



ONWARD
TO PROGRESS
36th
ANNUAL
REPORT
2014-15

ADHUNIK INDUSTRIES LTD.


Adhunik
BHROSA HAMESHA

THE MAN WHO SHOWED THE WAY TO EXCEL



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

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

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

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

-Late Mahadeo Prasad Agarwal

Index

| | |
|---|----|
| Corporate Information | 01 |
| Chairman's Statement | 03 |
| Board's Report | 05 |
| Management Discussion & Analysis Report | 29 |
| Corporate Governance Report | 33 |
| Independent Auditor's Report on Financial Statement | 51 |
| Balance Sheet | 55 |
| Statement of Profit & Loss | 56 |
| Cash Flow Statement | 57 |
| Notes to Financial Statements | 58 |

BOARD OF DIRECTORS

CORPORATE INFORMATION



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



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



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



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



Mr. Shyam Bahadur Singh
Independent Director
(DIN-01982407)



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

CORPORATE INFORMATION

Cont.

CHIEF FINANCIAL OFFICER

Shri Bikash Roy Chowdhury

COMPANY SECRETARY

Shri Bharat Agarwal

STATUTORY AUDITORS

M/s. Sudhir Kumar Jain & Associates
Chartered Accountants

COST AUDITORS

M/s. Dipak Lal & Associates
Cost Accountants

SECRETARIAL AUDITORS

M/s. M R & Associates
Company Secretaries

INTERNAL AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

WORKS

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

REGISTRAR & TRANSFER AGENT

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

Chairman's Statement



Dear Fellow Shareholders,

FY 2014-15 was comparatively a good year for iron & steel industry in India and the country's steel production rose by 7.9 percent over the last fiscal. Indian economy is in the process of recovery with lower fiscal & current account deficit and lower inflation. Our country's growth seems poised to return to a high growth path upon the fructification of the policies announced by the new Government at the center last year. Moreover the new motto of development and the concept of Make in India, inaugurated in October last year, now materializing, will create new pyramid of opportunities of demand for construction steel and the demand so created will be perpetual and not short-lived. The Government of India is aiming at tripling the Steel Capacity to 300 Million Tonnes by 2025. The company's inbuilt strength and quality of the product will enable the company to take advantage of the creation of new demand which is definite because of the Government's concentration on infrastructure development as well. The Company achieved gross revenue from operations amounted to ₹ 455.08 Crores during the F. Y. 2014-15 (P.Y. – Rs. 485.96 Crores). The downfall in revenue from operations

was due to fall in prices of finished goods but at the same time prices of raw materials fell too. Further, PBT has increased drastically by 162.60 % during the F. Y. 2014-15 as compared to P. Y. 2013-14 due to synergy in procurement and effective marketing by the Company as well as reduction in cost of finance with the improvement in credit matrix of the Company and credit ratings.

CURRENT SCENARIO OF STEEL INDUSTRIES

The global economy, reviving from slowdown, is expected to offer better business opportunities in future in each and every sector of economy. Further, stable government at the Centre gives positive growth signal for Indian Industry as there is hard core effort of the Government to materialize the plans and policies announced last year and there is step by step development towards the growth path in making India a self-reliant economy. This will give rise to the per capita steel consumption offering significant growth opportunities for the iron and steel industry. The idea of developing smart cities will help to boost steel consumption in smaller, rural towns and cities where practically steel consumption was ever low causing market penetration into areas never thought of earlier. Our marketing team is well poised to capture new opportunities so created. The demand for long products i.e. TMT Bars and Wire Rods in India is expected to remain robust in long run due to escalation in demand created due to upcoming smart cities, infrastructure development and also from other sectors consumer durables, oil and gas, industrial machinery and real estate.

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

CORPORATE SOCIAL RESPONSIBILITY

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

ROAD AHEAD

As India is one of the fast progressing nations around the world and we are expecting fast growth in the near future, demand for steel related products will always be there and will increase substantially keeping in mind the present pace in the Economy. We believe, the Company will be able to flourish in the competitive market along with an increase in demand for the products.

HIGHLIGHTS ON PERFORMANCE

The performance of our steel business has been appreciable despite the challenges in the steel sector. The company by its sound management techniques and adaptability to the fluctuating business environment has been able to maintain overall health and has dynamic policies and strategies to meet the unforeseen and unpredictable challenges that may be imminent. During the year, your Company witnessed a growth in profit figures, coupled with wider geographic extension of customer base in the country while retaining the erstwhile foreign market and also extension of product mix to various growing sectors.

CONCLUSION

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

With best wishes,

Sincerely,

Mahesh Kumar Agarwal
Chairman
29th May, 2015.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 36th Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

The summarized financial performance of your Company for the financial year ended 31st March, 2015 is as under:

(₹ in Lakhs)

| Particulars | Year ended | |
|--|------------------|------------------|
| | 31st March, 2015 | 31st March, 2014 |
| Total Revenue | 41,213.85 | 44,154.67 |
| Total Expenditure (including depreciation and other expenses etc.) | 39,635.20 | 43,553.52 |
| Profit Before Tax | 1,578.65 | 601.15 |
| Total Tax expense | 502.10 | 166.16 |
| Profit After Tax | 1,076.55 | 434.99 |
| Profit brought forward from earlier year | 4,303.60 | 3,868.61 |
| Less: Depreciation adjustment pertaining to earlier years | 14.60 | - |
| Profit available for Appropriation | 5,365.55 | 4,303.60 |
| Paid up Equity Share Capital | 4,676.38 | 4,676.38 |
| Net Worth | 10,041.93 | 8,979.98 |

OPERATIONS

The key highlights of Company's performance during the year under review are:

- Revenue from operations decreased by 6.66% to ₹ 41,213.85 Lakhs due to fall in prices of finished goods as compared to last year.
- EBIDTA increased by 12.19% to ₹ 3,777.29 Lakhs due to synergy in procurement and effective marketing as compared to last year.
- Profit before Tax significantly increased by 162.60% to ₹ 1,578.65 Lakhs.
- Net Profit significantly increased by 147.49% to ₹ 1,076.55 Lakhs.

STATE OF THE COMPANY'S AFFAIRS

The financial year 2014-15 has been a very successful and important year for the Company. In spite of significant challenges faced in its operating sector due to fall in prices of finished products, spurred by significant imports from countries like China, Korea etc., your Company has been able to manage the situation at its end and achieved the desired results due to synergy in procurement and effective marketing and taking appropriate decision by the management of the Company keeping in mind the prevailing market trends and promptly implemented the decisions in order to grab the temporary opportunity created in the market.

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

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

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

There is no change in the nature of business implemented by the Company during the Financial Year 2014-15.

INDUSTRY SCENARIO AND OUTLOOK

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

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

DIVIDEND AND RESERVES

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

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

SHARE CAPITAL

The Authorized Capital of the Company was increased from ₹ 500,000,000/- (Rupees Fifty Crores only) to 1,000,000,000/- (Rupees One Hundred Crores only) during the financial year 2014-2015 approved by the members in the last Annual General Meeting held on 18th September, 2014.

As on 31st March, 2015, the issued, subscribed and paid up share capital of your Company stood at ₹ 467,637,500/- (Rupees Forty Six Crores Seventy Six Lakhs Thirty Seven Thousand and Five Hundred Only) comprising of 46,763,750 (Four Crores Sixty Seven Lakhs Sixty Three Thousand and Seven Hundred and Fifty only) number of Equity shares of ₹ 10/- each fully paid up.

INDUSTRIAL RELATIONS

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

CREDIT RATING

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

| Instrument | Rating Agency | Rating | Outlook |
|--|-----------------------------------|------------------|---------|
| Long Term Loans and Fund Based and Non Fund Based Limits | India Ratings & Research Pvt. Ltd | IND BBB-, IND A3 | Stable |
| | Brickwork Ratings India Pvt. Ltd. | BWR BBB-, BWR A3 | Stable |

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DETAILS OF BOARD MEETINGS

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

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

| Date of the meeting | No. of Directors attended the meeting |
|---------------------|---------------------------------------|
| 29th May, 2014 | 6 (Six) |
| 13th August, 2014 | 6 (Six) |

| Date of the meeting | No. of Directors attended the meeting |
|---------------------|---------------------------------------|
| 13th November, 2014 | 5 (Five) |
| 12th February, 2015 | 7 (Seven) |

COMMITTEES OF BOARD

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee and Management and Finance Committee. There are currently five Committees of the Board, as follows:

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

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

a. Audit Committee

During the year under review, the Board of Directors of your Company constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Committee had met four times i.e. on 29th May, 2014, 13th August, 2014, 13th November, 2014 and 12th February, 2015. The details of composition of the Audit Committee are as under:-

| Sl. No. | Name | Chairman / Members |
|---------|----------------------------|--------------------|
| 1. | Shri Asit Baran Dasgupta | Chairman |
| 2. | Shri Ashok Bector* | Member |
| 3. | Shri Mahesh Kumar Agarwal | Member |
| 4. | Shri Shyam Bahadur Singh** | Member |
| 5. | Smt. Archana Gupta Sha** | Member |

