  
DIN: 00289479

Sd/-  
(Bivor Bagaria)  
Director and Chief Financial Officer  
DIN: 06765822

Sd/-  
(Arun Kumar Meher)  
Company Secretary and Compliance Officer  
M.No.: A48598

Place: Visakhapatnam  
Date: 04.08.2017

**Annexure-3**  
**FORM AOC-I**

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures**

**Part "A": Subsidiaries**

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

1.	Sl. No.	-
2.	Name of the Subsidiary	-
3.	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries.	-
5.	Share Capital	-
6.	Reserves & Surplus	-
7.	Total assets	-
8.	Total Liabilities	-
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of Shareholding	-

**Notes:**

1. Names of Subsidiaries which are yet to commence operations-None.
2. Names of Subsidiaries which have been liquidated or sold during the year-None.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Sl. No.</b>	<b>Name of Associates/Joint Ventures</b>	Hari Equipments Private Limited (CIN: U51504WB1971PTC080792)
<b>1.</b>	<b>Latest audited Balance Sheet Date</b>	31.03.2017
<b>2.</b>	<b>Shares of Associate/Joint Ventures held by the Company on the year end</b>	
	No.	4,59,490 Equity Shares of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture	Rs. 45,94,900/-
	Extend of Holding %	37.51%
<b>3.</b>	<b>Description of how there is significant influence</b>	Kishan Lal Choudhary and Sunil Kumar Choudhary are the common Directors
<b>4.</b>	<b>Reason why the Associate/ Joint Venture is not consolidated</b>	It is consolidated
<b>5.</b>	<b>Networth attributable to Shareholding as per latest audited Balance Sheet</b>	
<b>6.</b>	<b>Profit / Loss for the year</b>	
	<b>i. Considered in Consolidation</b>	
	<b>i. Not Considered in Consolidation</b>	-

\*\*\*

For and on behalf of the Board of Directors of  
Narayani Steels Limited

Registered Office  
23A, N.S. Road 7th Floor,  
Room-31  
Kolkata  
West Bengal  
India  
700001

Sd/-  
(Sunil Choudhary)  
Managing Director and Chief Executive Officer  
DIN: 00289479

Sd/-  
(Bivor Bagaria)  
Director and Chief Financial Officer  
DIN: 06765822

Place: Visakhapatnam.  
Date: 04.08.2017

Sd/-  
(Arun Kumar Meher)  
Company Secretary and Compliance Officer  
M.No.: A48598

**Annexure-4**

**FORM NO. AOC-2**

**(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of The Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain Arms Length Transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

S. No.	Particulars	Details
<b>a)</b>	Name (s) of the Related Party & nature of relationship	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Name of the Related Party	Name of the Director/ KMP who is related, if any	Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts / Arrangements/ Transaction	Salient terms of the Contracts or Arrangements or Transaction including the value, if any	Amount paid as advances, if any
1.	Narayani Ispat Private Limited	1. Sunil Kumar Choudhary 2. Bina Choudhary 3. Kishan Lal Choudhary	Enterprises owned or significantly influenced by the Directors	Purchase of goods (inclusive of Excise but exclusive of VAT)	Regular, in the ordinary course of business	Rs. 69,14,13,788	-
2.	Hari Equipments Private Limited	1. Sunil Kumar Choudhary 2. Bina Choudhary 3. Kishan Lal Choudhary	Associate Company	Purchase of goods (inclusive of Excise but exclusive of VAT)	Regular, in the ordinary course of business	Rs. 10,26,19,743	-

3.	Kedarnath Commotrade Private Limited	<ol style="list-style-type: none"> <li>1. Sunil Kumar Choudhary</li> <li>2. Bina Choudhary</li> <li>3. Kishan Lal Choudhary</li> </ol>	Enterprises owned or significantly influenced by the Directors	Purchase of goods (inclusive of Excise but exclusive of VAT)	Regular, in the ordinary course of business	Rs. 13,53,07,576/-	-
4.	Sunil Choudhary	<ol style="list-style-type: none"> <li>1. Sunil Kumar Choudhary</li> <li>2. Bina Choudhary</li> <li>3. Kishan Lal Choudhary</li> </ol>	Key Managerial Personnel and also relative of Kishan Lal Choudhary and Bina Choudhary, Directors of the Company	Lease Rent	Annually	Rs. 1,44,000/-	-
5.	Narayani Ispat Private Limited	<ol style="list-style-type: none"> <li>1. Sunil Kumar Choudhary</li> <li>2. Bina Choudhary</li> <li>3. Kishan Lal Choudhary</li> </ol>	Enterprises owned or significantly influenced by the Directors	Sale of goods (inclusive of Excise but exclusive of VAT)	Regular, in the ordinary course of business	Rs. 39,09,78,835/-	-
6.	Hari Equipments Private Limited	<ol style="list-style-type: none"> <li>1. Sunil Kumar Choudhary</li> <li>2. Bina Choudhary</li> <li>3. Kishan Lal Choudhary</li> </ol>	Associates Company	Sale of goods (inclusive of Excise but exclusive of VAT)	Regular, in the ordinary course of business	Rs. 37,41,62,970/-	-



7.	Kedarnath Commotra de Private Limited	1. Sunil Kumar Choudhary 2. Bina Choudhary 3. Kishan Lal Choudhary	Enterprises owned or significantly influenced by the Directors	Sale of goods (inclusive of Excise but exclusive of VAT)	Regular, in the ordinary course of business	Rs. 9,84,30,454/-	-
8.	Balajee Roadways	1. Sunil Kumar Choudhary 2. Bina Choudhary 3. Kishan Lal Choudhary	Enterprises owned or significantly influenced by the Directors	Freight	Regular, in the ordinary course of business	Rs. 6,80,66,125/-	
9.	Sunil Choudhary	1. Sunil Kumar Choudhary 2. Bina Choudhary 3. Kishan Lal Choudhary	Key Managerial Personnel and also relative of Kishan Lal Choudhary and Bina Choudhary, Directors of the Company	Director's Remuneration	Five years	Rs.36,00,000/-	
10.	Bivor Bagaria.			Director's Remuneration		Rs. 10,20,000/-	

Annexure-5

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

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

To  
The Members,  
Narayani Steels Limited.  
23A, N.S.Road, 7th Floor,  
Room No-31, Kolkata-700001,  
West Bengal, India.

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by Narayani Steels Limited (CIN: U27109WB1996PLC082021) (here-in-after 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 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute books, Forms and Returns filed and other records maintained by Narayani Steels Limited for the Financial Year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges;
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not issued any ESOP during the financial year under review;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any Debt Securities during the financial year under review;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company did not buy back its Equity Shares during the financial year under review.

2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:

- (a) Factories Act, 1948
- (b) Industrial Disputes Act, 1947
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (f) The Payment of Gratuity Act, 1972

- (g) The Contract Labour (Regulation & Abolition) Act, 1970
- (h) The Child Labour (Prohibition & Regulation) Act, 1986
- (i) The Industrial Employment (Standing Order) Act, 1946
- (j) The Employee Compensation Act, 1923
- (k) Trade Marks Act, 1999
- (l) Customs Act, 1962
- (m) The Water (Prevention and Control of Pollution) Act, 1974
- (n) The Air (Prevention and Control of Pollution) Act, 1981
- (o) The Bureau of Indian Standards Act, 1986
- (p) The Steel and Steel Products (Quality Control) Order, 2012;
- (q) The Steel and Steel Products (Quality Control) Second Order, 2012

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
3. 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 observations:
- (i) Few Forms were filed with additional fees, this should be reported as deemed compliance by reference of payment of additional fees.
  - (ii)(a) According to the information and explanations given to us, the Company has given Corporate Guarantees for credit facilities taken by Hari Equipments Private Limited, a Company in which Directors of the Company are Directors/Members, in pursuance of the Bank stipulation and Resolution passed in the meeting of the Board of Directors of the Company prior to the date on which Section 185 of the Companies Act, 2013 was notified and continue as such till date.
  - (b) According to the information and explanations given to us, the Company has provided one of its property at Visakhapatnam as security with a Bank for credit facilities availed by Kedarnath Commotrade Private Limited, a Company in which Directors of the Company are Director/Members, in pursuance of the Bank stipulation, which is not in accordance with the provisions of Section 185 of the Companies Act, 2013 and this is continue as till date.
  - (iii) According to the information provided, the following dues/outstanding of income tax have been continuing:

<b>Nature of Dues</b>	<b>Amount (in Rs)</b>	<b>Forum where dispute is pending</b>
Income Tax (F.Y. 2005-06)	6,04,053	CIT (Appeals),Kolkata
Income Tax (F.Y. 2007-08)	2,76,137	CIT (Appeals),Kolkata
Income Tax (F.Y. 2008-09)	2,39,730	CIT (Appeals),Kolkata
Income Tax (F.Y. 2009-10)	6,46,040	CIT (Appeals),Kolkata
Income Tax (F.Y. 2011-12)	2,05,52,000	CIT (Appeals),Kolkata
Income Tax (F.Y. 2012-13)	5,97,640	CIT (Appeals),Kolkata
Income Tax (F.Y. 2013-14)	14,97,770	CIT (Appeals),Kolkata

- (v) During the Audit period, the Company has listed its Equity Shares on Bombay Stock Exchange and the Company has complied with the requirements under the Equity Listing Agreement entered into with BSE Limited.
- (vi) The Company made an Agreement for E-voting procedures for AGM for the Financial Year 2016-17 and made a Tripartite Agreement with Central Depository Services(India) Limited, Bigshare Services Private Limited (Registrar to the Issue) and Narayani Steels Limited.

4. We further report that-

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There have been no changes in composition of Board of the Directors carried out during the Financial Year 2016-17.
- b) Adequate Notices 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;
- c) As per the Minutes of the Meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- d) We report that there is scope to improve the 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.
5. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for Compliances under other applicable Acts, Laws and Regulations to the Company.

For ASN Associates  
Company Secretaries

Place:Kolkata(Camp)

Date:29.05.2017

Satyanarayana A  
(partner)  
FCS:3986  
CP No:2354

\*This report is to be read with our letter of even date which is annexed as 'Annexure-A'  
and forms an integral part of this report

## ‘ANNEXURE A’

To  
The Members,  
Narayani Steels Limited.  
23A, N.S.Road, 7th Floor,  
Room No-31, Kolkata-700001,  
West Bengal, India.

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed for this purpose provided a reasonable basis for our opinion.
3. The Compliance by the Company of applicable financial law like Direct and Indirect Tax Laws and maintaining of financial Records and Books of Accounts have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other designated Professionals.
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, Standards is the responsibility of 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 ASN Associates  
Company Secretaries

Satyanarayana A  
(partner)  
FCS:3986  
CP No:2354

Place: Kolkata(Camp)  
Date: 29.05.2017

\*\*\*

For and on behalf of the Board of Directors of  
Narayani Steels Limited

Registered Office  
23A, N.S. Road 7th Floor,  
Room-31  
Kolkata  
West Bengal  
India  
700001

Sd/-  
(Sunil Choudhary)  
Managing Director and Chief Executive Officer  
DIN: 00289479

Sd/-  
(Bivor Bagaria)  
Director and Chief Financial Officer  
DIN: 06765822

Sd/-  
(Arun Kumar Meher)  
Company Secretary and Compliance Officer  
M.No.: A48598

Place: Visakhapatnam  
Date: 04.08.2017



**Annexure-6**

**Statement of Particulars of employees pursuant Rule 5 to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Nature of employment	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held	Percentage of Equity Shares held in the Company within the meaning of Clause (iii) of Sub-rule (2) of Rule 5	whether relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	2	3	4	5	6	7	8	9	10	11	12
-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis

Annexure-7

**DECLARATION BY INDEPENDENT DIRECTOR**

From:

Atul Kumar Saxena,  
D.No.45-58-12, G4,  
Satya Sai Vihar Apartments,  
Narasimhanagar, Salagramapuram,  
Visakhapatnam-530024,  
Andhra Pradesh, India.

To,

The Board of Directors,  
Narayani Steels Limited,  
23A, N.S. Road, 7<sup>th</sup> Floor, Room-31,  
Kolkata-700001, West Bengal, India.

Dear Sirs,

**Subject: Declaration by Independent Director-Reg.**

I, Atul Kumar Saxena (DIN: 07284335), S/o. Krishna Swarup Saxena, aged about 62 years, resident of D.No.45-58-12, G4, Satya Sai Vihar Apartments, Narasimhanagar, Salagramapuram, Visakhapatnam-530024, Andhra Pradesh, India, hereby Certify that I am holding the position on the Board of Narayani Steels Limited as an Independent Director. I further Certify that I meet all the requirements specified under Sub-section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature:

Name: Atul Kumar Saxena.

Place: Visakhapatnam.

Date: 04.08.2017

**DECLARATION BY INDEPENDENT DIRECTOR**

From:  
Bhaskararao Puvvala,  
D.No.49-53-8/15, Anjana Towers,  
B.S.Layout, P&T Colony,  
Visakhapatnam-530013,  
Andhra Pradesh, India.

To,  
The Board of Directors,  
Narayani Steels Limited,  
23A, N.S. Road, 7<sup>th</sup> Floor, Room-31,  
Kolkata-700001, West Bengal, India.