*Resigned w.e.f. 12th February, 2015
 ** Appointed w.e.f. 12th February, 2015

Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company.

b. Nomination & Remuneration Committee

During the year under review, the Board of Directors of your Company constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Committee had met two times i.e. on 29th May, 2014 and 12th February, 2015. The details of composition of the Nomination & Remuneration Committee are as under:-

| Sl. No. | Name | Chairman/ Members |
|---------|-----------------------------|-------------------|
| 1. | Shri Ashok Bector* | Ex-Chairman |
| 2. | Shri Archana Gupta Sha** | Present Chairman |
| 3. | Shri Shyam Bahadur Singh*** | Member |

| Sl. No. | Name | Chairman/ Members |
|---------|---------------------------|-------------------|
| 4. | Shri Mahesh Kumar Agarwal | Member |

*Resigned w.e.f. 12th February, 2015.
** Appointed w.e.f. 12th February, 2015
*** Appointed w.e.f. 29th May, 2014

c. Corporate Social Responsibility Committee

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

During the year, the Committee had met once i.e. on 2nd June, 2014. The details of composition of the Corporate Social Responsibility Committee are as under:-

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

d. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has renamed the existing "Shareholders' / Investors' Grievance Committee" as " Stakeholders' Relationship Committee".

The Committee had met four times i.e. on 29th May, 2014 and 13th November, 2014, 15th January, 2015 and 6th March, 2015. The details of composition of the Stakeholders' Relationship Committee are as under:-

| Sl. No. | Name | Chairman/ Members |
|---------|-------------------------------------|-------------------|
| 1. | Shri Mahesh Kumar Agarwal(Chairman) | Chairman |
| 2. | Shri Mohan Lal Agarwal | Member |
| 3. | Smt. Archana Gupta Sha * | Member |
| 4. | Shri Ashok Bector ** | Member |

*Appointed w.e.f. 12th February, 2015
**Resigned w.e.f. 12th February, 2015

e. Management and Finance Committee

The Company has also constituted a Management and Finance Committee. The Committee met 2 (Two) times during the Year 2014-15 i.e. on 1st November, 2014 and 4th March, 2015. The details of composition of the Management and Finance Committee are as under:-

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) of the Companies Act, 2013, your Directors state that

- (i) In the preparation of the annual accounts for the financial year ended March 31st, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent except as otherwise stated in the Notes to Financial Statements so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2015 and of the profit of the Company for the year ended on that date;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are being operated effectively; and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and being operated effectively.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

- a) Shri Asit Baran Dasgupta (DIN: 02476594)
- b) Shri Shyam Bahadur Singh (DIN: 01982407)
- c) Smt. Archana Gupta Sha (DIN: 07089290)

DIRECTORS

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement and your Company's Articles of Association Shri Ashok Bector, (DIN: 00582126) Independent Director of the Company resigned and Smt. Archana Gupta Sha (DIN: 07089290) had been appointed as Additional Woman Independent Director of the Company with effect from 12th February, 2015

Shri Asit Baran Dasgupta (DIN: 02476594), Shri Shyam Bahadur Singh (DIN: 01982407) and Smt. Archana Gupta Sha (DIN: 07089290) have furnished their individual declaration on 1st April, 2015 pursuant to Section 149(7) of the Companies Act, 2013 confirming their status as Independent Directors pursuant to provisions of Section 149(6) of the Companies Act, 2013.

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

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

KEY MANAGERIAL PERSONNEL(KMPs)

During the year under review, Shri Jugal Kishore Agarwal, (DIN: 00227460) Managing Director, Shri Bikash Roychowdhury, Chief Financial Officer and Shri Bharat Agarwal, Company Secretary of the Company were nominated as the Whole-time Key Managerial Personnel (KMPs) of the Company.

In accordance with provisions of Section 203 of the Companies Act, 2013, the following are the Whole time Key Managerial Personnel (KMPs) of your Company as on March 31, 2015 -

| Name | Designation | Date of Appointment | Date of Cessation |
|----------------------------|-------------------------|---------------------|-------------------|
| Shri Jugal Kishore Agarwal | Managing Director | 29.05.2014 | - |
| Shri Bikash Roy Chowdhury | Chief Financial Officer | 29.05.2014 | - |
| Shri Bharat Agarwal | Company Secretary | 29.05.2014 | - |

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

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

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

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

- The Board member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in appropriate manner.
- Independent Director shall be a person of integrity, expertise and experience; and / or someone who the Committee / Board believes could contribute to the growth/philosophy/strategy of the Company.
- In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievement.
- Director should possess high level of personal and professional ethics, integrity and values. He should be able to balance the legitimate interests and concerns of all the Company's stakeholders while arriving at decisions, rather than advancing the interest of a particular constituency.
- Director must be willing to devote sufficient time and energy in carrying out his / her duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

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

RISK MANAGEMENT

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

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

Your Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organizational structures, processes, standards, code of conduct and behaviors govern how the Group conducts the business of the Company and manages associated risks.

CORPORATE SOCIAL RESPONSIBILITY

In lines with the provisions of Section 135 of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) Policy for the development and benefit of the weaker section of the society and the same is approved by the CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides a road map for its CSR activities. The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy

of discharging its CSR responsibilities related to social service through various trusts / societies in addition to its own initiatives and donations made to other non-government organizations.

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

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

The Company has been playing a pro-active role in the socio economic growth and has contributed to all spheres ranging from health, education, rural infrastructure development, hygiene and empowerment of women, environment conservation etc. The Company takes part in some of the social programs in India, touching the lives of hundreds of people positively by supporting social programs.

The major CSR activities taken up by the Company are as under-

a) Health care activities

The Company had organized various social development activities in the area of healthcare by way of providing free medical check-up and administer free treatment and medicines for the needy people. Free health camps are organized in the rural areas to provide quality healthcare services to the local population of the area surrounding the Company's steel plant at Durgapur.

b) Education

The Company provide financial support to children for education in schools. School dresses, books, stationery and other materials are provided free of cost to the many needy students on regular basis in order to support their education. The Company also provides vocational training to workers of the backward area on a regular basis. Apart from that, the Company also organized various small primary education camps to provide basic education to the children of weaker section of society. The Company also contributed for construction of school building in Kolkata by providing donation in the corpus created by M/s. Hariyana Nagrik Sangh for the purpose.

c) Other social activities

The Company undertakes other social welfare activities and rural development projects including providing drinking water, food, health drinks, garments, tarpaulin for their home and other things of daily needs to the needy people of the backward and rural areas.

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

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

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees' and individual Directors' pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement (Clause 49).

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

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

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

In a separate meeting of independent Directors, held on 12th February, 2015, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its Committees and individual Directors were also discussed.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATES COMPANIES

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

DEPOSITS

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

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

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

INTERNAL CONTROL AND AUDIT

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

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

BUSINESS RESPONSIBILITY REPORT

SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated inclusion of the Business Responsibility Report (BRR) as part of Annual Report for Listed Companies.

At AIL, corporate sustainability is demonstrated through:

- (a) Fair, transparent and ethical governance,
- (b) Engagement with marginalized and vulnerable communities,
- (c) Adherence to and respect for all human rights,
- (d) Offering specialized services and solutions to meet distinct needs of its clients,
- (e) Reduction of impact of its operations on the environment and
- (f) Promotion of employee well-being and safety.

AIL mainly operates in Eastern India . Its units of operation are encouraged to identify target beneficiaries in line with their local needs. The objective is to drive sustainability through various initiatives across the units of operation, supply chain, community and customers. While volunteering by employees is encouraged, the Company also utilizes its own expertise to address needs of the community and the environment.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s. Sudhir Kumar Jain & Associates, Chartered Accountants, the statutory auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, will be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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

COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants, a Cost Audit Firm, as Cost Auditor of the Company w.e.f. 1st April, 2015 to 31st March, 2016 to carry out audit of cost records of the Company. The remuneration proposed to be paid to them in Financial Year 2015-16 requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M R & Associates, Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31st, 2015 is annexed herewith marked as **Annexure - D** to this Report. In this connection, with the auditor observation in this report, it is mentioned that the Company had already applied to MCA for removal of cases u/s 162(1) and 220 (3) of the Companies Act, 1956 quashed/ dismissed by the Hon'ble Courts in its records

The Board has also appointed M/s. M R Associates, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2015-16.

RELATED PARTY TRANSACTIONS

According to the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, all transactions entered with Related Parties during the financial year 2014-15 were on arm's length basis and were in the ordinary course of business.

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

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

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

As there are no materially significant related party transactions during the year under review entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large, so the disclosure of Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board members and senior management of the Company. Board members and senior management personnel have affirmed compliance with the Code for the financial year 2014-15. A certificate from the CEO / Managing Director is annexed in this regard.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013, the Company is not required to transfer any amount to Investor Protection and Education Fund as the Company is declaring dividends since financial year 2007-08 and as such there is no amount of dividend which was due and payable, remained unclaimed and unpaid for a period of seven years.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees is drawing remuneration in excess of the limits set out in the said Rules. Therefore no disclosure is required in this context.

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is annexed to the Corporate Governance Report which is a part of Annual Report.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials and fuels cost and availability, transportation costs, changes in Government regulations and tax structure, economic developments within India and other factors such as litigation and industrial relations.

APPRECIATION

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

Registered office
14 Netaji Subhas Road,
Kolkata - 700001
Date: 29.05.2015

For and on behalf of the Board

Mahesh Kumar Agarwal
Chairman
(DIN:00507690)

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

ANNEXURES TO THE BOARD'S REPORT

Annexure - A

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

A. Conservation of Energy

i) a) Energy conservation measures taken;

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

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

b) Impact on conservation of energy;

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

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

ii) Steps in utilization of alternate sources of energy

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

iii) Capital investment on energy conservation equipments

The total capital investment on energy conservation equipment's incurred by the Company during the financial year ended March 31, 2015 is ₹ 38.16 Lakhs

B. Technology Absorption

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

- Installation of advanced Oxygen Analyzer machine to reduce scale loss during the production process.
 - Installation of various machine based testing system to check the quality of the product produced.
- ii) Adhunik Industries Limited finished products are always set a reputable standard in the market in comparison to its peers. With the adoption of various advanced methodology in the production process will help the Company to reduce its cost of production and also the quality and durability of the products are also improved.
- iii) The Company had not imported any foreign technology during the period under review.

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

C. Foreign Exchange Earnings and Outgo

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

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

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

| Total foreign exchange used and earned | 2014-15 | 2013-14 |
|--|---------|----------|
| Foreign Exchange Inflow (₹ in Lakhs) | 675.87 | 1,491.90 |
| Foreign Exchange Outgo (₹ in Lakhs) | 30.10 | 14.90 |

Annexure - B

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

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

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

2. The composition of CSR Committee is as under:

Shri Mahesh Kumar Agarwal
Shri Mohan Lal Agarwal
Shri Shyam Bahadur Singh

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

2011 - 12, 2012 - 13 and 2013 - 14 is ₹ 631.35 Lakhs.

4. The prescribed CSR expenditure at 2%: ₹ 12.63 Lakhs

5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year 2014 - 15: ₹ 12.65 Lacs
- b) Amount unspent, if any: Not Applicable
- c) Manner in which the amount spent during the financial year 2014 - 15 is detailed below:

| S. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area other 2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads:i)Direct expenditure on projects or programs ii)Overheads | Cumulative expenditure upto the reporting period i.e. 2014-15 | Amount spent: Direct or through implementing agency |
|--------------|--|--|--|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | | | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | |
| I | Organizing health check-up camps for promoting preventive health care, sanitation and arranging drinking water supply | Health Care | Durgapur, West Bengal | 1.64 | 1.64 | 1.64 | Direct |
| II | Promoting basic education by organizing temporary primary classes | Education | Durgapur, West Bengal | 2.25 | 2.25 | 2.25 | Direct |
| III | Construction of School for promoting education | Education | Kolkata, West Bengal | 4.51 | 4.51 | 4.51 | Through implementing agency i.e.Hariyana Nagrik Sangh |
| IV | Organizing programs for distribution of food and supply of health drinks and fruits to the weaker section on regular basis | Food and malnutrition | Durgapur, Kolkata, West Bengal | 2.23 | 2.24 | 2.24 | Direct |
| V | Supervision of CSR activities | Overheads | Durgapur, West Bengal | 2.00 | 2.01 | 2.01 | Direct |
| TOTAL | | | | 12.63 | 12.65 | 12.65 | |

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

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

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

Registered office
14 Netaji Subhas Road
Kolkata - 700001
Date: 29.05.2015

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

Jugal Kishore Agarwal
Managing Director
(DIN:00227460)

Annexure-C

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

| Sr. No. | Requirements | Disclosure | |
|---------|--|---|------------------------|
| 1. | The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year | Name of the Director Shri Jugal Kishore Agarwal | Ratio 63:1 |
| | | 1. Apart from Managing Director, no Director is in receipt of any remuneration from the Company. 2. Sitting Fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary. | |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year | Shri Jugal Kishore Agarwal Shri Bikash Roychowdhury Shri Bharat Agarwal | NIL 59.24% 1.89% |
| 3. | The percentage increase in the median remuneration of employees in the financial year | In the financial year, there was an increase of 3.23 % in the median remuneration of employees. | |
| 4. | The number of permanent employees on the rolls of Company | There were 129 permanent employees on the rolls of the Company as on March 31st, 2015. | |
| 5. | The explanation on the relationship between average increase in remuneration and Company performance | The Profit before Tax for the financial year ended March 31st, 2015 increased by 162.60% whereas increase in median remuneration was 3.23%. The average increase in median remuneration was in line with the performance of the Company and partly on individual employee's performance. | |
| 6. | Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company | The total remuneration of Key Managerial Personnel increased by 13.06 % from ₹ 43.27 Lakhs in 2013-14 to ₹ 48.92 Lakhs in 2014-15 whereas the Profit before Tax increased by 162.60% to ₹ 1,578.65 Lakhs in 2014-15 (₹ 601.15 Lakhs in 2013-14) | |
| 7. | Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies | The market capitalization of the Company as on March 31st, 2015 is ₹ 636.92 Crores and price earnings ratio as March 31, 2015 is 59.22. No public offer made by the Company since listing of shares of the Company. (Note-No comparable data is available as equity shares of the Company got listed with BSE on May 26, 2014 and no active trading was carried on also at Calcutta Stock Exchange during the period of comparison.) | |
| 8. | Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 is 10.24 % whereas increase in managerial remuneration for the same financial year was NIL. | |

| Sr. No. | Requirements | Disclosure | | | |
|---------|---|---|--|-----------------------------------|--------------------------------|
| | | Particulars | Remuneration for FY 2014-15 (₹ in Lakhs) | % of Gross Revenue for FY 2014-15 | % of Net Profit for FY 2014-15 |
| 9. | Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company | Shri Jugal Kishore Agarwal - MD | 30.00 | 0.07 | 2.79 |
| | | Shri Bikash Roy Chowdhury | 15.00 | 0.03 | 1.39 |
| | | Shri Bharat Agarwal | 3.92 | 0.01 | 0.36 |
| 10. | The key parameters for any variable component of remuneration availed by the Directors | Shri Jugal Kishore Agarwal, Managing Director is not paid any variable remuneration. Apart from that, no remuneration paid to any other Director of the Company during the year ended March 31st, 2015. | | | |
| 11. | The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year | The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director. | | | |
| 12. | Affirmation that the remuneration is as per the remuneration policy of the Company | It is hereby affirmed that the remuneration paid during the year ended 31st March, 2015 is as per the Remuneration Policy of the Company | | | |

General Note:

1. Calculation of Market Capitalization, price to earnings and other details are based on stock price on Bombay Stock Exchange on relevant dates.
2. Profit of the Company is calculated as per Section 198 of the Companies Act, 2013.

Annexure-D**Form No. MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- vi) Other laws applicable to the Company as per the representations made by the Company

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(Not notified during the period under Audit)
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.

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

- a) The MCA Portal is yet to remove the cases u/s 162(1) and 220(3) of the Companies Act, 1956 quashed / dismissed by the Hon'ble Courts.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the Company

- a) Has obtained prior approval from its members under section 180(1)(a) of the Companies Act, 2013 upto a limit of Rs. 500 Crores.
- b) Has obtained prior approval from its members under section 180(1)(c) of the Companies Act, 2013 upto a limit of Rs. 500 Crores.