Dear Sirs,

**Subject: Declaration by Independent Director-Reg.**

I, Bhaskararao Puvvala (DIN: 07282264), S/o. Nageswararao, aged about 61 years, resident of D.No.49-53-8/15, Anjana Towers, B.S.Layout, P&T Colony, Visakhapatnam-530013, Andhra Pradesh, India, hereby Certify that I am holding the position on the Board of Narayani Steels Limited as an Independent Director. I further Certify that I meet all the requirements specified under Sub-section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature:

Name: Bhaskararao Puvvala.

Place: Visakhapatnam.

Date: 04.08.2017

**DECLARATION BY INDEPENDENT DIRECTOR**

From:  
Krishnamacharyulu Eunny,  
D.No.2-92, Santhi Nagar Colony,  
Near Venkateswara Swamy Temple,  
Aganam Pudi, Pdamadak,  
Visakhapatnam-530046,  
Andhra Pradesh, India.

To,  
The Board of Directors,  
Narayani Steels Limited,  
23A, N.S. Road, 7<sup>th</sup> Floor, Room-31,  
Kolkata-700001, West Bengal, India.

Dear Sirs,

**Subject: Declaration by Independent Director-Reg.**

I, Krishnamacharyulu Eunny (DIN: 07281774), S/o. Rangacharyulu Eunny, aged about 71 years, resident of D.No.2-92, Santhi Nagar Colony, Near Venkateswara Swamy Temple, Aganam Pudi, Pdamadak, Visakhapatnam-530046, Andhra Pradesh, India, hereby Certify that I am holding the position on the Board of Narayani Steels Limited as an Independent Director. I further Certify that I meet all the requirements specified under Sub-section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature:

Name: Krishnamacharyulu Eunny.

Place: Visakhapatnam.

Date: 04.08.2017

**DECLARATION BY INDEPENDENT DIRECTOR**

From:

Ramesh Prathapa,

D.No.49-47-9/1, N G G O S Colony,

Akkayapalem, Visakhapatnam-530016,

Andhra Pradesh, India.

To,

The Board of Directors,

Narayani Steels Limited,

23A, N.S. Road, 7<sup>th</sup> Floor, Room-31,

Kolkata-700001, West Bengal, India.

Dear Sirs,

**Subject: Declaration by Independent Director-Reg.**

I, Ramesh Prathapa (DIN: 07821821), S/o. Krishna Murty Prathapa, aged about 60 years, resident of D.No.49-47-9/1, N G G O S Colony, Akkayapalem, Visakhapatnam-530016, Andhra Pradesh, India, hereby Certify that I am holding the position on the Board of Narayani Steels Limited as an Independent Director. I further Certify that I meet all the requirements specified under Sub-section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature:

Name: Ramesh Prathapa.

Place: Visakhapatnam.

Date: 04.08.2017

## Annexure-8

### **Policy on appointment and payment of remuneration of Directors, Key Managerial Personnel and other employees**

#### **Introduction**

In accordance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has formulated Remuneration Policy ("the policy").

The objective of the policy is to ensure that Executive Directors, Non-Executive Directors, Key Managerial Personnel (KMP) and other Employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a Director.

#### Remuneration Policy

##### **Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and Managing Director and other Executive Directors. This will be then approved by the Board and Shareholders. Prior approval of Shareholders will be obtained wherever applicable in case of remuneration to Non-Executive Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board of Directors of the Company. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all Employees.

Independent Non-Executive Directors will receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and Shareholders.

The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.

## **Key Managerial Personnel**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the other Key Managerial Personnel apart from Directors. This will be then approved by the Board. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to the other Key Managerial Personnel apart from Directors. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board.

The remuneration paid to the other Key Managerial Personnel apart from Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all Employees.

## **Other Employees**

The remuneration of Employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling and other Rules formulated by the Company from time to time.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/ merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

Criteria for Board Membership

## **Directors, Key Managerial Personnel and Other Employees**

The Company shall take into account following points:

- They must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to Company's business.
- They should possess the highest personal and professional ethics, integrity and values.
- They must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

## **Independent Directors**

Independent Director is a Director who has no direct or indirect material relationship with the Company or its Holding, Subsidiary or Associate Company or any of its officers, other than as a Director or Shareholder of the Company or its Holding, Subsidiary or Associate Company as specified in the Act and applicable Rules thereto.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals/ Business Executives.

Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and Rules made there under and LODR, 2015 if any.





**INDEPENDENT AUDITORS' REPORT**  
**To the Members of Narayani Steels Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Narayani Steels Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditors' Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, 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;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representation received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; and

- g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and, these are in accordance with the books of accounts maintained by the company.

**For S. Jaykishan**  
*Chartered Accountants*  
Firm Registration No. 309005E

**CA VIVEK BAGRODIA**  
*Partner*  
Membership No. 160694

Place: Visakhapatnam  
Date: The 29<sup>th</sup> day of May, 2017.

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

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017.

We report that:

- i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. On the basis of examination of records and according to the information and explanations given to us, the Company has during the year not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause iii (a), (b), (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. According to the information and explanations given to us, the Company has given corporate guarantee for credit facilities taken by Hari Equipments Private Limited, a Company in which directors of the Company are director/ members, in pursuance of the Bank stipulation and resolution passed in the meeting of the Board of Directors of the Company prior to the date on which Section 185 of the Companies Act, 2013 was notified.  
  
According to the information and explanations given to us, the Company has provided one of its property at Visakhapatnam as security with a Bank for credit facilities availed by Kedarnath Commotrade Private Limited, a Company in which directors of the Company are director/ members, in pursuance of the Bank stipulation, which is not in accordance with the provisions of section 185 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India,

maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) 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, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

<b>NAME OF STATUTE</b>	<b>NATURE OF DUES</b>	<b>AMOUNT (Rs.)</b>	<b>PERIOD TO WHICH THE AMOUNT RELATES</b>	<b>FORUM WHERE DISPUTE IS PENDING</b>
Income Tax Act, 1961	Income Tax	6,04,053	F.Y. 2005-06	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	2,76,137	F.Y. 2007-08	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	2,39,730	F.Y. 2008-09	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	6,46,040	F.Y. 2009-10	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	2,05,52,000	F.Y. 2011-12	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	5,97,640	F.Y. 2012-13	CIT (Appeals),Kolkata
Income Tax Act, 1961	Income Tax	14,97,770	F.Y. 2013-14	CIT (Appeals),Kolkata

- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government during the year. The Company has no outstanding debentures.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of initial public offer for the purposes for which they were raised.

- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the 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, 2013.
- xii. In our opinion and according to the information and explanations given by the management, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company provided to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the notes to the Financial Statements as required by applicable Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares/debentures during the year under review and accordingly clause (xiv) of the order is not applicable.
- xv. According to the information and explanations given to us and on the basis of review on an overall basis, the Company during the year has not entered into non cash transactions, in terms of section 192 of the Act, with directors or persons connected with them.
- xvi. According to the information and explanations given to us and on the basis of review on an overall basis, the Company is not engaged in financing activity and hence is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For S. JAYKISHAN*  
*Chartered Accountants*  
Firm Registration No. 309005E

**CA VIVEK BAGRODIA**  
*Partner*  
Membership No. 160694  
Place: Visakhapatnam

Date: The 29th day of May, 2017.

## **Annexure -B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in our report of even date)**

We have audited the internal financial controls over financial reporting of Narayani Steels Limited ("the Company") as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For S. Jaykishan*  
*Chartered Accountants*  
Firm Registration No. 309005E

**CA VIVEK BAGRODIA**  
*Partner*  
Membership No. 160694

Place: Visakhapatnam  
Date: The 29<sup>th</sup> day of May, 2017.

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Amount in Rs.)

PARTICULARS	NOTE NO.	3/31/2017	3/31/2016
<b>I EQUITY AND LIABILITIES</b>			
<b>1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	109,090,000	73,090,000
(b) Reserves and Surplus	4	279,487,210	184,583,767
		<b>388,577,210</b>	<b>257,673,767</b>
<b>2) NON-CURRENT LIABILITIES</b>			
(a) Long-term Borrowings	5	135,304,759	140,433,948
(b) Deferred Tax Liability	6	3,793,180	3,449,455
(c) Long- term Provisions	7	4,085,414	2,072,967
		<b>143,183,353</b>	<b>145,956,370</b>
<b>3) CURRENT LIABILITIES</b>			
(a) Short-term Borrowings	8	931,486,936	710,326,051
(b) Trade Payables	9		
-Total outstanding dues of Micro enterprises and Small enterprises		-	-
-Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		947,176,028	527,011,333
(c) Other Current Liabilities	10	27,777,772	75,920,563
(d) Short- term Provisions	11	10,376,268	5,066,421
		<b>1,916,817,004</b>	<b>1,318,324,368</b>
<b>TOTAL</b>		<b>2,448,577,567</b>	<b>1,721,954,505</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	12	122,703,108	107,243,160
(ii) Capital work-in-progress		-	1,557,270
(b) Non- Current Investments	13	8,234,360	24,134,510
(c) Long-term Loans & Advances	14	7,526,200	6,374,199
		<b>138,463,668</b>	<b>139,309,139</b>
<b>2) CURRENT ASSETS</b>			
(a) Current Investments	15	21,464,185	-
(b) Inventories	16	574,911,515	378,006,398
(c) Trade Receivables	17	1,366,483,591	1,008,615,637
(d) Cash and Bank Balances	18	195,719,551	141,900,046
(e) Short- term Loans & Advances	19	151,535,059	54,123,285
		<b>2,310,113,901</b>	<b>1,582,645,366</b>
<b>TOTAL</b>		<b>2,448,577,567</b>	<b>1,721,954,505</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
Accompanying notes are an integral part of the financial statements			

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

		(Amount in Rs.)	
PARTICULARS	NOTE NO.	3/31/2017	3/31/2016
<b><u>INCOME:</u></b>			
I Revenue From Operations (Gross)	20	7,840,037,979	5,126,426,758
Less: Excise Duty		95,272,113	96,421,123
Revenue From Operations (Net)		7,744,765,866	5,030,005,635
II Other Income	21	10,319,244	10,687,827
<b>III Total Revenue (I + II)</b>		<b>7,755,085,110</b>	<b>5,040,693,462</b>
<b><u>IV EXPENSES:</u></b>			
Materials Consumed	22	699,210,926	714,932,544
Purchase of Traded Goods	23	6,866,962,240	3,902,645,069
Changes in Inventories	24	(180,729,454)	125,542,939
Employee Benefits Expense	25	26,610,932	22,840,345
Finance Costs	26	156,196,713	116,022,576
Depreciation	12	5,404,297	5,386,544
Other Expenses	27	149,757,826	134,964,235
<b>Total Expenses (IV)</b>		<b>7,723,413,480</b>	<b>5,022,334,252</b>
<b>V PROFIT BEFORE TAX (III-IV)</b>		<b>31,671,630</b>	<b>18,359,210</b>
<b>Tax Expenses</b>			
Current Tax		10,356,384	5,055,185
Deferred Tax		343,725	1,037,548
<b>Net Current Tax</b>		<b>10,700,109</b>	<b>6,092,733</b>
<b>PROFIT FOR THE YEAR</b>		<b>20,971,521</b>	<b>12,266,477</b>
Earnings Per Equity Share [Nominal Value Of Share - Rs 10/- (P.Y. 10/-)]	28		
<b>Basic &amp; Diluted</b>		2.25	1.68

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

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

(In Rupees)

	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/Loss Before Tax</b>		<b>31,671,630</b>		<b>18,359,210</b>
Adjustments for :				
Depreciation	5,404,297		5,386,544	
Finance Costs	156,196,713		116,022,576	
Provision for Gratuity	2,021,095		364,046	
Interest & Dividend Income	(9,810,866)		(10,497,249)	
Sundry Balances Written Off	225,000		324,017	
Rental Income	(236,400)		(72,000)	
Liabilities no longer required written back	-		(112,671)	
		<b>153,799,839</b>		<b>111,415,263</b>
<b>Operating Profit before Working Capital Changes</b>		<b>185,471,469</b>		<b>129,774,474</b>
Adjustments for :				
(Increase)/Decrease in Inventories	(196,905,117)		131,219,540	
(Increase) in Trade Receivables	(357,867,954)		(164,892,814)	
(Increase)/Decrease in Loans and Advances	(97,719,447)		37,644,283	
Increase/(Decrease) in Trade Payables	420,164,695		(65,280,559)	
(Decrease)/Increase in Other Liabilities	(50,810,319)		3,777,221	
		<b>(283,138,142)</b>		<b>(57,532,329)</b>
<b>Cash generated from operations</b>		<b>(97,666,673)</b>		<b>72,242,145</b>
Direct Tax Paid		<b>(7,447,019)</b>		<b>(7,373,537)</b>
<b>Net Cash from Operating Activities</b>		<b>(105,113,692)</b>		<b>64,868,608</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment	(2,084,332)		(8,190,099)	
Purchase of Investments	(21,464,185)		-	
Interest & Dividend Income	9,810,866		10,497,249	
Rent Received	236,400		72,000	
(Investment)/ Proceeds from bank deposits (original maturity of more than three months)	(28,240,793)		15,058,175	
<b>Net Cash used in Investing Activities</b>		<b>(41,742,044)</b>		<b>17,437,325</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital	115,200,000		-	
Repayment of Long Term Borrowings	(5,785,058)		(517,566)	
Proceeds from Short Term Borrowings	221,160,885		39,214,470	
Expenses related to issue of shares	(5,268,078)		(375,000)	
Finance Costs	(152,873,301)		(111,714,271)	
<b>Net Cash from Financing Activities</b>		<b>172,434,448</b>		<b>(73,392,367)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		<b>25,578,712</b>		<b>8,913,566</b>
Cash & Cash Equivalents at the beginning of the year		<b>12,047,304</b>		<b>3,133,738</b>
Cash & Cash Equivalents at the end of the year		<b>37,626,016</b>		<b>12,047,304</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules.
- Cash and Cash Equivalents include cash and bank balances on current accounts (Refer Note No. 18-i).
- Figures in brackets indicate cash outflows.
- Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

**As per our report of even date attached**  
**For S. Jaykishan**  
**Chartered Accountants**  
**FRN: 309005E**

**For and on behalf of the Board of Directors of Narayani Steels Limited**

SUNIL CHOUDHARY  
**Chief Executive Officer and Managing Director**  
**DIN:00289479**

**CA VIVEK BAGRODIA**  
**Partner**  
**Membership No: 160694**

BIVOR BAGARIA  
**Chief Financial Officer and Director**  
**DIN:06765822**

**Place: Visakhapatnam**  
**Date: The 29th day of May, 2017**

ARUN KUMAR MEHER  
**Company Secretary**  
**M.NO. - ACS48598**

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 1 - CORPORATE INFORMATION**

Narayani Steel Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is primarily engaged in the manufacture and sale of TMT bars, Rounds, Squares, Angles, etc. and trading of Billets, Blooms, Ingots, Iron ores, etc.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

(a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis and on the principles of going concern. The accounting policies are consistently applied by the Company.