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

**For MR & Associates
Company Secretaries**

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

Place : Kolkata
Date : 29.05.2015

"ANNEXURE - A"

**(TO THE SECRETARIAL AUDIT REPORT OF ADHUNIK INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015)**

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

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

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

**For MR & Associates
Company Secretaries**

[M R Goenka]
Partner

FCS No.:4515
C P No.:2551

Place : Kolkata
Date : 29.05.2015

Annexure-E

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015**

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

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

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

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

| IV. SHARE HOLDING PATTERN | | | | | | | | | |
|--|-------------------|---|-------------------|---------------|-------------------|--|-------------------|---------------|--------------------------|
| (Equity share capital breakup as percentage of total equity) | | | | | | | | | |
| Category of Shareholders | | No. of Shares held at the beginning of the year [As on 1st April - 2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 3,231,050 | - | 3,231,050 | 6.91% | 3,231,050 | - | 3,231,050 | 6.91% | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 31,823,750 | - | 31,823,750 | 68.05% | 31,823,750 | - | 31,823,750 | 68.05% | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (1) | 35,054,800 | - | 35,054,800 | 74.96% | 35,054,800 | - | 35,054,800 | 74.96% | - |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/ FI's | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| TOTAL (A) | 35,054,800 | - | 35,054,800 | 74.96% | 35,054,800 | - | 35,054,800 | 74.96% | - |

| IV. SHARE HOLDING PATTERN | | | | | | | | | |
|---|---|----------|------------|-------------------|--|----------|------------|-------------------|--------------------------|
| (Equity share capital breakup as percentage of total equity) | | | | | | | | | |
| (i) Category-wise Share Holding (Cont.) | | | | | | | | | |
| Category of Shareholders | No. of Shares held at the beginning of the year [As on 1st April - 2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 11,641,270 | - | 11,641,270 | 24.89% | 9,514,788 | - | 9,514,788 | 20.35% | -4.55% |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 24,680 | - | 24,680 | 0.05% | 59,572 | 1 | 59,573 | 0.13% | 0.07% |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 43,000 | - | 43,000 | 0.09% | 2,130,364 | - | 2,130,364 | 4.56% | 4.47% |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | 4,225 | - | 4,225 | 0.01% | 0.01% |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2) | 11,708,950 | - | 11,708,950 | 25.04% | 11,708,949 | 1 | 11,708,950 | 25.04% | - |
| Total Public (B) | 11,708,950 | - | 11,708,950 | 25.04% | 11,708,949 | 1 | 11,708,950 | 25.04% | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 46,763,750 | - | 46,763,750 | 100.00% | 46,763,749 | 1 | 46,763,750 | 100.00% | - |

ii) Shareholding of Promoter

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

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

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

(iv) Shareholding Pattern of top ten Shareholders

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

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|-------------------------------------|------------|----------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Padmalaya Advisory Services LLP | | | | | | |
| | At the beginning of the year | 01/04/2014 | - | 6,850,000 | 14.65% | 6,850,000 | 14.65% |
| | Changes during the year | 14/11/2014 | Transfer | (2,000,000) | -4.28% | 4,850,000 | 10.37% |
| | Changes during the year | 21/11/2014 | Transfer | (350,000) | -0.75% | 4,500,000 | 9.62% |
| | Changes during the year | 28/11/2014 | Transfer | (1,000,000) | -2.14% | 3,500,000 | 7.48% |
| | Changes during the year | 05/12/2014 | Transfer | (500,000) | -1.07% | 3,000,000 | 6.42% |
| | Changes during the year | 19/12/2014 | Transfer | (33,487) | -0.07% | 2,966,513 | 6.34% |
| | Changes during the year | 31/12/2014 | Transfer | (513,848) | -1.10% | 2,452,665 | 5.24% |
| | Changes during the year | 09/01/2015 | Transfer | (500,000) | -1.07% | 1,952,665 | 4.18% |
| | Changes during the year | 16/01/2015 | Transfer | (529,690) | -1.13% | 1,422,975 | 3.04% |
| | Changes during the year | 30/01/2015 | Transfer | (1,037,085) | -2.22% | 385,890 | 0.83% |
| | Changes during the year | 20/02/2015 | Transfer | (51,008) | -0.11% | 334,882 | 0.72% |
| | Changes during the year | 06/03/2015 | Transfer | (334,882) | -0.72% | - | - |
| | At the end of the year | 31/03/2015 | | - | - | - | - |
| 2 | Gyaneshwar Consultants LLP | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 1,550,000 | 3.31% | 1,550,000 | 3.31% |
| | Changes during the year | 28/11/2014 | Transfer | (350,000) | -0.75% | 1,200,000 | 2.57% |
| | At the end of the year | 31/03/2015 | | 1,200,000 | 2.57% | 1,200,000 | 2.57% |

(iv) Shareholding Pattern of top ten Shareholders (Cont.)

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--------------------------------------|------------|----------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 3 | Brijgopal Consultants LLP | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 1,540,000 | 3.29% | 1,540,000 | 3.29% |
| | Changes during the year | 21/11/2014 | Transfer | (350,000) | -0.75% | 1,190,000 | 2.54% |
| | At the end of the year | 31/03/2015 | | 1,190,000 | 2.54% | 1,190,000 | 2.54% |
| 4 | Om Sarvavidya Consultants LLP | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 1,500,000 | 3.21% | 1,500,000 | 3.21% |
| | Changes during the year | 05/12/2014 | Transfer | (400,000) | -0.86% | 1,100,000 | 2.35% |
| | At the end of the year | 31/03/2015 | | 1,100,000 | 2.35% | 1,100,000 | 2.35% |
| 5 | Shakambhari Advisory Services LLP | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 200,950 | 0.43% | 200,950 | 0.43% |
| | Changes during the year | 08/08/2014 | Transfer | (200,950) | -0.43% | - | - |
| | At the end of the year | 31/03/2015 | | - | - | - | - |
| 6 | Shri Nand Kishor Singh | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 43,000 | 0.09% | 43,000 | 0.09% |
| | Changes during the year | 30/05/2014 | Transfer | (4,601) | -0.01% | 38,399 | 0.08% |
| | Changes during the year | 06/06/2014 | Transfer | (4,107) | -0.01% | 34,292 | 0.07% |
| | Changes during the year | 13/06/2014 | Transfer | (908) | 0.00% | 33,384 | 0.07% |
| | Changes during the year | 23/06/2014 | Transfer | (325) | 0.00% | 33,059 | 0.07% |
| | Changes during the year | 30/06/2014 | Transfer | (1,100) | 0.00% | 31,959 | 0.07% |
| | Changes during the year | 25/07/2014 | Transfer | (17,645) | -0.04% | 14,314 | 0.03% |
| | Changes during the year | 01/08/2014 | Transfer | (6,622) | -0.01% | 7,692 | 0.02% |
| | Changes during the year | 22/08/2014 | Transfer | (1,084) | 0.00% | 6,608 | 0.01% |
| | Changes during the year | 05/09/2014 | Transfer | (6,597) | -0.01% | 11 | 0.00% |
| | Changes during the year | 12/09/2014 | Transfer | (11) | 0.00% | - | 0.00% |
| | Changes during the year | 02/01/2015 | Transfer | 3,350 | 0.01% | 3,350 | 0.01% |
| | Changes during the year | 16/01/2015 | Transfer | (3,350) | -0.01% | - | 0.00% |
| | Changes during the year | 06/03/2015 | Transfer | 15,475 | 0.03% | 15,475 | 0.03% |
| | Changes during the year | 13/03/2015 | Transfer | 1,000 | 0.00% | 16,475 | 0.04% |
| | Changes during the year | 20/03/2015 | Transfer | 24,400 | 0.05% | 40,875 | 0.09% |
| | Changes during the year | 27/03/2015 | Transfer | 2,000 | 0.00% | 42,875 | 0.09% |
| | At the end of the year | 31/03/2015 | | 42,875 | 0.09% | 42,875 | 0.09% |
| 7 | Balram Commodities Trade Pvt. Ltd. # | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 120 | - | 120 | 0.00% |
| | Changes during the year | | | - | - | - | - |
| | At the end of the year | 31/03/2015 | | 120 | 0.00% | 120 | 0.00% |
| 8 | Shri Sunil Sailesh Kumar Shah # | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 54 | 0.00% | 54 | 0.00% |
| | Changes during the year | | | - | - | - | - |
| | At the end of the year | 31/03/2015 | | 54 | 0.00% | 54 | 0.00% |
| 9 | Shri Kalpesh S Shah # | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 54 | 0.00% | 54 | 0.00% |
| | Changes during the year | | | - | - | - | - |
| | At the end of the year | 31/03/2015 | | 54 | 0.00% | 54 | 0.00% |
| 10 | Smt. Urmilaben K Mawar # | | | | | | |
| | At the beginning of the year | 01/04/2014 | | 54 | 0.00% | 54 | 0.00% |
| | Changes during the year | | | - | - | - | - |
| | At the end of the year | 31/03/2015 | | 54 | 0.00% | 54 | 0.00% |

(iv) Shareholding Pattern of top ten Shareholders (Cont.)

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--|-------------------------------------|------------|----------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 11 Prudent Broking Services Pvt. Ltd. * | | | | | | | |
| | At the beginning of the year | 01/04/2014 | | - | - | - | - |
| | Changes during the year | 17/10/2014 | Transfer | 14 | 0.00% | 14 | 0.00% |
| | Changes during the year | 24/10/2014 | Transfer | 169 | 0.00% | 183 | 0.00% |
| | Changes during the year | 07/11/2014 | Transfer | 225 | 0.00% | 408 | 0.00% |
| | Changes during the year | 14/11/2014 | Transfer | 79 | 0.00% | 487 | 0.00% |
| | Changes during the year | 21/11/2014 | Transfer | (162) | 0.00% | 325 | 0.00% |
| | Changes during the year | 28/11/2014 | Transfer | (5) | 0.00% | 320 | 0.00% |
| | Changes during the year | 05/12/2014 | Transfer | (315) | 0.00% | 5 | 0.00% |
| | Changes during the year | 31/12/2014 | Transfer | 271 | 0.00% | 276 | 0.00% |
| | Changes during the year | 02/01/2015 | Transfer | 100 | 0.00% | 376 | 0.00% |
| | Changes during the year | 09/01/2015 | Transfer | 708 | 0.00% | 1,084 | 0.00% |
| | Changes during the year | 16/01/2015 | Transfer | (60) | 0.00% | 1,024 | 0.00% |
| | Changes during the year | 06/02/2015 | Transfer | (945) | 0.00% | 79 | 0.00% |
| | Changes during the year | 13/02/2015 | Transfer | 2,001 | 0.00% | 2,080 | 0.00% |
| | Changes during the year | 20/02/2015 | Transfer | (741) | 0.00% | 1,339 | 0.00% |
| | Changes during the year | 06/03/2015 | Transfer | 5,500 | 0.01% | 6,839 | 0.01% |
| | Changes during the year | 13/03/2015 | Transfer | 2,413 | 0.01% | 9,252 | 0.02% |
| | Changes during the year | 20/03/2015 | Transfer | 40,710 | 0.09% | 49,962 | 0.11% |
| | Changes during the year | 27/03/2015 | Transfer | 660 | 0.00% | 50,622 | 0.11% |
| | At the end of the year | 31/03/2015 | | 50,622 | 0.11% | 50,622 | 0.11% |
| 12 Shri Deep S Bhanusali * | | | | | | | |
| | At the beginning of the year | 01/04/2014 | | - | - | - | - |
| | Changes during the year | 13/03/2015 | Transfer | 2,087,542 | 4.46% | 2,087,542 | 4.46% |
| | Changes during the year | 31/03/2015 | Transfer | (20,000) | -0.04% | 2,067,542 | 4.42% |
| | At the end of the year | 31/03/2015 | | 2,067,542 | 4.42% | 2,067,542 | 4.42% |
| 13 Nirmal Bang Securities Pvt. Ltd.* | | | | | | | |
| | At the beginning of the year | 04/01/2014 | | - | - | - | - |
| | Changes during the year | 31/03/2015 | | 20,000 | 0.04% | 20,000 | 0.04% |
| | At the end of the year | 31/03/2015 | | 20,000 | 0.04% | 20,000 | 0.04% |
| 14 Smt. Kavita Gupta * | | | | | | | |
| | At the beginning of the year | 01/04/2014 | | - | - | - | - |
| | Changes during the year | 20/03/2015 | Transfer | 19,947 | 0.04% | 19,947 | 0.04% |
| | At the end of the year | 31/03/2015 | | 19,947 | 0.04% | 19,947 | 0.04% |

* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|--------------------------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Shri Jugal Kishore Agarwal At the beginning of the year Changes during the year At the end of the year | 01/04/2014 31/03/2015 | NA | 494,500 | 1.06% | 494,500 | 1.06% |
| | | | | - | - | - | - |
| | | | | 494,500 | 1.06% | 494,500 | 1.06% |
| 2 | Shri Mohan Lal Agarwal At the beginning of the year Changes during the year At the end of the year | 01/04/2014 31/03/2015 | NA | 441,500 | 0.94% | 441,500 | 0.94% |
| | | | | - | - | - | - |
| | | | | 441,500 | 0.94% | 441,500 | 0.94% |
| 3 | Shri Mahesh Kumar Agarwal At the beginning of the year Changes during the year At the end of the year | 01/04/2014 31/03/2015 | NA | 524,000 | 1.12% | 524,000 | 1.12% |
| | | | | - | - | - | - |
| | | | | 524,000 | 1.12% | 524,000 | 1.12% |

Note: No shares held by Shri Ashok Bector (resigned from the post of director as on February 12, 2015), Shri Shayam Bahadur Singh, Shri Asit Baran Dasgupta and Smt. Archana Gupta Sha (appointed as additional woman independent director of the Company w.e.f. February 12, 2015), all independent directors of the Company during the period under review. Further, no shares held by Shri Bikash Roychowdhury, CFO of the Company and Shri Bharat Agarwal, Company Secretary of the Company during the period under review.

V. INDEBTEDNESS

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

(Amt. ₹)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|---------------------|----------|----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,036,570,048 | 116,883,184 | - | 1,153,453,232 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,036,570,048 | 116,883,184 | - | 1,153,453,232 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 37,072,964 | - | - | 37,072,964 |
| * Reduction | (75,590,298) | (62,175,789) | - | (137,766,087) |
| Net Change | (38,517,334) | (62,175,789) | - | (100,693,123) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 998,052,714 | 54,707,395 | - | 1,052,760,109 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 998,052,714 | 54,707,395 | - | 1,052,760,109 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|------------------------|--|----------------------------|---------------------|
| | Name: | Shri Jugal Kishore Agarwal | |
| | Designation: | Managing Director | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 3,000,000 - - | 3,000,000 - - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit - others, specify | - - - | - - - |
| 5 | Others, please specify | - | - |
| Total (A) | | 3,000,000 | 3,000,000 |
| Ceiling as per the Act | | | ₹ 7,893,274 |

B. Remuneration to other Directors

(₹)

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------------------------------|--|---|---------------------------|--|-------------------|
| 1 | Independent Directors | Shri Asit Baran Dasgupta | Shri Shyam Bahadur Singh | Smt. Archana Gupta Sha (Appointed as an Independent Director as on 12-02-2015) | |
| | Fee for attending board committee meetings Commission Others, please specify | 60,000 - - | 30,000 - - | 10,000 - - | |
| | Total (1) | 60,000 | 30,000 | 10,000 | |
| | Independent Directors | Shri Ashok Bector (Resigned from the Board of Directors as on 12-02-2015) | | | |
| | Fee for attending board committee meetings Commission Others, please specify | 60,000 - - | | | 160,000 - - |
| | Total (2) | 60,000 | - | - | 160,000 |
| 2 | Other Non-Executive Directors | Shri Mohan Lal Agarwal | Shri Mahesh Kumar Agarwal | | |
| | Fee for attending board committee meetings Commission Others, please specify | 40,000 - - | 60,000 - - | | 100,000 - - |
| | Total (3) | 40,000 | 60,000 | - | 100,000 |
| | Total (B)=(1+2+3) | 160,000 | 90,000 | 10,000 | 260,000 |
| | Total Managerial Remuneration (Exclusive of Sitting Fees) | | | | 3,000,000 |
| Overall Ceiling as per the Act | | | | | ₹ 9,471,929 |

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

(₹)

| SN. | Particulars of Remuneration | Name of Key Managerial Personnel | | | Total Amount |
|-------|---|----------------------------------|--------------------------|---------------------|--------------|
| | Name | | Shri Bikash Roychowdhury | Shri Bharat Agarwal | (₹ /Lac) |
| | Designation | CEO | CFO | CS | |
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | NOT APPLICABLE | 1,500,000 | 392,360 | 1,892,360 |
| 2 | Stock Option | | - | - | - |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission - as % of profit - others, specify | | - | - | - |
| 5 | Others, please specify | | - | - | - |
| Total | | | 1,500,000 | 392,360 | 1,892,360 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment / Compounding fees imposed | Authority [RD/NCLT/COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|---------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A. ECONOMIC OVERVIEW

Indian Economy

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel. Rapid rise in production resulted in India becoming 3rd largest producer of crude steel in 2014-15 and the country continues to be the largest producer of sponge iron or DRI in the World. India is expected to become the world's second largest producer of crude steel by 2015-16. The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid development in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.

The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh green field projects in different states of the country.

(Source: Ministry of Steel, Government of India)

Global Economy

There was a slight improvement in the economies of developed markets in 2014-15 coupled with the improvement of emerging markets. Overall, the global economic outlook is positive with industrial production forecast to grow by 4-5 per cent in 2016. In 2015, the economic environment improved in developed markets, with growth in the EU, the US and Japan. The outlook for the EU improved in the latter half of 2015, with higher levels of employment, rising GDP and improved access to capital. The region is expected to see a gradual recovery backed by an accommodating monetary policy, low inflation and improving consumer and business sentiment.

Some of the major highlights are as under:

- In 2014, the world crude steel production reached 1665 million tonnes (MT) and showed a growth of 1% over 2013.
- WSA has projected Indian steel demand to grow by 7.3% in 2016 as compared to global steel use growth of 1.4% respectively. Chinese steel use is projected to decline by 0.5%.
- Per capita finished steel consumption in 2016 is estimated at 217 kg for world and 510 kg for China by WSA.