(b) The financial statements are prepared to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with Companies (Accounting Standards) Rules, 2014.

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

(d) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**2.2 Revenue Recognition**

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

(b) Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with the delivery of goods. Sales are inclusive of excise duty and net of trade discounts. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover.

(c) Purchases are net of Cenvat, Vat & Discount.

(d) Insurance Claims to the extent considered recoverable during the year are taken into account. However, claims whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/ actual receipt basis.

(e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**2.3 Property, Plant and Equipment**

(a) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT / duty credits availed or available thereon) and any attributable cost of bringing the asset to its working condition for the intended use.

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(b) Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram and on written down value method on other property, plant and equipment.

(c) 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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

(d) Costs of the property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

**2.4 Investments**

Investments classified as long-term investments are stated at cost. Provision is made to recognise any diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

**2.5 Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

**2.6 Foreign Currency Transactions**

**(a) 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 the transaction.

**(b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

**(c) Exchange Differences**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

**(d) Forward Exchange Contracts**

Forward Exchange Contracts (other than those entered into to hedge foreign currency risk of future transactions in respect of which firm commitments are made or are highly probable forecast transactions) are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**2.7 Retirement Benefits**

**(a) Defined Contribution Plan:**

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund is charged to the Statement of Profit and Loss of the year when the contributions to the respective fund is due. There is no other obligation other than the contribution payable to the respective funds.

**(b) Defined Benefit Plan:**

Liability with regard to long-term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain / loss is recognised immediately in the statement of profit and loss.

**2.8 Borrowing Costs**

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognised as expense in the period in which they are incurred.

**2.9 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961, MAT credit is recognised 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.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

**2.10 Earnings per Share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**2.11 Prior Period Items**

Significant items of income and expenditure which relates to prior accounting period other than those occasioned or events occurring during or after close of the year and which are treated as relating to current year are accounted for separately in the Statement of Profit & Loss.

**2.12 Provisions / Contingencies**

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

(b) Contingent Liabilities are not provided for in the accounts and are shown separately in the Notes on Accounts.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	(Amount in Rs.)	
<b>NOTE 3 - SHARE CAPITAL</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
<b>Authorised</b>		
1,40,00,000 (P.Y. 1,40,00,000) Equity Shares of Rs. 10/- (P.Y. 10/-) each	140,000,000	140,000,000
<b>Issued, Subscribed and Paid-up</b>		
1,09,09,000 (P.Y. 73,09,000) Equity Shares of Rs. 10/- (P.Y. 10/-) each fully paid up	<b>109,090,000</b>	<b>73,090,000</b>

**a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

<b>Equity Shares</b>	<b>31/03/2017</b>		<b>31/03/2016</b>	
	<b>Number</b>	<b>Amount in Rs</b>	<b>Number</b>	<b>Amount in Rs</b>
At the beginning of the period	7,309,000	73,090,000	730,900	73,090,000
Issued During the year - initial public offer (Refer Note (d) below)	3,600,000	36,000,000	-	-
Addition on account of share split {Refer Note (e) below}	-	-	6,578,100	-
Outstanding at the end of the period	<b>10,909,000</b>	<b>109,090,000</b>	<b>7,309,000</b>	<b>73,090,000</b>

**b) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- (P.Y. 10/-) per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

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

	<b>3/31/2017</b>		<b>3/31/2016</b>	
	<b>Number</b>	<b>% holding</b>	<b>Number</b>	<b>% holding</b>
<b>Equity shares of Rs 10 (P.Y. 10/-) each fully paid</b>				
Kishanlal Choudhary	1,003,500	9.20%	1,003,500	13.73%
Sunil Choudhary(HUF)	1,261,000	11.56%	1,261,000	17.25%
Sunil Choudhary	1,224,500	11.22%	1,224,500	16.75%
Cooltex Merchandise Private Limited	2,163,000	19.83%	2,163,000	29.59%

**d)** Pursuant to the Initial Public Offering (IPO), equity shares having par value of Rs. 10 per share allotted at a price of Rs. 32 per share comprising of fresh issue of 36,00,000 equity shares. The equity shares of the company were listed on the SME platform of Bombay Stock Exchange with effect from 14.09.2016. The company has incurred expenses of Rs. 52,68,078 (net of service tax) relating to fresh issue of equity shares which has been adjusted to securities premium in terms of Section 52 of the Companies Act, 2013.

**e)** Shareholders, vide resolution dated 17.08.2015, approved the split of 1 equity shares having a nominal value of Rs. 100/- into 10 equity shares having a nominal value of Rs. 10/- each.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 4 - RESERVES AND SURPLUS**

	3/31/2017	3/31/2016
<b>Securities Premium Account</b>		
Balance as per last financial statements	93,453,000	93,828,000
Additions During the year	79,200,000	-
Less: Share Issue Expenses (Refer Note 3(d))	5,268,078	375,000
Closing Balance	<b>167,384,922</b>	<b>93,453,000</b>
<b>Surplus [Balance in the Statement of Profit &amp; Loss]</b>		
Balance as per last financial statements	91,130,767	78,864,290
Profit for the year	20,971,521	12,266,477
Closing Balance	<b>112,102,288</b>	<b>91,130,767</b>
	<b>279,487,210</b>	<b>184,583,767</b>

**NOTE 5 - LONG-TERM BORROWINGS**

	Non-current portion		Current Maturities	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Loans from Bodies Corporate (unsecured)	135,304,759	140,376,432	-	-
Loans against Vehicles (secured)	-	57,516	57,516	713,385
	<b>135,304,759</b>	<b>140,433,948</b>	<b>57,516</b>	<b>713,385</b>
The above amount includes				
Secured Borrowings	-	57,516	57,516	713,385
Unsecured Borrowings	135,304,759	140,376,432	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 10)			(57,516)	(713,385)
	<b>135,304,759</b>	<b>140,433,948</b>	<b>-</b>	<b>-</b>

**(A) Terms of Repayment**

**(i) Unsecured Loan**

Unsecured Loans from Bodies Corporate, partly bearing interest, have been taken without any stipulation for repayment and are stated by the management to be in the nature of Long term borrowings.

**(ii) Loan Against Vehicles :**

**a) Details of security**

Loans against Vehicles is secured by way of hypothecation of the underlying asset financed.

**b) Terms of Repayment**

Loans against vehicles is repayable by way of Equated Monthly Installments (EMI), the particulars of which are as follows:

Particulars	Amount Outstanding as on 31-03-2017	Rate of Interest	Repayment Terms with reference to Balance Sheet date
Loan for 2 vehicles from ICICI Bank	58,044	11.01 % p.a	1 installment of Rs. 29,022/- each

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 6 - DEFERRED TAX LIABILITY/ (ASSET)**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>Components of Deferred Tax Liability/(Assets)</u></b>		
Related to Property, Plant and Equipment	5,150,515	4,138,555
Related to Disallowances under I T Act	(1,357,335)	(689,100)
	<b>3,793,180</b>	<b>3,449,455</b>

**NOTE 7 - LONG-TERM PROVISIONS**

	<b>3/31/2017</b>	<b>3/31/2016</b>
Provision for Gratuity	4,085,414	2,072,967
	<b>4,085,414</b>	<b>2,072,967</b>

**NOTE 8 - SHORT-TERM BORROWINGS**

	<b>3/31/2017</b>	<b>3/31/2016</b>
Working Capital Loans from Bank (Secured)		
-Cash Credit	649,208,232	483,467,256
Channel Financing from Banks	282,278,704	226,858,795
	<b>931,486,936</b>	<b>710,326,051</b>

- (a) Working Capital Loans are primarily secured by way of hypothecation of Stocks and Book Debts. The rate of interest on Cash Credit from Union Bank of India is 11.90% +2% (on additional limit of Rs. 5 crores) linked to the base rate of Union Bank of India.

The loan is also collaterally secured by way of a) charge on Plant & Machinery, office premises, flats and plots in the name of the Company, b) charge on certain immovable properties of the Company, Mr. Sunil Kumar Choudhary, Mrs. Savitri Devi Choudhary, Mrs. Bina Choudhary, Mr. Kishan Lal Choudhary and Narayani Ispat Pvt. Ltd. c) Term Deposits of Rs 152 lacs in the name of the Company. d) Personal guarantee of Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mr. Bivor Bagaria, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and e) Corporate Guarantee from Narayani Ispat Pvt. Ltd. and Cooltex Merchandise Pvt. Ltd.

- (b) 1. Channel Financing from Andhra Bank of Rs. 10 crores is collaterally secured by Fixed Deposit of Rs 2,50,00,000/- and guaranteed by the directors of the Company, Mr. Sunil Kumar Choudhary and Mr. Kishan Lal Choudhary. The rate of interest on Channel Financing is 9.95% p.a. (Base Rate + 0.50)%.
2. Channel Financing from Yes Bank of Rs. 3 Crores is collaterally secured by Fixed Deposit of Rs 60,00,000/- and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 11.25% (Base Rate + 2.10)%.
3. Channel Financing from Tata Capital Financial Services Limited of Rs. 5 Crores and an additional limit of Rs. 1 crore is guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary & Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 11.50%.
4. Channel Financing from ICICI Bank Limited of Rs. 9.5 Crores is collaterally secured by Fixed Deposit of Rs 1,12,50,000/- and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and Mr. Bivor Bagaria. The rate of interest on Channel Financing is 9.50% (Base rate + 1.35)%.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 9 - TRADE PAYABLES</u></b>		
Due to Micro, Small & Medium Enterprises [Refer Note below]	-	-
Due to others	351,157,117	135,753,181
Liability under L/C	586,799,855	379,564,133
Liability for Expenses	9,219,056	11,694,019
	<b>947,176,028</b>	<b>527,011,333</b>

There is no amount that needs to be disclosed pertaining to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

As at 31 March 2017, no supplier has intimated the Company about its status as micro or small enterprises or its registration with appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 10 - OTHER CURRENT LIABILITIES</u></b>		
Current maturities of long-term debt (Refer Note 5)	57,516	713,385
Interest Accrued but Not Due	9,473,805	6,150,393
Advances received from Parties	11,331,407	62,092,594
Advance received from Related Parties	722,216	812,594
Statutory dues	6,192,828	6,151,597
	<b>27,777,772</b>	<b>75,920,563</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 11 - SHORT-TERM PROVISIONS</u></b>		
Provision for Taxation	10,356,384	5,055,185
Provision for Gratuity	19,884	11,236
	<b>10,376,268</b>	<b>5,066,421</b>

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	Number of shares as on 31-03-2017	Number of shares as on 31-03-2016	3/31/2017	3/31/2016
<b>NOTE 13 - NON-CURRENT INVESTMENTS</b>				
<b>Long- Term, Trade Investments (at cost)</b>				
<b>Equity Shares - Unquoted (Fully Paid Up)</b>				
<b>Investments in Associates</b>				
Hari Equipment (P) Ltd (Face Value - Rs 10/- each)	459,490	459,490	5,673,370	5,673,370
<b>Investments in Others</b>				
Kedarnath Commotrade (P) Ltd (Face Value - Rs 10/- each)	245,000	245,000	2,450,000	2,450,000
<b>Long- Term, Non - Trade Investments (at cost)</b>				
<b>Equity Shares - Quoted (Fully Paid Up)</b>				
Union Bank of India	1,009	1,009	110,990	110,990
<b>Long- Term Investment in Property (at cost) (Refer Note 12 (b))</b>				
			-	15,900,150
			<b>8,234,360</b>	<b>24,134,510</b>
Aggregate amount of unquoted investments			8,123,370	8,123,370
Aggregate amount of quoted investments			110,990	110,990
Market Value of Quoted Investments			157,505	132,028
			<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 14 - LONG-TERM LOANS &amp; ADVANCES</b>				
(Unsecured, Considered good)				
Security and other deposits			7,526,200	6,374,199
			<b>7,526,200</b>	<b>6,374,199</b>
	Number of units as on 31-03-2017	Number of units as on 31-03-2016	3/31/2017	3/31/2016
<b>NOTE 15-CURRENT INVESTMENTS</b>				
(Valued at lower of cost and fair value)				
<b>Investment in Property (at cost)</b>	-	-	18,424,185	-
<b>Investment in Mutual Fund (Unquoted)</b>				
Union Capital Protection Oriented Fund (G)*	300,000	-	3,000,000	-
Union Small and Midcap Fund - Regular Plan (G)	3,111	-	40,000	-
			<b>21,464,185</b>	-
Net Asset Value of investment in mutual funds			3,056,373	-

\*The said Mutual Funds is given as margin deposits against credit facilities taken from Union Bank Of India.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<u>3/31/2017</u>	<u>3/31/2016</u>
<b>NOTE 16 - INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials	24,692,412	6,748,991
Traded Goods	523,217,493	329,392,673
Finished Goods	22,238,580	36,799,875
Scrap & Miss Rolls	3,322,356	1,856,427
Stores & Spares	903,342	2,497,404
Furnace oil, coal & Gas	537,332	711,028
	<b>574,911,515</b>	<b>378,006,398</b>

	<u>3/31/2017</u>	<u>3/31/2016</u>
<b>NOTE 17 - TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they became due for payment.	14,599,997	49,288,889
Other Debts	1,351,883,594	959,326,748
	<b>1,366,483,591</b>	<b>1,008,615,637</b>

Other Debts include Rs. 1,21,88,250/- (P.Y. 7,31,886/-) due from Private Companies in which Director is a Director.