B. INDUSTRY STRUCTURE AND DEVELOPMENTS

Financial Year 2014-15 was challenging for the entire Indian economy mainly due to continuing high rate of inflation and depreciation of the rupee. These factors had slightly adverse impact on the economy resulting in comparatively lower GDP growth rate, rising input costs, slow pace of industrial production, infrastructure development and the impact of global slowdown constrained the overall performance of every industry. Almost all sectors registered lower growth rate during Financial Year 2014-15.

Steel production capacity of the country expanded from about 75 million tonnes per annum (MTPA) in 2009-10 to about 101.02 million tonnes (MT) in 2013-14, when output was 81.7 MT. India produced 7.07 MT of steel in January 2015 reporting the fourth highest production level globally which was 1.7 per cent higher than the country's steel production in the same month last year. The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 60 Kg in 2013-14.

The Government of India is aiming to scale up steel production in the country to 300 MMT by 2025 from 81.7 MMT in 2013-14. The Ministry of Steel has announced to invest in modernization and expansion of steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) in various states to enhance the crude steel production capacity in the current phase from 12.84 MTPA to 21.4 MTPA and from 3 MTPA to 6.3 MTPA respectively.

Further, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 31.67 million).

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

- An Inter-Ministerial Group (IMG) has been setup in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.
- A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances/resolution of issues delaying the investments in the sector.
- To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30 per cent.

The liberalization of the industrial policy and other government initiatives have given a definite impetus for entry, participation and growth of the private sector in the steel industry. Allowing foreign direct investment (FDI) has been a positive step since India is heavily dependent on foreign technologies. These foreign technologies generally add life to the plant and production units, which ultimately lead to the country's economic growth. The Government of India has allowed 100 per cent FDI through the automatic route in the Indian steel sector.

In order to provide thrust on research and development (R&D), the Ministry of Steel is encouraging R&D activities both in public and private steel sectors, by providing financial assistance from Steel Development Fund (SDF) and Plan Scheme of the Central Government. To encourage beneficiation and palletization of iron ore fines in the country, basic customs duty on the plants and equipment required for initial setting up or substantial expansion of iron ore pellets plants and iron ore beneficiation plants has been reduced. Import of critical raw materials for steel industry, such as coking coal, non-coking coal and scrap are subject to zero or very low levels of custom duty.

(Source: Indian Brand of Equity Foundation)

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

C. OPPORTUNITIES AND THREATS

The global economy is reviving from slowdown and is expected to offer better business opportunities in future in each and every sector of economy. Further, stable government is now in place in the country gives positive growth signal for Indian Industry. Though there are some short term challenges as well in front of the new government, Government of India has emphasized on infrastructure development to achieve desired GDP growth rate and this would open new opportunities for steel oriented business and industries associated with it.

Further, the low per capita steel consumption in India coupled with a large population base provides significant growth opportunities to the iron and steel industry. The steel demand in India is expected to remain robust in long term due to increasing demand from several sector including automotive, consumer durables, oil and gas, industrial machinery, real estate and infrastructure.

However, the steel industry is subject to cyclical swings arising from factors such as excess capacity, regional imbalances in demand and supply and volatile swings in market demand and prices. One of major threats to the industry is depleting availability and volatile pricing of raw materials.

India possesses the world's eighth largest iron ore reserve. It is the fourth largest iron ore producer in the world but yet fell short in supplying adequate quantity of iron ore to the iron and steel producer as a large chunk of production was exported. Insufficient infrastructure and logistic, land availability and environmental issues are also a concern for growth of domestic iron & Steel industry.

The demand for TMT and wire rod is cyclical in nature reflecting a similar trend in the iron & steel industry and as a result, there is substantial volatility in prices. During the current financial year 2014 -15, the prices remain highly volatile throughout the period. However, the Company is able to achieve desired output and result with the implementation of better cost control measures and timely decision making process in order to reap temporary advantage in the market.

D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

E. FUTURE OUTLOOK

As India is one of the developing nations around the world and expecting fast growth in the near future, demand for steel related products will always be there. So, the Company will be able to survive in the competitive market with increase in demand for the products. India's growth reports are attractive in comparison with many other developed and developing economies. However, the nation's adverse fiscal deficit and negative current account balance call for some bold rectification measures from the Government. The Government would be focusing on consolidation of the economic recovery through expeditious clearance of existing projects, selective disinvestment and accelerated foreign direct investment through policy reforms. Also, Government's emphasis on infrastructure projects would raise demand for products from Construction & Mining Equipment Industries in the domestic market. So, there is ample growth opportunity exists in the industry for the Company.

F. RISKS AND CONCERNs

Risk management is the continuing process to identify, analyze, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. In today's complex business environment, effective risk management is critical to success of any business. The Company has a risk management team, which periodically evaluating the risks associated with the business and taking necessary initiatives to minimize its impact. This also helps the Company in taking business decisions with balanced risks and rewards comparison. The risk management framework ensures compliance with the requirements of amended clause 49 of listing agreement.

Risk Management comprises of three key components as below:

- i. Risk identification
- ii. Risk assessment and its mitigation
- iii. Risk monitoring and its assurance

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

i. Industry Risk

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

ii. Raw Material Risk

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

iii. Cost Risk

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

iv. Health, Safety and Environment Risk

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

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee in which majority of members are Independent Director periodically reviews significant audit findings, adequacy

of internal control and compliance with Accounting Standards amongst others with the help of the Internal and Statutory Auditors and reports to the Board on its adequacy. It helps in ensuring the integrity of the accounting system and reliability of all financial and operational information. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In spite of the slowdown in the overall economy, the company is able to achieve the desired output and result during the period under review. Also, the prices of raw materials fluctuate rapidly in the present market scenario as well as selling prices. But due to synergy in procurement and effective marketing, the Company is able to achieve drastic increase in PBT as compared to previous year.

I. HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

J. CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and Calcutta Stock Exchange Limited (CSE), the report containing the details of Corporate Governance systems and processes at Adhunik Industries Limited is as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

2. APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

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

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

3. BOARD OF DIRECTORS

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

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

4. BOARD COMPOSITION

The composition of Board of Directors are in conformity with the Corporate Governance Code. The Board has a strength of 6 (Six) Directors as on March 31, 2015. The Board comprises 1 (One) Executive and 5 (Five) Non-Executive Directors out of which 3 (Three) are Independent Directors and rest are Non-Independent Directors.

5. MEETINGS, ATTENDANCE AND AGENDA OF THE BOARD MEETING

During 2014-15, the Board met four times on May 29, 2014, August 13, 2014, November 13, 2014 and February 12, 2015. The maximum time gap between any two consecutive meetings was not more than four months. All the agenda items are supported by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Managing Director makes presentation on the quarterly and annual operating and financial performance and annual operating and capex budget. Post meetings, important decisions taken by the Board are communicated to concerned officials and departments.

The composition and category of Directors on the Board, their attendance at the Board Meeting and the last Annual General Meeting and the Directorship/ Chairmanship / Membership of Committee of each Director in other companies as on 31st March, 2015 are as under:

| S.No. | Name of Director | DIN | Attendance | | Category of Directors | Other | | Other committee | |
|-------|--|----------|---------------|----------|---------------------------------|--------------|--------------|-----------------|--------------|
| | | | Board Meeting | Last AGM | | Directorship | Chairmanship | Membership | Chairmanship |
| 1 | Shri Mahesh Kumar Agarwal (Chairman) | 00507690 | 4 | Yes | Non Independent, Non-Executive | 9 | Nil | 2 | Nil |
| 2 | Shri Jugal Kishore Agarwal (Managing Director) | 00227460 | 4 | Yes | Non-Independent & Executive | 9 | Nil | 3 | Nil |
| 3 | Shri Mohan Lal Agarwal | 01047906 | 4 | Yes | Non Independent & Non-Executive | 9 | Nil | 2 | Nil |
| 4 | Shri Shyam Bahadur Singh | 01982407 | 3 | Yes | Independent & Non-Executive | 2 | Nil | 2 | Nil |
| 5 | Shri Asit Baran Dasgupta | 02476594 | 4 | Yes | Independent & Non-Executive | Nil | Nil | Nil | Nil |
| 6 | Shri Ashok Bector * | 00582126 | 4 | Yes | Independent & Non-Executive | 1 | Nil | Nil | Nil |
| 7 | Smt. Archana Gupta Sha # | 07089290 | 1 | NA | Independent & Non-Executive | Nil | Nil | Nil | Nil |

* resigned as Director of Company w.e.f. February 12, 2015.

appointed as Director of Company w.e.f. February 12, 2015.

1. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.
2. In accordance with Clause 49 of the Listing Agreement, Membership / Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding Adhunik Industries Limited) have been considered.
3. Other directorship includes directorship in public companies only.
4. None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Clause 49 of the Listing Agreement.