	<u>3/31/2017</u>	<u>3/31/2016</u>
<b>NOTE 18 - CASH AND BANK BALANCES</b>		
<b>i) Cash &amp; Cash Equivalents</b>		
Cash In Hand (as Certified)	854,927	5,956,339
Balances With Banks		
Current Accounts	36,771,089	6,090,965
	<b>37,626,016</b>	<b>12,047,304</b>
<b>ii) Other Bank Balances</b>		
Fixed Deposits with original maturity for more than 3 months but less than 12 months (including accrued interest)	158,093,535	129,852,742
	<b>158,093,535</b>	<b>129,852,742</b>
<b>TOTAL</b>	<b>195,719,551</b>	<b>141,900,046</b>

(a) Fixed Deposit of Rs 2,50,00,000/- (P.Y. Rs. 3,75,00,000) is pledged with Andhra Bank as collateral security for Channel Finance limit of Rs 10,00,00,000/-.

(b) Fixed Deposit of Rs 60,00,000/- (P.Y. Rs.60,00,000) is pledged with Yes Bank as collateral security for Channel Finance limit of Rs

(c) Fixed Deposit of Rs 1,12,50,000/- (P.Y. NIL) is pledged with ICICI Bank as collateral security for Channel Finance limit of Rs 9,50,00,000/-.

(d) Other Fixed Deposits of Rs. 11,32,22,119/- ( P.Y. Rs. 8,60,48,575/-) are pledged with Union Bank of India as margin/ collateral security for sanction of credit facilities.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 19 - SHORT TERM LOANS &amp; ADVANCES</u></b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
To Related Parties	14,741,143	3,160,942
To Others	92,298,891	26,591,675
VAT & Cenvat Receivable	32,191,841	15,307,808
VAT/CST Advance against Appeal	2,615,987	1,542,497
Income Tax Payments	4,123,351	4,423,351
Tax Deducted/Collected at Source	5,563,846	2,872,012
Share Application Money	-	225,000
	<b>151,535,059</b>	<b>54,123,285</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 20 - REVENUE FROM OPERATIONS</u></b>		
Sale of Products	7,811,022,996	5,120,945,260
Less: Excise Duty	95,272,113	96,421,123
	<b>7,715,750,883</b>	<b>5,024,524,137</b>
Sale of coal	2,851,735	225,000
Interest on Sales	26,163,248	5,256,498
<b>Revenue from operations</b>	<b>7,744,765,866</b>	<b>5,030,005,635</b>

Sale is net of Rs 36,48,87,399/- (P.Y Rs. 23,11,94,585/-) for VAT & CST realised on sales.

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>Break up of Sale of Products (net of Excise)</u></b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	5,686,297,145	3,245,959,438
Miss Roll & Scrap	27,921,239	29,957,066
Billets, Blooms, Ingot etc	1,775,752,664	1,587,842,356
Iron Ore Pillets, Pig Iron etc.	225,779,834	160,765,277
Coal	2,851,735	225,000
	<b>7,718,602,617</b>	<b>5,024,749,137</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 21 - OTHER INCOME</b>		
<b>Interest Income</b>		
-On Fixed Deposits	9,382,406	10,064,567
-On Other Deposits	426,492	426,628
Liability Written Back	-	112,671
Rental Income	236,400	72,000
Dividend Received	1,968	6,054
Miscellaneous Income	271,978	5,907
	<b>10,319,244</b>	<b>10,687,827</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 22 - MATERIALS CONSUMED</b>		
<b>(Including For Sale)</b>		
Iron and Steel Materials		
Inventory at the beginning of the year	6,748,991	10,558,544
Add : Purchases	717,154,347	711,122,991
	723,903,338	721,681,535
Less : Inventory at the end of the year	24,692,412	6,748,991
Consumption of Materials	<b>699,210,926</b>	<b>714,932,544</b>

**Break up into Imported & Indigenous**

	<b>3/31/2017</b>		<b>3/31/2016</b>	
	%	(Amount in Rs)	%	(Amount in Rs)
Imported	-	-	-	-
Indigenous	100%	699,210,926	100%	714,932,544
	<b>100%</b>	<b>699,210,926</b>	<b>100%</b>	<b>714,932,544</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 23 - PURCHASE OF TRADED GOODS</b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	4,709,420,294	2,610,193,544
Less:- Interunit Adjustment	(154,788,178)	(152,771,815)
Less;- Interunit adjustment-Excise included therein	-	-
TMT Bars, Rounds, Squares, Angles, Flats etc	4,554,632,116	2,457,421,729
Billets, Blooms, Ingot etc	2,087,844,614	1,284,442,394
Iron Ore Pillets, Pig Iron etc.	224,042,224	158,701,093
Coal	443,286	2,079,853
	<b>6,866,962,240</b>	<b>3,902,645,069</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 24 - CHANGES IN INVENTORIES</b>		
<b>Opening Stock</b>		
-Finished Goods	36,799,875	49,549,195
-Scrap and Miss Roll	1,856,427	3,670,028
-Traded Goods	329,392,673	440,372,691
	<b>368,048,975</b>	<b>493,591,914</b>
<b>Closing Stock</b>		
-Finished Goods	22,238,580	36,799,875
-Scrap and Miss Roll	3,322,356	1,856,427
-Traded Goods	523,217,493	329,392,673
	<b>548,778,429</b>	<b>368,048,975</b>
	<b>(180,729,454)</b>	<b>125,542,939</b>
	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>Detail of Finished Goods</b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	22,238,400	36,799,875
	<b>22,238,400</b>	<b>36,799,875</b>
<b>Detail of Traded Goods</b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	212,041,844	230,031,350
Billets, Blooms, Ingot etc	311,175,649	96,787,265
Coal	-	2,574,058
	<b>523,217,493</b>	<b>329,392,673</b>
	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 25 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus & Allowances	18,134,002	16,983,809
Contribution to Provident & Other Funds	1,077,295	774,856
Gratuity [Refer Note 30]	2,021,095	736,273
Directors' Remuneration	4,620,000	3,600,000
Welfare Expenses	758,540	745,407
	<b>26,610,932</b>	<b>22,840,345</b>
	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 26 - FINANCE COSTS</b>		
Interest Expense		
To Bank (including LC charges)	141,748,682	108,501,330
To Others	5,957,234	622,657
Other Borrowing Costs	8,490,797	5,736,413
Applicable Net Gain/Loss on Foreign Currency Transactions and translations	-	1,162,176
	<b>156,196,713</b>	<b>116,022,576</b>



**NARAYANI STEELS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

<b>NOTE 27 - OTHER EXPENSES</b>	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>(a) Manufacturing Expenses</b>		
Processing and Moulding Charges	795,474	6,842,873
Power and Fuel	54,525,869	56,209,953
Stores and Spares Consumed (Refer Note (a) below)	5,207,430	7,246,645
Excise Duty on Variation in Stock [Refer Note (b) below]	(1,455,041)	(1,543,373)
Repairs & Maintainance	3,356,411	4,103,265
<b>(b) Administrative and Other Expenses</b>		
Rent & Service Charges	659,292	234,030
Rates & Taxes	1,117,560	3,731,652
Insurance	1,449,402	21,000
Telephone & Internet Expenses	117,603	412,342
Travelling & Conveyance	390,527	285,853
Diesel Expenses	-	110,421
Other Repairs and Maintenance	1,029,540	732,013
Safety & Security Charges	675,148	770,356
Legal & Professional Fees	875,370	937,555
Auditor's Remuneration (Refer Note (c) below)	705,000	672,675
Directors' Sitting Fees	13,400	19,200
Miscellaneous Expenses	1,482,074	1,155,686
Commission	1,464,799	1,644,612
Sales Promotion Expenses	2,228,004	369,916
Freight & Delivery Charges	75,119,964	42,134,776
Foreign Exchange Fluctuation	-	8,872,785
	<b>149,757,826</b>	<b>134,964,235</b>

**a) Imported and Indigenous Stores and Spares**

	<b>3/31/2017</b>		<b>3/31/2016</b>	
	%	Amount in Rs	%	Amount in Rs
Imported	-	-	-	-
Indigenous	100.00%	5,207,430	100.00%	7,246,645
	<b>100.00%</b>	<b>5,207,430</b>	<b>100.00%</b>	<b>7,246,645</b>

**b) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.**

<b>c) Auditors' Remuneration:</b>	<b>3/31/2017</b>	<b>3/31/2016</b>
(a) As Auditor (Includes Tax Audit Fees of Rs. 1,00,000/- (P.Y Rs. 75,000/-)	400,000	275,000
(b) For Taxation Matters	85,000	281,675
(c) For other services	220,000	116,000
	<b>705,000</b>	<b>672,675</b>

**NOTE 28 - EARNINGS PER SHARE**

<b>PARTICULARS</b>	<b>3/31/2017</b>	<b>3/31/2016</b>
Weighted average number of Equity Shares outstanding during the year	9,330,918	7,309,000
Profit after Tax attributable to Equity Shareholders (In Rupees)	20,971,521	12,266,477
Nominal Value of Ordinary Shares (Rs.)	10	10
<b>Earnings Per Share (Basic) (Rs.)</b>	<b>2.25</b>	<b>1.68</b>
<b>Earnings Per Share (Diluted) (Rs.)</b>	<b>2.25</b>	<b>1.68</b>

**NARAYANI STEELS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 29 - CONTINGENT LIABILITIES AND COMMITMENTS**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>Contingent Liabilities not provided for in the books of accounts in respect of:</b>		
Disputed Income Tax Demands under appeal	24,413,370	22,915,600
Corporate guarantee for credit facilities to Hari Equipments Private Limited	320,000,000	320,000,000
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11**	469,000	469,000
Disputed Penalty on VAT under appeal for the period 04/2011 to 12/2012**	2,146,987	2,146,987

\* Amount paid under protest Rs. 4,69,000/- and Rs. 21,46,987/- against VAT and penalty demand respectively.

**NOTE 30 - EMPLOYEE BENEFITS**

Disclosure pursuant to Accounting Standard- 15 (Revised) " Employee Benefits" :

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2017 which recognises 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.

Particulars	Gratuity (UnFunded)	Gratuity (UnFunded)
	3/31/2017	3/31/2016
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation:</b>		
Defined Benefit obligation at beginning of the year	2,084,203	1,720,157
Interest Cost	156,315	122,723
Current Service Cost	248,416	109,197
Benefits Paid	-	372,227
Actuarial (Gain)/Loss	1,616,364	504,353
Defined Benefit obligation at the year end	4,105,298	2,084,203
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets:</b>		
Not Applicable as scheme is unfunded	-	-
<b>(iii) Reconciliation of fair value of assets and obligation:</b>		
Fair Value of Plan assets		-
Present Value of obligation	4,105,298	2,084,203
Amount recognised as liability in Balance Sheet	4,105,298	2,084,203
<b>(iv) Expenses recognized during the year in the Statement of Profit &amp; Loss :</b> (shown in Note - 25 under the head 'Gratuity')		
Current Service Cost	248,416	109,197
Interest Cost	156,315	122,723
Expected return on plan assets	-	-
Actuarial (Gain)/Loss	1,616,364	504,353
Recognised in the Statement of Profit and Loss	2,021,095	736,273
<b>(v) Actuarial Assumptions:</b>		
Mortality Table	IALM 2006/08 ULTIMATE	IALM 2006/08 ULTIMATE
Superannuation Age	70	70
Discount rate (per annum)	7.50%	8.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

**(vi) The above information is certified by the actuary.**

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 31 - RELATED PARTY DISCLOSURE**

i) Name of the related parties where control exists irrespective of whether transactions have occurred or not - None

ii) Names of the other related parties with whom transactions have taken place during the year:

(a) Key Managerial Personnel (Directors)

Kishan Lal Choudhary  
 Sunil Choudhary  
 Bina Choudhary  
 Bivor Bagaria

(b) Associates

Hari Equipments Private Limited

(c) Enterprises owned or significantly influenced by the  
 Key Managerial Personnel or their relatives

Narayani Ispat Private Limited  
 Kedarnath Commotrade Private Limited  
 Hemang Steel Traders  
 Balajee Roadways

Nature of Transactions	3/31/2017	3/31/2016
<b>Purchases (Inclusive of Excise but exclusive of VAT)</b>		
Narayani Ispat Private Limited	691,413,788	556,805,553
Hari Equipments Private Limited	102,619,743	111,346,180
Kedarnath Commotrade Private Limited	135,307,576	209,394,333
<b>Sales (Inclusive of Excise but exclusive of VAT)</b>		
Narayani Ispat Private Limited	390,978,835	640,108,106
Hari Equipments Private Limited	374,162,970	102,683,800
Kedarnath Commotrade Private Limited	98,430,454	158,611,183
<b>Lease Rent Paid</b>		
Sunil Choudhary	144,000	144,000
<b>Freight Expense</b>		
Balajee Roadways	68,066,125	29,502,779
<b>Managerial Remuneration</b>		
Sunil Choudhary	3,600,000	2,850,000
Bivor Bagaria	1,020,000	-
Kishan Lal Choudhary	-	750,000

**NARAYANI STEELS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**iii) Outstanding Balances**

Nature of Transactions	3/31/2017	3/31/2016
<b>Trade Receivables</b>		
Narayani Ispat Private Limited	1,622,793	-
Hari Equipments Private Limited	10,565,457	731,886
<b>Trade Payables</b>		
Narayani Ispat Private Limited	-	3,062,177
Kedarnath Commotrade Private Limited	-	16,458,670
<b>Liabilities For Expenses</b>		
Directors' Remuneration	921,000	90,378
<b>Investments in Shares</b>		
Kedarnath Commotrade Private Limited	2,450,000	2,450,000
Hari Equipments Private Limited	5,673,370	5,673,370
<b>Advances Given</b>		
Balajee Roadways	14,741,143	3,160,942
<b>Advances Received</b>		
Hemang Steel Traders	722,216	722,216

**NOTE 32**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	1,159,500	13,855	1,173,355
(+) Permitted receipts	-	1,986,370	1,986,370
(-) Permitted payments	-	(1,822,163)	(1,822,163)
(-) Amount deposited in Banks	(1,159,500)	-	(1,159,500)
Closing cash in hand as on 30-12-2016	-	<b>178,062</b>	<b>178,062</b>

**NOTE 33**

In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

**NOTE 34**

Certain balances of Trade Payables, Trade Receivables, Unsecured Loans and Advances are subject to confirmation. Debtor is net off Rs 26,35,510/- being certain payments lying under suspense account in absence of information as to the debits in the bank account.

**NOTE 35**

The Company has taken premises under operating lease. The escalation clause is applicable on renewal. There is no restriction imposed by lease agreements. These lease agreements are normally renewed on expiry. Expense charged to profit and loss account is Rs. 6,59,292 (PY: Rs. 2,34,030).

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 36 - SEGMENT REPORTING**

Segment reporting as required by AS-17 issued by the ICAI notified by Ministry of Corporate Affairs.

**1. Business Segment:** The Company is mainly engaged in a single business segment of Manufacturing and Trading of Iron & Steel Products, accordingly there is no separate reportable segment as per Accounting Standard 17 "Segment Reporting".

**2. Geographical Segment:** This segment has been considered for Secondary Segment Reporting. Since the Company does not have any transaction outside India as sales being in the domestic market only, the disclosure requirement of Accounting Standard- 17 "Segment Reporting", notified under the Companies Act, 2013 is not applicable.

**NOTE 37 - FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<u>3/31/2017</u>	<u>3/31/2016</u>
<b>Expenditure in Foreign Currency:</b>		
Interest on Buyers' Credit Loan	-	206,178
Import of Traded Goods	-	89,143,144

**NOTE 38 - UTILIZATION OF MONEY RAISED THROUGH PUBLIC OFFER**

During the year 31st March 2017, the Company has raised Rs. 11,52,00,000 through public issue of fresh equity shares (refer note 3(d)), mainly with an objective of meeting long term working capital requirements and general corporate purposes. The Company incurred expenses aggregating Rs.52,68,078 towards the initial public offering. Given below are the details of utilization of proceeds raised through public issue.

	<u>3/31/2017</u>	<u>3/31/2016</u>
Amount raised through public issue	115,200,000	-
<b>Less: Amount utilised during the year</b>		
Payment towards share issue expenses	5,039,000	-
Utilized towards working capital and general corporate purpose	110,161,000	-
	<u>115,200,000</u>	<u>-</u>
Unutilised amount at the end of the year	<u>-</u>	<u>-</u>

**NOTE 39**

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 12 - Property, Plant and Equipment**

(Amount in Rs.)

	Land (Freehold)	Buildings	Plant & Equipments	Computer	Furniture & Fixtures	Vehicles	Total
<b>Gross Block</b>							
<b>As at April 1, 2015</b>	<b>45,752,207</b>	<b>19,725,591</b>	<b>66,150,725</b>	<b>2,128,298</b>	<b>1,408,699</b>	<b>6,617,557</b>	<b>141,783,077</b>
Additions	86,500	3,558,768	7,151,508	9,460	34,935	-	10,841,171
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>45,838,707</b>	<b>23,284,359</b>	<b>73,302,233</b>	<b>2,137,758</b>	<b>1,443,634</b>	<b>6,617,557</b>	<b>152,624,248</b>
Additions	493,397	15,995,289	3,939,709	-	435,850	-	20,864,245
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>46,332,104</b>	<b>39,279,648</b>	<b>77,241,942</b>	<b>2,137,758</b>	<b>1,879,484</b>	<b>6,617,557</b>	<b>173,488,493</b>
<b>Depreciation</b>							
<b>As at April 1, 2015</b>	-	<b>3,667,630</b>	<b>30,103,676</b>	<b>1,653,029</b>	<b>591,273</b>	<b>3,978,936</b>	<b>39,994,544</b>
Charge for the year	-	630,785	4,042,114	154,864	90,581	468,200	5,386,544
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	-	<b>4,298,415</b>	<b>34,145,790</b>	<b>1,807,893</b>	<b>681,854</b>	<b>4,447,136</b>	<b>45,381,088</b>
Charge for the year	-	724,051	4,109,973	126,728	101,950	341,595	5,404,297
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	-	<b>5,022,466</b>	<b>38,255,763</b>	<b>1,934,621</b>	<b>783,804</b>	<b>4,788,731</b>	<b>50,785,385</b>
<b>Net Block</b>							
<b>As at March 31, 2016</b>	<b>45,838,707</b>	<b>18,985,944</b>	<b>39,156,443</b>	<b>329,865</b>	<b>761,780</b>	<b>2,170,421</b>	<b>107,243,160</b>
<b>As at March 31, 2017</b>	<b>46,332,104</b>	<b>34,257,182</b>	<b>38,986,179</b>	<b>203,137</b>	<b>1,095,680</b>	<b>1,828,826</b>	<b>122,703,108</b>

**Note:**

(a) The original cost of vehicles includes Rs. 20,32,474/- (P.Y. Rs. 20,32,474/-) acquired from loans taken from banks & financial institutions, of which Rs. 58,044/- (P.Y. Rs.7,70,901/-) were outstanding as at year end.

(b) The Company acquired a premise valuing Rs. 1,59,00,150 on 4th September 2014 and the same was shown under long term investment in the previous years. During the current year, with the increasing activities the board in its meeting on 1st March 2017, resolved that the said property be put to use for the purpose of Company's business and capitalized accordingly. The said property is given as collateral security against credit facilities availed by Kedarnath Commotrade Private Limited.

**INDEPENDENT AUDITORS' REPORT**  
**To the Members of Narayani Steels Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Narayani Steels Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

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

1. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representation received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A"; and



- g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and, these are in accordance with the books of accounts maintained by the company.

**For S. Jaykishan**  
*Chartered Accountants*  
Firm Registration No. 309005E

**CA VIVEK BAGRODIA**  
*Partner*  
Membership No. 160694

Place: Visakhapatnam  
Date: The 29<sup>th</sup> day of May, 2017.

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

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in our report of even date)**

In conjunction with our audit of the consolidated financial statements of Narayani Steels Limited as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Narayani Steels Limited (hereinafter referred to as the "Holding Company") and its associate companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the of the Holding Company and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 respective 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 Act..

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, the Holding Company and its associate companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding 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 S. Jaykishan*  
*Chartered Accountants*  
Firm Registration No. 309005E

**CA VIVEK BAGRODIA**  
*Partner*  
Membership No. 160694

Place: Visakhapatnam  
Date: The 29<sup>th</sup> day of May, 2017.

**NARAYANI STEELS LIMITED**  
(CIN: U27109WB1996PLC082021)

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(Amount in Rs.)

PARTICULARS	NOTE NO.	3/31/2017	3/31/2016
<b>I EQUITY AND LIABILITIES</b>			
<b>1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	109,090,000	73,090,000
(b) Reserves and Surplus	4	284,776,074	188,374,425
		<b>393,866,074</b>	<b>261,464,425</b>
<b>2) NON-CURRENT LIABILITIES</b>			
(a) Long-term Borrowings	5	135,304,759	140,433,948
(b) Deferred Tax Liability	6	3,793,180	3,449,455
(c) Long- term Provisions	7	4,085,414	2,072,967
		<b>143,183,353</b>	<b>145,956,370</b>
<b>3) CURRENT LIABILITIES</b>			
(a) Short-term Borrowings	8	931,486,936	710,326,051
(b) Trade Payables	9	-	-
-Total outstanding dues of Micro enterprises and Small enterprises		-	-
-Total outstanding dues of creditors other than Micro enterprises and Small Enterprises		947,176,028	527,011,333
(c) Other Current Liabilities	10	27,777,772	75,920,563
(d) Short- term Provisions	11	10,376,268	5,066,421
		<b>1,916,817,004</b>	<b>1,318,324,368</b>
<b>TOTAL</b>		<b>2,453,866,431</b>	<b>1,725,745,163</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	12	122,703,108	107,243,160
(ii) Capital work-in-progress		-	1,557,270
(b) Non- Current Investments	13	13,523,224	27,925,168
(c) Long-term Loans & Advances	14	7,526,200	6,374,199
		<b>143,752,532</b>	<b>143,099,797</b>
<b>2) CURRENT ASSETS</b>			
(a) Current Investments	15	21,464,185	-
(b) Inventories	16	574,911,515	378,006,398
(c) Trade Receivables	17	1,366,483,591	1,008,615,637
(d) Cash and Bank Balances	18	195,719,551	141,900,046
(e) Short- term Loans & Advances	19	151,535,059	54,123,285
		<b>2,310,113,901</b>	<b>1,582,645,366</b>
<b>TOTAL</b>		<b>2,453,866,431</b>	<b>1,725,745,163</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
Accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598

**NARAYANI STEELS LIMITED**  
(CIN: U27109WB1996PLC082021)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(Amount in Rs.)			
PARTICULARS	NOTE NO.	3/31/2017	3/31/2016
<b><u>INCOME:</u></b>			
I Revenue From Operations (Gross)	20	7,840,037,979	5,126,426,758
Less: Excise Duty		95,272,113	96,421,123
Revenue From Operations (Net)		7,744,765,866	5,030,005,635
II Other Income	21	10,319,244	10,687,827
III <b>Total Revenue (I + II)</b>		<b>7,755,085,110</b>	<b>5,040,693,462</b>
<b><u>EXPENSES:</u></b>			
IV Materials Consumed	22	699,210,926	714,932,544
Purchase of Traded Goods	23	6,866,962,240	3,902,645,069
Changes in Inventories	24	(180,729,454)	125,542,939
Employee Benefits Expense	25	26,610,932	22,840,345
Finance Costs	26	156,196,713	116,022,576
Depreciation	12	5,404,297	5,386,544
Other Expenses	27	149,757,826	134,964,235
<b>Total Expenses (IV)</b>		<b>7,723,413,480</b>	<b>5,022,334,252</b>
V <b>PROFIT BEFORE TAX (III-IV)</b>		<b>31,671,630</b>	<b>18,359,210</b>
<b>Tax Expenses</b>			
Current Tax		10,356,384	5,055,185
Deferred Tax		343,725	1,037,548
<b>Net Current Tax</b>		<b>10,700,109</b>	<b>6,092,733</b>
VI <b>PROFIT AFTER TAX [BEFORE ADJUSTMENT OF SHARES OF PROFIT/(LOSS) OF ASSOCIATES]</b>		<b>20,971,521</b>	<b>12,266,477</b>
VII <b>SHARE OF PROFIT IN ASSOCIATES</b>		1,498,206	1,446,976
VIII <b>PROFIT FOR THE YEAR</b>		<b>22,469,727</b>	<b>13,713,453</b>
Earnings Per Equity Share [Nominal Value Of Share - Rs 10/- (P.Y. 10/-)] <b>Basic &amp; Diluted</b>	28	2.41	1.88

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

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

(In Rupees)