5. None of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he/she is a Director. Further, the Director on the Board serving as a whole time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he/she is a Director.
6. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies and the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with revised Clause 49 of the Listing Agreement with the Stock Exchanges and Companies Act, 2013.
7. Shri Mohan Lal Agarwal, who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to clause 49(vi) forms part of the notice.

6. INDEPENDENT DIRECTORS (IDS)

In accordance with the provisions of Companies Act, 2013 and clarifications/circulars issued from time to time, the Company has appointed Shri Asit Baran Dasgupta (DIN: 02476594), Shri Shyam Bahadur Singh (DIN: 01982407), Shri Ashok Bector, (DIN: 00582126), as Independent Directors of the Company to hold office for a period of 5 (Five) consecutive years from the date of the Thirty Fifth Annual General Meeting (AGM) of the Company held on September 18, 2014. In this regard, the Company has issued formal letter of appointment to the Independent Directors and the same is also hosted on the website of the Company.

Shri Ashok Bector, (DIN: 00582126), Independent Director of the Company has resigned on 12th February, 2015 and Smt. Archana Gupta Sha (DIN: 07089290) was appointed as an Independent Director on the same day.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as well as annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. All requisite declarations were placed before the Board.

7. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of every Independent Director pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement with Stock Exchanges.

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

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

8. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 12, 2015 without the presence of the Chairman, Managing Director, CFOs, the Non-Executive Non Independent Directors and the Management Team. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

9. INDEPENDENT DIRECTORS INDUCTION, FAMILIARIZATION AND TRAINING:

As per Clause 49(II)(B)(7) of the Listing Agreement, the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

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

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

The details of such familiarization programs have been placed on the website of the Company and may be accessed at the link http://www.adhunikindustries.com/download/_1433946724.pdf

10. CODE OF CONDUCT OF INDEPENDENT DIRECTORS

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

11. BOARD BUSINESS

The normal business of the Board shall include:

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

Other responsibilities of Board shall include:

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

12. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all the Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company.

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

13. BOARD MEETINGS

Scheduling and selection of agenda items for Board meetings

- i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.
- ii) The meetings are usually held at the Company's Corporate Office at 2/1A, Sarat Bose Road, "Lansdowne Towers" Kolkata-700 020.
- iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval in the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be

included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

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

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

a) Board Material Distributed In Advance

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

b) Recording Minutes of Proceedings at Board/Committee Meetings

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

c) Post Meeting Follow Up Mechanism

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

14. BOARD COMMITTEES

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

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

The Board has various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management and Finance Committee as on March 31, 2015. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

I. AUDIT COMMITTEE

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange(s). The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

During the year under review, 4 (Four) meetings of the Audit Committee were held during the year 2014-15 on May 29, 2014, August 13, 2014, November 13, 2014 and February 12, 2015. The maximum time gap between any two consecutive meetings did not exceed 4 (Four) months. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the Listing Agreement, was present in all the meetings of the Audit Committee held during the year.

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

| Sl. No | Name | Chairman/ Members |
|--------|-----------------------|-------------------|
| 1. | Asit Baran Dasgupta | Chairman |
| 2. | Ashok Bector* | Member |
| 3. | Mahesh Kumar Agarwal | Member |
| 4. | Shyam Bahadur Singh** | Member |
| 5. | Archana Gupta Sha*** | Member |

*Resigned as Director of Company and member of Committee w.e.f. 12th February, 2015

** Appointed as member of Committee w.e.f. 12th February, 2015

*** Appointed as Director of Company and member of Committee w.e.f. 12th February, 2015

a) Attendance record of Audit Committee:

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

Resigned as Director of Company and member of Committee w.e.f. 12th February, 2015

Appointed as Director of Company and member of Committee w.e.f. 12th February, 2015

###Appointed as member of Committee w.e.f. 12th February, 2015

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

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

b) Powers of The Audit Committee:

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

c) The Role of Audit Committee Includes:

The terms of reference, role and scope of Audit Committee are in line with those prescribed by Clause 49 of the Listing Agreement with the stock exchange(s).

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

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

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration/Compensation Committee" as the "Nomination and Remuneration Committee". The Nomination and Remuneration Committee ("the Committee") shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under the Listing Agreement with the Stock Exchanges.

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

The Committee comprised of 3 (Three) members out of which two are Independent Directors. This Committee comprises of Smt. Archana Gupta Sha (Chairman w.e.f February 12, 2015), Shri Shyam Bahadur Singh and Shri Mahesh Kumar Agarwal. (Mr. Ashok Bector has resigned as Director of Company and Chairman of Committee w.e.f. February 12, 2015).

The Committee shall be responsible for:

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

2 (Two) meetings of the Committee were held during the financial year on May 29, 2014 and February 12, 2015.

a) Attendance record of Nomination and Remuneration Committee:

| Name of the Member | Category | Number of meetings | Meetings attended |
|--------------------------------------|-------------------------------|--------------------|-------------------|
| Shri Ashok Bector # | Independent Non-Executive | 2 | 2 |
| Shri Mahesh Kumar Agarwal | Non Independent Non-Executive | 2 | 2 |
| Shri Shyam Bahadur Singh ## | Independent Non-Executive | 2 | 2 |
| Smt. Archana Gupta Sha(Chairman) ### | Independent Non-Executive | - | - |

resigned as Independent Director of Company and Chairman of the Committee w.e.f. February 12, 2015.
appointed as Member of Committee w.e.f. May 29, 2014.
appointed as Member of Committee w.e.f. February 12, 2015.

b) Remuneration Policy

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and Senior Management, the details of which forms part of the Director's Report.

c) Details of remuneration paid/payable to the Directors during the financial year 2014-15

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

(Figures in ₹)

| Name of Director | Basic + Benefit | Board Meeting Sitting Fess | Audit Committee Meeting Fees | Total |
|----------------------------|-----------------|----------------------------|------------------------------|-----------|
| Shri Mahesh Kumar Agarwal | Nil | 40,000 | 20,000 | 60,000 |
| Shri Jugal Kishore Agarwal | 3,000,000 | Nil | Nil | 3,000,000 |
| Shri Mohan Lal Agarwal | Nil | 40,000 | Nil | 40,000 |
| Shri Ashok Bector * | Nil | 40,000 | 20,000 | 60,000 |
| Shri Shyam Bahadur Singh | Nil | 30,000 | Nil | 30,000 |
| Shri Asit Baran Dasgupta | Nil | 40,000 | 20,000 | 60,000 |
| Smt. Archana Gupta Sha** | Nil | 10,000 | Nil | 10,000 |

*resigned as Director on February 12, 2015.
** appointed as Independent Director on February 12, 2015.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has renamed the existing "Shareholders / Investors' Grievance Committee" as " Stakeholders Relationship Committee".

The Stakeholders Relationship Committee ('the Committee') comprised of 3 (Three) members including one Independent Director. This Committee comprises of Shri Mahesh Kumar Agarwal (Chairman), Shri Mohan Lal Agarwal and Smt. Archana Gupta Sha as a member of the Committee.

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

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

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

4 (Four) Meetings of the Committee were held during the financial year on May 29, 2014, November 13, 2014, January 15, 2015 and March 6, 2015.

a) Attendance record of Stakeholders Relationship Committee:

| Name of the Member | Category | Number of meetings | Meetings attended |
|--------------------------------------|-------------------------------|--------------------|-------------------|
| Shri Mahesh Kumar Agarwal (Chairman) | Non Independent Non-Executive | 4 | 4 |
| Shri Mohan Lal Agarwal | Non Independent Non-Executive | 4 | 4 |
| Smt. Archana Gupta Sha # | Independent Non-Executive | 1 | 1 |
| Shri Ashok Bector ## | Independent Non-Executive | 3 | 3 |

appointed as Director of Company and Member of Committee w.e.f. February 12, 2015.
resigned as Director of Company and Member of Committee w.e.f. February 12, 2015.

b) Status of Investors' Complaints:

| | |
|---|-------|
| Number of complaints received during the year | Nil |
| Number of complaints resolved up to 31st March, 2015 | Nil |
| Number of complaints not solved to the satisfaction of shareholders | N. A. |
| Number of complaints pending as on 31st March, 2015 | Nil |

E-mail ID earmarked for redressing Investors queries in terms of Clause 47(f) of the listing agreement- investorsail@adhunikgroup.co.in

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

1 (One) meeting of the Corporate Social Responsibility Committee of the Company was held during the year 2014-15 on June 02, 2014. The attendance of each member of the Committee is given below:

| Members | No. of Meetings Held | No.of Meetings Attended |
|---------------------------|----------------------|-------------------------|
| Shri Mohan Lal Agarwal | 1 | 1 |
| Shri Mahesh Kumar Agarwal | 1 | 1 |
| Shri Shyam Bahadur Singh | 1 | 1 |

V. MANAGEMENT AND FINANCE COMMITTEE

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

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

The Committee met 2 (Two) times during the Year 2014-15 on November 1, 2014 and on March 4, 2015. Attendance of Directors in the Meetings are as follows:

| Members | No. of Meetings Held | No. of Meetings Attended |
|----------------------------|----------------------|--------------------------|
| Shri Mohan Lal Agarwal | 2 | 2 |
| Shri Mahesh Kumar Agarwal | 2 | 2 |
| Shri Jugal Kishore Agarwal | 2 | 2 |

15. SHAREHOLDERS COMMUNICATIONS

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

16. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

17. NEWS RELEASES, PRESENTATIONS, AMONG OTHERS:

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

18. SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. There were also no investor's complaint pending against the company as on March 31, 2015 on SCORES, the web based compliant redressal system of SEBI.