	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/Loss Before Tax</b>		<b>31,671,630</b>		<b>18,359,210</b>
Adjustments for :				
Depreciation	5,404,297		5,386,544	
Finance Costs	156,196,713		116,022,576	
Provision for Gratuity	2,021,095		364,046	
Interest & Dividend Income	(9,810,866)		(10,497,249)	
Sundry Balances Written Off	225,000		324,017	
Rental Income	(236,400)		(72,000)	
Liabilities no longer required written back	-		(112,671)	
		<b>153,799,839</b>		<b>111,415,263</b>
<b>Operating Profit before Working Capital Changes</b>		<b>185,471,469</b>		<b>129,774,474</b>
Adjustments for :				
(Increase)/Decrease in Inventories	(196,905,117)		131,219,540	
(Increase) in Trade Receivables	(357,867,954)		(164,892,814)	
(Increase)/Decrease in Loans and Advances	(97,719,447)		37,644,283	
Increase/(Decrease) in Trade Payables	420,164,695		(65,280,559)	
(Decrease)/Increase in Other Liabilities	(50,810,319)		3,777,221	
		<b>(283,138,142)</b>		<b>(57,532,329)</b>
<b>Cash generated from operations</b>		<b>(97,666,673)</b>		<b>72,242,145</b>
Direct Tax Paid		<b>(7,447,019)</b>		<b>(7,373,537)</b>
<b>Net Cash from Operating Activities</b>		<b>(105,113,692)</b>		<b>64,868,608</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment	(2,084,332)		(8,190,099)	
Purchase of Investments	(21,464,185)		-	
Interest & Dividend Income	9,810,866		10,497,249	
Rent Received	236,400		72,000	
(Investment)/ Proceeds from bank deposits (original maturity of more than three months)	(28,240,793)		15,058,175	
<b>Net Cash used in Investing Activities</b>		<b>(41,742,044)</b>		<b>17,437,325</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital	115,200,000		-	
Repayment of Long Term Borrowings	(5,785,058)		(517,566)	
Proceeds from Short Term Borrowings	221,160,885		39,214,470	
Expenses related to issue of shares	(5,268,078)		(375,000)	
Finance Costs	(152,873,301)		(111,714,271)	
<b>Net Cash from Financing Activities</b>		<b>172,434,448</b>		<b>(73,392,367)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents		<b>25,578,712</b>		<b>8,913,566</b>
Cash & Cash Equivalents at the beginning of the year		<b>12,047,304</b>		<b>3,133,738</b>
Cash & Cash Equivalents at the end of the year		<b>37,626,016</b>		<b>12,047,304</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules.
- Cash and Cash Equivalents include cash and bank balances on current accounts (Refer Note No. 18-i).
- Figures in brackets indicate cash outflows.
- Previous year's figures have been regrouped/rearranged, wherever considered necessary to conform to this year's classification.

As per our report of even date attached

For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 1 - CORPORATE INFORMATION**

Narayani Steel Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is primarily engaged in the manufacture and sale of TMT bars, Rounds, Squares, Angles, etc. and trading of Billets, Blooms, Ingots, Iron ores, etc.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements comprises of the financial statements of Narayani Steels Ltd. ("the Company"), and its associate, Hari Equipments Pvt. Ltd.(% of Holding: 37.51), (collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

(a) The consolidated financial statements include the interest in associates which has been accounted for as per "Equity Accounting" Method as per Accounting Standard 23 - "Accounting for investments in Associates in Consolidated Financial Statements".

(b) The financial statements of the Associates used in the consolidation are drawn upto the same reporting date as that of the Company.

(c) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules and the relevant provisions of the Companies Act, 2013.

(d) The financial consolidated statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis and on the principles of going concern. The accounting policies are consistently applied by the Company.

(e) The consolidated financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

(g) The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**2.2 Revenue Recognition**

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (b) Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with the delivery of goods. Sales are inclusive of excise duty and net of trade discounts. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover.
- (c) Purchases are net of Cenvat, Vat & Discount.
- (d) Insurance Claims to the extent considered recoverable during the year are taken into account. However, claims whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/ actual receipt basis.
- (e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**2.3 Property, Plant and Equipment**

- (a) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of CENVAT / duty credits availed or available thereon) and any attributable cost of bringing the asset to its working condition for the intended use.
- (b) Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram and on written down value method on other property, plant and equipment.
- (c) 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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.
- (d) Costs of the property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

**2.4 Investments**

Investments classified as long-term investments are stated at cost. Provision is made to recognise any diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.



**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**2.5 Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of finished goods includes excise duty.

**2.6 Foreign Currency Transactions**

**(a) 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 the transaction.

**(b) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

**(c) Exchange Differences**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

**(d) Forward Exchange Contracts**

Forward Exchange Contracts (other than those entered into to hedge foreign currency risk of future transactions in respect of which firm commitments are made or are highly probable forecast transactions) are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss.

**2.7 Retirement Benefits**

**(a) Defined Contribution Plan:**

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards provident fund is charged to the Statement of Profit and Loss of the year when the contributions to the respective fund is due. There is no other obligation other than the contribution payable to the respective funds.

**(b) Defined Benefit Plan:**

Liability with regard to long-term employee benefits is provided for on the basis of an actuarial valuation at the Balance Sheet date. Actuarial gain / loss is recognised immediately in the statement of profit and loss.

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**2.8 Borrowing Costs**

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognised as expense in the period in which they are incurred.

**2.9 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961, MAT credit is recognised 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.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

**2.10 Earnings per Share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**2.11 Prior Period Items**

Significant items of income and expenditure which relates to prior accounting period other than those occasioned or events occurring during or after close of the year and which are treated as relating to current year are accounted for separately in the Statement of Profit & Loss.

**2.12 Provisions / Contingencies**

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

(b) Contingent Liabilities are not provided for in the accounts and are shown separately in the Notes on Accounts.

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	(Amount in Rs.)	
	31/03/2017	31/03/2016
<b>NOTE 3 - SHARE CAPITAL</b>		
<b>Authorised</b>		
1,40,00,000 (P.Y. 1,40,00,000) Equity Shares of Rs. 10/- (P.Y. 10/-) each	140,000,000	140,000,000
<b>Issued, Subscribed and Paid-up</b>		
1,09,09,000 (P.Y. 73,09,000) Equity Shares of Rs. 10/- (P.Y. 10/-) each fully paid up	109,090,000	73,090,000
<b>a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.</b>		
<b>Equity Shares</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
	<b>Number</b>	<b>Amount in Rs</b>
	<b>Number</b>	<b>Amount in Rs</b>
At the beginning of the period	7,309,000	73,090,000
Issued During the year - initial public offer (Refer Note (d) below)	3,600,000	36,000,000
Addition on account of share split {Refer Note (e) below}	-	-
Outstanding at the end of the period	10,909,000	109,090,000
	7,309,000	73,090,000
<b>b) Terms/Rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of Rs.10/- (P.Y. 10/-) per share. Each holder of equity shares is entitled to one vote per share.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.		
<b>c) Details of the shareholders holding more than 5% shares in the Company</b>		
	<b>31/03/2017</b>	<b>3/31/2016</b>
	<b>Number</b>	<b>% holding</b>
	<b>Number</b>	<b>% holding</b>
<b>Equity shares of Rs 10 (P.Y. 10/-) each fully paid</b>		
Kishanalal Choudhary	1,003,500	9.20%
Sunil Choudhary(HUF)	1,261,000	11.56%
Sunil Choudhary	1,224,500	11.22%
Cooltex Merchandise Private Limited	2,163,000	19.83%
	1,003,500	13.73%
	1,261,000	17.25%
	1,224,500	16.75%
	2,163,000	29.59%
<b>d) Pursuant to the Initial Public Offering (IPO), equity shares having par value of Rs. 10 per share allotted at a price of Rs. 32 per share comprising of fresh issue of 36,00,000 equity shares. The equity shares of the company were listed on the SME platform of Bombay Stock Exchange with effect from 14.09.2016. The company has incurred expenses of Rs. 52,68,078 (net of service tax) relating to fresh issue of equity shares which has been adjusted to securities premium in terms of Section 52 of the Companies Act, 2013.</b>		
<b>e) Shareholders, vide resolution dated 17.08.2015, approved the split of 1 equity shares having a nominal value of Rs. 100/- into 10 equity shares having a nominal value of Rs. 10/- each.</b>		

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 4 - RESERVES AND SURPLUS**

	3/31/2017	3/31/2016
<b>Securities Premium Account</b>		
Balance as per last financial statements	93,453,000	93,828,000
Additions During the year	79,200,000	-
Less: Share Issue Expenses (Refer Note 3(d))	5,268,078	375,000
Closing Balance	<b>167,384,922</b>	<b>93,453,000</b>
 <b>Surplus [Balance in the Statement of Profit &amp; Loss]</b>		
Balance as per last financial statements	94,921,425	81,207,972
Profit for the year	22,469,727	13,713,453
Closing Balance	<b>117,391,152</b>	<b>94,921,425</b>
	<b>284,776,074</b>	<b>188,374,425</b>

**NOTE 5 - LONG-TERM BORROWINGS**

	Non-current portion		Current Maturities	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
Loans from Bodies Corporate (unsecured)	135,304,759	140,376,432	-	-
Loans against Vehicles (secured)	-	57,516	57,516	713,385
	<b>135,304,759</b>	<b>140,433,948</b>	<b>57,516</b>	<b>713,385</b>
The above amount includes				
Secured Borrowings	-	57,516	57,516	713,385
Unsecured Borrowings	135,304,759	140,376,432	-	-
Amount disclosed under the head - "Other Current Liabilities" (Refer Note 10)			(57,516)	(713,385)
	<b>135,304,759</b>	<b>140,433,948</b>	<b>-</b>	<b>-</b>

**(A) Terms of Repayment**

**(i) Unsecured Loan**

Unsecured Loans from Bodies Corporate, partly bearing interest, have been taken without any stipulation for repayment and are stated by the management to be in the nature of Long term borrowings.

**(ii) Loan Against Vehicles :**

**a) Details of security**

Loans against Vehicles is secured by way of hypothecation of the underlying asset financed.

**b) Terms of Repayment**

Loans against vehicles is repayable by way of Equated Monthly Installments (EMI), the particulars of which are as follows:

Particulars	Amount Outstanding as on 31-03-2017	Rate of Interest	Repayment Terms with reference to Balance Sheet date
Loan for 2 vehicles from ICICI Bank	58,044	11.01 % p.a	1 installment of Rs. 29,022/- each

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 6 - DEFERRED TAX LIABILITY/ (ASSET)**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>Components of Deferred Tax Liability/(Assets)</u></b>		
Related to Property, Plant and Equipment	5,150,515	4,138,555
Related to Disallowances under I T Act	(1,357,335)	(689,100)
	<b>3,793,180</b>	<b>3,449,455</b>

**NOTE 7 - LONG-TERM PROVISIONS**

	<b>3/31/2017</b>	<b>3/31/2016</b>
Provision for Gratuity	4,085,414	2,072,967
	<b>4,085,414</b>	<b>2,072,967</b>

**NOTE 8 - SHORT-TERM BORROWINGS**

	<b>3/31/2017</b>	<b>3/31/2016</b>
Working Capital Loans from Bank (Secured)		
-Cash Credit	649,208,232	483,467,256
Channel Financing from Banks	282,278,704	226,858,795
	<b>931,486,936</b>	<b>710,326,051</b>

**(a)** Working Capital Loans are primarily secured by way of hypothecation of Stocks and Book Debts. The rate of interest on Cash Credit from Union Bank of India is 11.90% +2% (on additional limit of Rs. 5 crores) linked to the base rate of Union Bank of India.

The loan is also collaterally secured by way of a) charge on Plant & Machinery, office premises, flats and plots in the name of the Company, b) charge on certain immovable properties of the Company, Mr. Sunil Kumar Choudhary, Mrs. Savitri Devi Choudhary, Mrs. Bina Choudhary, Mr. Kishan Lal Choudhary and Narayani Ispat Pvt. Ltd. c) Term Deposits of Rs 152 lacs in the name of the Company. d) Personal guarantee of Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mr. Bivor Bagaria, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and e) Corporate Guarantee from Narayani Ispat Pvt. Ltd. and Cooltex Merchandise Pvt. Ltd.

**(b)** 1. Channel Financing from Andhra Bank of Rs. 10 crores is collaterally secured by Fixed Deposit of Rs 2,50,00,000/- and guaranteed by the directors of the Company, Mr. Sunil Kumar Choudhary and Mr. Kishan Lal Choudhary. The rate of interest on Channel Financing is 9.95% p.a. (Base Rate + 0.50)%.

2. Channel Financing from Yes Bank of Rs. 3 Crores is collaterally secured by Fixed Deposit of Rs 60,00,000/- and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary and Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 11.25% (Base Rate + 2.10)%.

3. Channel Financing from Tata Capital Financial Services Limited of Rs. 5 Crores and an additional limit of Rs. 1 crore is guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary & Mrs. Savitri Devi Choudhary. The rate of interest on Channel Financing is 11.50%.

4. Channel Financing from ICICI Bank Limited of Rs. 9.5 Crores is collaterally secured by Fixed Deposit of Rs 1,12,50,000/- and guaranteed by Mr. Sunil Choudhary, Mr. Kishan Lal Choudhary, Mrs. Bina Choudhary, Mrs. Savitri Devi Choudhary and Mr. Bivor Bagaria. The rate of interest on Channel Financing is 9.50% (Base rate + 1.35)%.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 9 - TRADE PAYABLES</u></b>		
Due to Micro, Small & Medium Enterprises [Refer Note below]	-	-
Due to others	351,157,117	135,753,181
Liability under L/C	586,799,855	379,564,133
Liability for Expenses	9,219,056	11,694,019
	<b>947,176,028</b>	<b>527,011,333</b>

There is no amount that needs to be disclosed pertaining to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

As at 31 March 2017, no supplier has intimated the Company about its status as micro or small enterprises or its registration with appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 10 - OTHER CURRENT LIABILITIES</u></b>		
Current maturities of long-term debt (Refer Note 5)	57,516	713,385
Interest Accrued but Not Due	9,473,805	6,150,393
Advances received from Parties	11,331,407	62,092,594
Advance received from Related Parties	722,216	812,594
Statutory dues	6,192,828	6,151,597
	<b>27,777,772</b>	<b>75,920,563</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 11 - SHORT-TERM PROVISIONS</u></b>		
Provision for Taxation	10,356,384	5,055,185
Provision for Gratuity	19,884	11,236
	<b>10,376,268</b>	<b>5,066,421</b>

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	Number of shares as on 31-03-2017	Number of shares as on 31-03-2016	3/31/2017	3/31/2016
<b><u>NOTE 13 - NON-CURRENT INVESTMENTS</u></b>				
<b><u>Long- Term, Trade Investments (at cost)</u></b>				
<b>Equity Shares - Unquoted (Fully Paid Up)</b>				
<b>Investments in Associates</b>				
<b>Investments in Associates</b>				
Hari Equipment (P) Ltd [Control 37.51% (P.Y. 37.51%)]				
(i) Cost of investment (Face Value - Rs 10/- each)	459,490	459,490	5,673,370	5,673,370
(Including Rs. 30,22,202 of Goodwill arising on Consolidation)				
(ii) Share of post acquisition Profits (net of losses)			5,288,864	3,790,658
			<b>10,962,234</b>	<b>9,464,028</b>
<b>Investments in Others</b>				
Kedarnath Commotrade (P) Ltd (Face Value - Rs 10/- each)	245,000	245,000	2,450,000	2,450,000
<b><u>Long- Term, Non - Trade Investments (at cost)</u></b>				
<b>Equity Shares - Quoted (Fully Paid Up)</b>				
Union Bank of India	1,009	1,009	110,990	110,990
<b><u>Long- Term Investment in Property (at cost) (Refer Note 12 (b))</u></b>				
			-	15,900,150
			<b>13,523,224</b>	<b>27,925,168</b>
Aggregate amount of unquoted investments			2,450,000	2,450,000
Aggregate amount of quoted investments			110,990	110,990
Market Value of Quoted Investments			157,505	132,028
			<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 14 - LONG-TERM LOANS &amp; ADVANCES</u></b>				
(Unsecured, Considered good)				
Security and other deposits			7,526,200	6,374,199
			<b>7,526,200</b>	<b>6,374,199</b>
	Number of units as on 31-03-2017	Number of units as on 31-03-2016	3/31/2017	3/31/2016
<b><u>NOTE 15-CURRENT INVESTMENTS</u></b>				
(Valued at lower of cost and fair value)				
<b>Investment in Property (at cost)</b>	-	-	18,424,185	-
<b>Investment in Mutual Fund (Unquoted)</b>				
Union Capital Protection Oriented Fund (G)*	300,000	-	3,000,000	-
Union Small and Midcap Fund - Regular Plan (G)	3,111	-	40,000	-
			<b>21,464,185</b>	<b>-</b>
Net Asset Value of investment in mutual funds			3,056,373	-

\*The said Mutual Funds is given as margin deposits against credit facilities taken from Union Bank Of India.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 16 - INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials	24,692,412	6,748,991
Traded Goods	523,217,493	329,392,673
Finished Goods	22,238,580	36,799,875
Scrap & Miss Rolls	3,322,356	1,856,427
Stores & Spares	903,342	2,497,404
Furnace oil, coal & Gas	537,332	711,028
	<b>574,911,515</b>	<b>378,006,398</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 17 - TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months from the date they became due for payment.	14,599,997	49,288,889
Other Debts	1,351,883,594	959,326,748
	<b>1,366,483,591</b>	<b>1,008,615,637</b>

Other Debts include Rs. 1,21,88,250/- (P.Y. 7,31,886/-) due from Private Companies in which Director is a Director.

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 18 - CASH AND BANK BALANCES</b>		
<b>i) Cash &amp; Cash Equivalents</b>		
Cash In Hand (as Certified)	854,927	5,956,339
Balances With Banks		
Current Accounts	36,771,089	6,090,965
	<b>37,626,016</b>	<b>12,047,304</b>
<b>ii) Other Bank Balances</b>		
Fixed Deposits with original maturity for more than 3 months but less than 12 months (including accrued interest)	158,093,535	129,852,742
	<b>158,093,535</b>	<b>129,852,742</b>
<b>TOTAL</b>	<b>195,719,551</b>	<b>141,900,046</b>

(a) Fixed Deposit of Rs 2,50,00,000/- (P.Y. Rs. 3,75,00,000) is pledged with Andhra Bank as collateral security for Channel Finance limit of Rs 10,00,00,000/-.

(b) Fixed Deposit of Rs 60,00,000/- (P.Y. Rs.60,00,000) is pledged with Yes Bank as collateral security for Channel Finance limit of Rs 3,00,00,000/-.

(c) Fixed Deposit of Rs 1,12,50,000/- (P.Y. NIL) is pledged with ICICI Bank as collateral security for Channel Finance limit of Rs 9,50,00,000/-.

(d) Other Fixed Deposits of Rs. 11,32,22,119/- ( P.Y. Rs. 8,60,48,575/-) are pledged with Union Bank of India as margin/ collateral security for sanction of credit facilities.



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	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 19 - SHORT TERM LOANS &amp; ADVANCES</u></b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
To Related Parties	14,741,143	3,160,942
To Others	92,298,891	26,591,675
VAT & Cenvat Receivable	32,191,841	15,307,808
VAT/CST Advance against Appeal	2,615,987	1,542,497
Income Tax Payments	4,123,351	4,423,351
Tax Deducted/Collected at Source	5,563,846	2,872,012
Share Application Money	-	225,000
	<b>151,535,059</b>	<b>54,123,285</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>NOTE 20 - REVENUE FROM OPERATIONS</u></b>		
Sale of Products	7,811,022,996	5,120,945,260
Less: Excise Duty	95,272,113	96,421,123
	7,715,750,883	5,024,524,137
Sale of coal	2,851,735	225,000
Interest on Sales	26,163,248	5,256,498
<b>Revenue from operations</b>	<b>7,744,765,866</b>	<b>5,030,005,635</b>

Sale is net of Rs 36,48,87,399/- (P.Y Rs. 23,11,94,585/-) for VAT & CST realised on sales.

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b><u>Break up of Sale of Products (net of Excise)</u></b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	5,686,297,145	3,245,959,438
Miss Roll & Scrap	27,921,239	29,957,066
Billets, Blooms, Ingot etc	1,775,752,664	1,587,842,356
Iron Ore Pillets, Pig Iron etc.	225,779,834	160,765,277
Coal	2,851,735	225,000
	<b>7,718,602,617</b>	<b>5,024,749,137</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 21 - OTHER INCOME</b>		
<b>Interest Income</b>		
-On Fixed Deposits	9,382,406	10,064,567
-On Other Deposits	426,492	426,628
Liability Written Back	-	112,671
Rental Income	236,400	72,000
Dividend Received	1,968	6,054
Miscellaneous Income	271,978	5,907
	<b>10,319,244</b>	<b>10,687,827</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 22 - MATERIALS CONSUMED</b>		
<b>(Including For Sale)</b>		
Iron and Steel Materials		
Inventory at the beginning of the year	6,748,991	10,558,544
Add : Purchases	717,154,347	711,122,991
	723,903,338	721,681,535
Less : Inventory at the end of the year	24,692,412	6,748,991
Consumption of Materials	<b>699,210,926</b>	<b>714,932,544</b>

	<b>3/31/2017</b>		<b>3/31/2016</b>	
	%	(Amount in Rs)	%	(Amount in Rs)
Imported	-	-	-	-
Indigenous	100%	699,210,926	100%	714,932,544
	<b>100%</b>	<b>699,210,926</b>	<b>100%</b>	<b>714,932,544</b>

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 23 - PURCHASE OF TRADED GOODS</b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	4,554,632,116	2,457,421,729
Billets, Blooms, Ingot etc	2,087,844,614	1,284,442,394
Iron Ore Pilets, Pig Iron etc.	224,042,224	158,701,093
Coal	443,286	2,079,853
	<b>6,866,962,240</b>	<b>3,902,645,069</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 24 - CHANGES IN INVENTORIES</b>		
<b>Opening Stock</b>		
-Finished Goods	36,799,875	49,549,195
-Scrap and Miss Roll	1,856,427	3,670,028
-Traded Goods	329,392,673	440,372,691
	<b>368,048,975</b>	<b>493,591,914</b>
<b>Closing Stock</b>		
-Finished Goods	22,238,580	36,799,875
-Scrap and Miss Roll	3,322,356	1,856,427
-Traded Goods	523,217,493	329,392,673
	<b>548,778,429</b>	<b>368,048,975</b>
	<b>(180,729,454)</b>	<b>125,542,939</b>
	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>Detail of Finished Goods</b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	22,238,400	36,799,875
	<b>22,238,400</b>	<b>36,799,875</b>
<b>Detail of Traded Goods</b>		
TMT Bars, Rounds, Squares, Angles, Flats etc	212,041,844	230,031,350
Billets, Blooms, Ingot etc	311,175,649	96,787,265
Coal	-	2,574,058
	<b>523,217,493</b>	<b>329,392,673</b>
	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 25 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus & Allowances	18,134,002	16,983,809
Contribution to Provident & Other Funds	1,077,295	774,856
Gratuity [Refer Note 30]	2,021,095	736,273
Directors' Remuneration	4,620,000	3,600,000
Welfare Expenses	758,540	745,407
	<b>26,610,932</b>	<b>22,840,345</b>
	<b>3/31/2017</b>	<b>3/31/2016</b>
<b>NOTE 26 - FINANCE COSTS</b>		
Interest Expense		
To Bank (including LC charges)	141,748,682	108,501,330
To Others	5,957,234	622,657
Other Borrowing Costs	8,490,797	5,736,413
Applicable Net Gain/Loss on Foreign Currency Transactions and translations	-	1,162,176
	<b>156,196,713</b>	<b>116,022,576</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	3/31/2017	3/31/2016
<b>NOTE 27 - OTHER EXPENSES</b>		
<b><u>(a) Manufacturing Expenses</u></b>		
Processing and Moulding Charges	795,474	6,842,873
Power and Fuel	54,525,869	56,209,953
Stores and Spares Consumed (Refer Note (a) below)	5,207,430	7,246,645
Excise Duty on Variation in Stock [Refer Note (b) below]	(1,455,041)	(1,543,373)
Repairs & Maintainance	3,356,411	4,103,265
<b><u>(b) Administrative and Other Expenses</u></b>		
Rent & Service Charges	659,292	234,030
Rates & Taxes	1,117,560	3,731,652
Insurance	1,449,402	21,000
Telephone & Internet Expenses	117,603	412,342
Travelling & Conveyance	390,527	285,853
Diesel Expenses	-	110,421
Other Repairs and Maintenance	1,029,540	732,013
Safety & Security Charges	675,148	770,356
Legal & Professional Fees	875,370	937,555
Auditor's Remuneration (Refer Note (c) below)	705,000	672,675
Directors' Sitting Fees	13,400	19,200
Miscellaneous Expenses	1,482,074	1,155,686
Commission	1,464,799	1,644,612
Sales Promotion Expenses	2,228,004	369,916
Freight & Delivery Charges	75,119,964	42,134,776
Foreign Exchange Fluctuation	-	8,872,785
	<b>149,757,826</b>	<b>134,964,235</b>

a) Imported and Indigenous Stores and Spares

	3/31/2017		3/31/2016	
	%	Amount in Rs	%	Amount in Rs
Imported	-	-	-	-
Indigenous	100.00%	5,207,430	100.00%	7,246,645
	<b>100.00%</b>	<b>5,207,430</b>	<b>100.00%</b>	<b>7,246,645</b>

b) Amount of excise duty on variation in stock represents differential excise duty on opening and closing stock of finished goods.

c) **Auditors' Remuneration:**

	3/31/2017	3/31/2016
(a) As Auditor (Includes Tax Audit Fees of Rs. 1,00,000/- (P.Y Rs. 75,000/-)	400,000	275,000
(b) For Taxation Matters	85,000	281,675
(c) For other services	220,000	116,000
	<b>705,000</b>	<b>672,675</b>

**NOTE 28 - EARNINGS PER SHARE**

PARTICULARS	3/31/2017	3/31/2016
Weighted average number of Equity Shares outstanding during the year	9,330,918	7,309,000
Profit after Tax attributable to Equity Shareholders (In Rupees)	22,469,727	13,713,453
Nominal Value of Ordinary Shares (Rs.)	10	10
<b>Earnings Per Share (Basic) (Rs.)</b>	2.41	1.88
<b>Earnings Per Share (Diluted) (Rs.)</b>	2.41	1.88

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**NOTE 29 - CONTINGENT LIABILITIES AND COMMITMENTS**

	3/31/2017	3/31/2016
<b>Contingent Liabilities not provided for in the books of accounts in respect of:</b>		
Disputed Income Tax Demands under appeal	24,413,370	22,915,600
Corporate guarantee for credit facilities to Hari Equipments Private Limited	320,000,000	320,000,000
Disputed Sales Tax/ VAT under appeal for the year 2010 - 11**	469,000	469,000
Disputed Penalty on VAT under appeal for the period 04/2011 to 12/2012**	2,146,987	2,146,987

\* Amount paid under protest Rs. 4,69,000/- and Rs. 21,46,987/- against VAT and penalty demand respectively.

**NOTE 30 - EMPLOYEE BENEFITS**

Disclosure pursuant to Accounting Standard- 15 (Revised) " Employee Benefits" :

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as on 31st March, 2017 which recognises 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.

Particulars	Gratuity (UnFunded)	Gratuity (UnFunded)
	3/31/2017	3/31/2016
<b>(i) Reconciliation of Opening and Closing Balances of the present value of Defined Benefit Obligation:</b>		
Defined Benefit obligation at beginning of the year	2,084,203	1,720,157
Interest Cost	156,315	122,723
Current Service Cost	248,416	109,197
Benefits Paid	-	372,227
Actuarial (Gain)/Loss	1,616,364	504,353
Defined Benefit obligation at the year end	4,105,298	2,084,203
<b>(ii) Reconciliation of Opening and Closing Balances of fair value of plan assets:</b>		
Not Applicable as scheme is unfunded	-	-
<b>(iii) Reconciliation of fair value of assets and obligation:</b>		
Fair Value of Plan assets		-
Present Value of obligation	4,105,298	2,084,203
Amount recognised as liability in Balance Sheet	4,105,298	2,084,203
<b>(iv) Expenses recognized during the year in the Statement of Profit &amp; Loss :</b> (shown in Note - 25 under the head 'Gratuity')		
Current Service Cost	248,416	109,197
Interest Cost	156,315	122,723
Expected return on plan assets	-	-
Actuarial (Gain)/Loss	1,616,364	504,353
Recognised in the Statement of Profit and Loss	2,021,095	736,273
<b>(v) Actuarial Assumptions:</b>		
Mortality Table	IALM 2006/08 ULTIMATE	IALM 2006/08 ULTIMATE
Superannuation Age	70	70
Discount rate (per annum)	7.50%	8.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

**(vi) The above information is certified by the actuary.**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 31 - RELATED PARTY DISCLOSURE**

i) Name of the related parties where control exists irrespective of whether transactions have occurred or not - None

ii) Names of the other related parties with whom transactions have taken place during the year:

(a) Key Managerial Personnel (Directors)

Kishan Lal Choudhary  
 Sunil Choudhary  
 Bina Choudhary  
 Bivor Bagaria

(b) Associates

Hari Equipments Private Limited

(c) Enterprises owned or significantly influenced by the  
 Key Managerial Personnel or their relatives

Narayani Ispat Private Limited  
 Kedarnath Commotrade Private Limited  
 Hemang Steel Traders  
 Balajee Roadways

Nature of Transactions	3/31/2017	3/31/2016
<b>Purchases (Inclusive of Excise but exclusive of VAT)</b>		
Narayani Ispat Private Limited	691,413,788	556,805,553
Hari Equipments Private Limited	102,619,743	111,346,180
Kedarnath Commotrade Private Limited	135,307,576	209,394,333
<b>Sales (Inclusive of Excise but exclusive of VAT)</b>		
Narayani Ispat Private Limited	390,978,835	640,108,106
Hari Equipments Private Limited	374,162,970	102,683,800
Kedarnath Commotrade Private Limited	98,430,454	158,611,183
<b>Lease Rent Paid</b>		
Sunil Choudhary	144,000	144,000
<b>Freight Expense</b>		
Balajee Roadways	68,066,125	29,502,779
<b>Managerial Remuneration</b>		
Sunil Choudhary	3,600,000	2,850,000
Bivor Bagaria	1,020,000	-
Kishan Lal Choudhary	-	750,000

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**iii) Outstanding Balances**

Nature of Transactions	3/31/2017	3/31/2016
<b>Trade Receivables</b>		
Narayani Ispat Private Limited	1,622,793	-
Hari Equipments Private Limited	10,565,457	731,886
<b>Trade Payables</b>		
Narayani Ispat Private Limited	-	3,062,177
Kedarnath Commotrade Private Limited	-	16,458,670
<b>Liabilities For Expenses</b>		
Directors' Remuneration	921,000	90,378
<b>Investments in Shares</b>		
Kedarnath Commotrade Private Limited	2,450,000	2,450,000
Hari Equipments Private Limited	-	-
<b>Advances Given</b>		
Balajee Roadways	14,741,143	3,160,942
<b>Advances Received</b>		
Hemang Steel Traders	722,216	722,216

**NOTE 32**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	1,159,500	13,855	1,173,355
(+) Permitted receipts	-	1,986,370	1,986,370
(-) Permitted payments	-	(1,822,163)	(1,822,163)
(-) Amount deposited in Banks	(1,159,500)	-	(1,159,500)
Closing cash in hand as on 30-12-2016	-	<b>178,062</b>	<b>178,062</b>

**NOTE 33**

In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities.

**NOTE 34**

Certain balances of Trade Payables, Trade Receivables, Unsecured Loans and Advances are subject to confirmation. Debtor is net off

Rs 26,35,510/- being certain payments lying under suspense account in absence of information as to the debits in the bank account.

**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 35**

The Company has taken premises under operating lease. The escalation clause is applicable on renewal. There is no restriction imposed by lease agreements. These lease agreements are normally renewed on expiry. Expense charged to profit and loss account is Rs. 6,59,292 (PY: Rs. 2,34,030).

**NOTE 36 - SEGMENT REPORTING**

Segment reporting as required by AS-17 issued by the ICAI notified by Ministry of Corporate Affairs.

1. **Business Segment:** The Company is mainly engaged in a single business segment of Manufacturing and Trading of Iron & Steel Products, accordingly there is no separate reportable segment as per Accounting Standard 17 "Segment Reporting".

2. **Geographical Segment:** This segment has been considered for Secondary Segment Reporting. Since the Company does not have any transaction outside India as sales being in the domestic market only, the disclosure requirement of Accounting Standard- 17 "Segment Reporting", notified under the Companies Act, 2013 is not applicable.

**NOTE 37 - FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<u>3/31/2017</u>	<u>3/31/2016</u>
<b>Expenditure in Foreign Currency:</b>		
Interest on Buyers' Credit Loan	-	206,178
Import of Traded Goods	-	89,143,144

**NOTE 38 - UTILIZATION OF MONEY RAISED THROUGH PUBLIC OFFER**

During the year 31st March 2017, the Company has raised Rs. 11,52,00,000 through public issue of fresh equity shares (refer note 3(d)), mainly with an objective of meeting long term working capital requirements and general corporate purposes. The Company incurred expenses aggregating Rs.52,68,078 towards the initial public offering. Given below are the details of utilization of proceeds raised through public issue.

	<u>3/31/2017</u>	<u>3/31/2016</u>
Amount raised through public issue	115,200,000	-
<b>Less: Amount utilised during the year</b>		
Payment towards share issue expenses	5,039,000	-
Utilized towards working capital and general corporate purpose	110,161,000	-
	<u>115,200,000</u>	<u>-</u>
Unutilised amount at the end of the year	<u>-</u>	<u>-</u>

**NOTE 39**

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

As per our report of even date attached  
For S. Jaykishan  
Chartered Accountants  
FRN: 309005E

For and on behalf of the Board of Directors of Narayani Steels Limited

SUNIL CHOUDHARY  
Chief Executive Officer and Managing Director  
DIN:00289479

CA VIVEK BAGRODIA  
Partner  
Membership No: 160694

BIVOR BAGARIA  
Chief Financial Officer and Director  
DIN:06765822

Place: Visakhapatnam  
Date: The 29th day of May, 2017

ARUN KUMAR MEHER  
Company Secretary  
M.NO. - ACS48598



**NARAYANI STEELS LIMITED**  
**(CIN: U27109WB1996PLC082021)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE 12 - Property, Plant and Equipment**

(Amount in Rs.)

	Land (Freehold)	Buildings	Plant & Equipments	Computer	Furniture & Fixtures	Vehicles	Total
<b>Gross Block</b>							
<b>As at April 1, 2015</b>	<b>45,752,207</b>	<b>19,725,591</b>	<b>66,150,725</b>	<b>2,128,298</b>	<b>1,408,699</b>	<b>6,617,557</b>	<b>141,783,077</b>
Additions	86,500	3,558,768	7,151,508	9,460	34,935	-	10,841,171
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>45,838,707</b>	<b>23,284,359</b>	<b>73,302,233</b>	<b>2,137,758</b>	<b>1,443,634</b>	<b>6,617,557</b>	<b>152,624,248</b>
Additions	493,397	15,995,289	3,939,709	-	435,850	-	20,864,245
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>46,332,104</b>	<b>39,279,648</b>	<b>77,241,942</b>	<b>2,137,758</b>	<b>1,879,484</b>	<b>6,617,557</b>	<b>173,488,493</b>
<b>Depreciation</b>							
<b>As at April 1, 2015</b>	-	<b>3,667,630</b>	<b>30,103,676</b>	<b>1,653,029</b>	<b>591,273</b>	<b>3,978,936</b>	<b>39,994,544</b>
Charge for the year	-	630,785	4,042,114	154,864	90,581	468,200	5,386,544
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	-	<b>4,298,415</b>	<b>34,145,790</b>	<b>1,807,893</b>	<b>681,854</b>	<b>4,447,136</b>	<b>45,381,088</b>
Charge for the year	-	724,051	4,109,973	126,728	101,950	341,595	5,404,297
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	-	<b>5,022,466</b>	<b>38,255,763</b>	<b>1,934,621</b>	<b>783,804</b>	<b>4,788,731</b>	<b>50,785,385</b>
<b>Net Block</b>							
<b>As at March 31, 2016</b>	<b>45,838,707</b>	<b>18,985,944</b>	<b>39,156,443</b>	<b>329,865</b>	<b>761,780</b>	<b>2,170,421</b>	<b>107,243,160</b>
<b>As at March 31, 2017</b>	<b>46,332,104</b>	<b>34,257,182</b>	<b>38,986,179</b>	<b>203,137</b>	<b>1,095,680</b>	<b>1,828,826</b>	<b>122,703,108</b>

Note:

(a) The original cost of vehicles includes Rs. 20,32,474/- (P.Y. Rs. 20,32,474/-) acquired from loans taken from banks & financial institutions, of which Rs. 58,044/- (P.Y. Rs.7,70,901/-) were outstanding as at year end.

(b) The Company acquired a premise valuing Rs. 1,59,00,150 on 4th September 2014 and the same was shown under long term investment in the previous years. During the current year, with the increasing activities the board in its meeting on 1st March 2017, resolved that the said property be put to use for the purpose of Company's business and capitalized accordingly. The said property is given as collateral security against credit facilities availed by Kedarnath Commotrade Private Limited.

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting hall)

**22<sup>nd</sup> Annual General Meeting on Wednesday, the 30<sup>th</sup> day of August, 2017 at 10.00 A.M.**

Full name of the Members attending (In block capitals)	:	
Address of the Members	:	
Ledger Folio No./Client ID No.	:	
DP ID.	:	
No. of Shares held	:	
Name of Proxy	:	

(To be filled in, if the Proxy attends instead of the Member)

I/ we hereby record my/ our presence at the 22<sup>nd</sup> Annual General Meeting of the Company being held on Wednesday, the 30<sup>th</sup> day of August, 2017 at 10.00 A.M. at the Registered Office of the Company situated at 23A, N.S. Road, 7th Floor, Room - 31, Kolkata- 700 001, West Bengal, India

Please ( • ) in the box

Member

Proxy

\_\_\_\_\_  
Signature of Member/ Proxy

**Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate Member(s) shall produce proper authorization issued in their favour.
4. Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

**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]**

**CIN** : U27109WB1996PLC082021

**Name of the Company** : Narayani Steels Limited

**Registered Office** : 23A, N. S Road, 7th Floor, Room No. 31,  
Kolkata, West Bengal-700001, India.

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

I/We, being the Member(s) of \_\_\_\_\_ Shares of the above named Company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature ,	

or failing him

Name :	E-mail Id:
Address:	
Signature ,	

or failing him

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> day of August,2017 at 10.00 A.M. at the Registered Office of the Company situated at 23A, N.S. Road, 7<sup>th</sup> Floor, Room - 31, Kolkata- 700 001, West Bengal, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No:

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements (Consolidated and Standalone) consisting of the Statement of Profit & Loss for the period ending 31 <sup>st</sup> March, 2017, Cash Flow Statement for the period ended 31 <sup>st</sup> March, 2017 and the Balance Sheet as on that date, Schedules and Notes together with the Directors' Report, Independent Auditors' Report and Secretarial Auditors' Report thereon.		
2.	To appoint the Statutory Auditors of the Company.		
3.	To appoint a director in place of shri. Kishan Lal Choudhary (din:00289428), who retires by rotation and being eligible, offer himself for re-appointment		
4.	To appoint a director in place of shri. Sunil Choudhary (din 00289479), who retires by rotation and being eligible, offer himself for re-appointment		
5.	To grant relief to shri. kishan lal choudhary(00289428), from chairpersonship from the company.		
6.	To appoint shri sunil choudhary (din 00289479), to act as chairman cum managing director of the company.		
7.	To grant approval for entering into related party transactions by the company for the financial year 2017-18.		
8.	To accord consent for re-appointment and payment of remuneration to m/s. a.s. rao & co., cost auditors of the company.		
9.	To appoint of Mr. Bivor Bagaria as whole time director of the company and approve his remuneration.		
10.	To delegate the borrowing powers to the Board of the Directors of the company.		
11.	To Mortgage and/or create charge on the properties of the company both present and future for availing the loan/credit facilities from the banks and financial institutions from time to time.		

Signed this \_\_\_ day of \_\_\_ 20\_\_

Affix Revenue  
Stamps

Signature of Shareholder

Signature of Proxy holder

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