19. WEBSITE MAINTENANCE

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

20. DISCLOSURES

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

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

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

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

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

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

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

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

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

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing agreement, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company. The Company affirms that none of the employees have been denied access to the Audit Committee.

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

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

vi) **Shareholding of Directors in the Company as on March 31, 2015.**

| Name of Directors | Number of equity shares |
|----------------------------|-------------------------|
| Shri Jugal Kishore Agarwal | 494,500 |
| Shri Mohan Lal Agarwal | 441,500 |
| Shri Mahesh Kumar Agarwal | 524,000 |

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

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and/or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

21. MEANS OF COMMUNICATION

- a) The Financial results are regularly submitted to the stock exchanges in accordance with the listing agreement and published in one English Daily (Business Standard) and one Bengali Daily (Aajkal).
- b) The Management Discussion and Analysis report is a part of Annual Report.

22. GENERAL BODY MEETINGS

A) Details of Previous Annual General Meeting:

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

| Year | Date | Time | Venue | Number of special resolutions passed |
|---------|--------------------|----------|--|--------------------------------------|
| 2013-14 | September 18, 2014 | 10:30 am | Bharatiya Bhasa Parishad, 36-A, Shakespeare Sarani, Kolkata-700017 | 5 |
| 2012-13 | September 30, 2013 | 11.00 am | 2/1 A Sarat Bose Road, Kolkata-700 020 | Nil |
| 2011-12 | September 29, 2012 | 11:00 am | 2/1 A Sarat Bose Road, Kolkata-700 020 | Nil |

B) Postal Ballot

No resolution was passed through Postal Ballot in 2014-15. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

23. GENERAL SHAREHOLDERS' INFORMATION

a) AGM DETAILS

| | |
|--------------------|--|
| Day and date | Thursday, September 17, 2015. |
| Venue | Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kolkata-700 017. |
| Time | At 10:30 A.M. |
| Book closure dates | 11th September, 2015 to 17th September, 2015 (Both day inclusive) |

b) REGISTRAR & SHARE TRANSFER AGENTS

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

c) CEO/CFO CERTIFICATION

The CEO and CFO certification issued in accordance with the provisions of Clause 49 of Listing Agreement with Stock Exchanges for the year is annexed and forms part of the Annual Report.

d) SHARE TRANSFER SYSTEM

The Registrars and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchange.

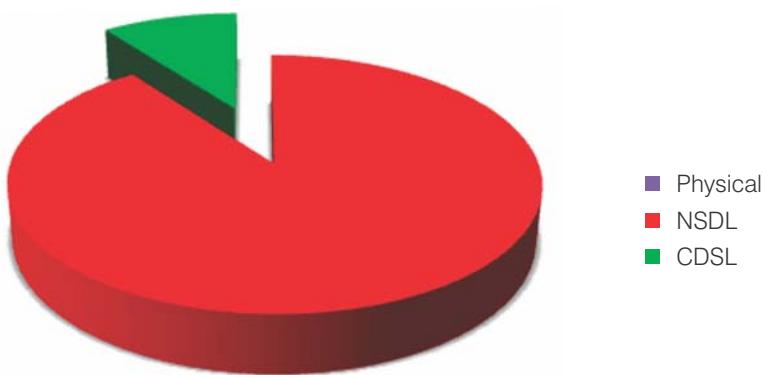
e) MARKET PRICE DATA

| Month | BSE | | |
|-----------------------|----------|---------|--------------|
| | High (₹) | Low (₹) | Volume (No.) |
| April, 2014 (Note- b) | - | - | - |
| May, 2014 | 85.40 | 67.00 | 8,238 |
| June, 2014 | 117.00 | 74.10 | 42,438 |
| July, 2014 | 127.00 | 83.15 | 538,201 |
| August, 2014 | 146.15 | 102.30 | 1,019,411 |
| September, 2014 | 159.95 | 125.75 | 924,738 |
| October, 2014 | 178.20 | 146.00 | 719,513 |
| November, 2014 | 169.95 | 144.25 | 4,812,977 |
| December, 2014 | 161.30 | 89.25 | 2,290,713 |
| January, 2015 | 167.00 | 99.10 | 2,925,237 |
| February, 2015 | 206.70 | 124.00 | 1,001,459 |
| March, 2015 | 197.90 | 123.00 | 1,391,668 |

- Note: a) The Company's shares are not actively traded presently on Calcutta Stock Exchange, therefore the market price data are not available.
- b) The shares of the Company got listed with BSE on 26th May, 2014. Thus, high low data and volume for the month of April, 2015 is not applicable.

f) DETAILS OF DEMAT AND PHYSICAL SHARES AS ON MARCH 31, 2015

| Description | Number of Holders | Number of Shares | % of Equity |
|-------------|-------------------|------------------|-------------|
| CDSL | 549 | 4,738,561 | 10.1330% |
| NSDL | 266 | 42,025,188 | 89.8670% |
| Physical | 1 | 1 | 0.0000% |
| Total | 816 | 4,67,63,750 | 100.0000% |



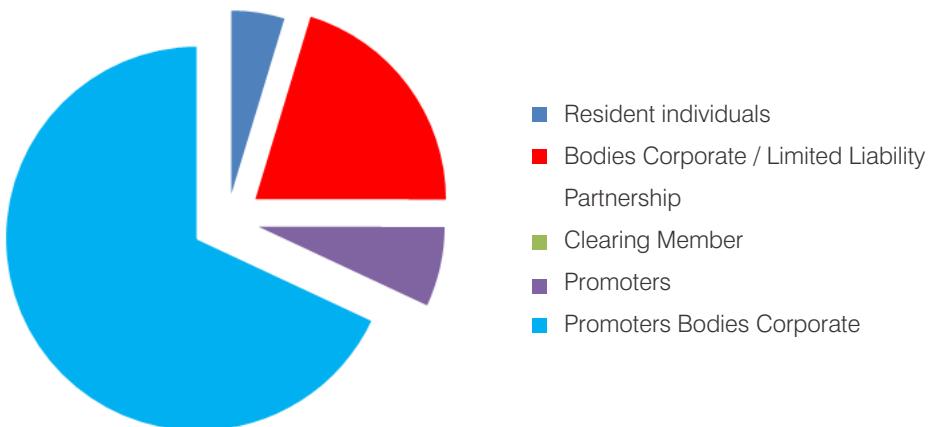
g) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

| Category (Share) | Shareholders | | No of Shares | |
|------------------|--------------|------------|--------------|------------|
| | Number | % to total | Number | % to total |
| Upto 500 | 763 | 93.5049 | 36,955 | 0.0790 |
| 501-1000 | 12 | 1.4706 | 10,014 | 0.0214 |
| 1001-2000 | 7 | 0.8578 | 8,855 | 0.0189 |
| 2001-3000 | 4 | 0.4902 | 10,294 | 0.0220 |
| 3001-4000 | 4 | 0.4902 | 14,799 | 0.0316 |
| 4001-5000 | 2 | 0.2451 | 8,757 | 0.0187 |
| 5001-10000 | NIL | NIL | NIL | NIL |
| 10001 and above | 24 | 2.9412 | 46,674,076 | 99.8084 |
| Total | 816 | 100.0000 | 46,763,750 | 100.0000 |

h) CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2015

| S. No. | Category | Numbers of holders | Number of shares | % to equity |
|--------|---|--------------------|------------------|-------------|
| 1 | Promoters | 11 | 3,231,050 | 6.9093 |
| 2 | Promoters Bodies Corporate | 3 | 31,823,750 | 68.0522 |
| 3 | Bodies Corporate\ Limited Liability Partnership | 46 | 9,514,788 | 20.3465 |
| 4 | Resident individuals | 748 | 2,189,937 | 4.6830 |
| 5 | Clearing Members | 8 | 4,225 | 0.0090 |
| Total | | 816 | 46,763,750 | 100.0000 |

i) SHAREHOLDING PATTERN AS ON MARCH 31, 2015.



j) DEMATERIALIZATION OF SHARES AND LIQUIDITY

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2014-15 to NSDL and CDSL, the depositories. As on 31st March, 2015 4,67,63,749 Equity Shares of the Company representing almost 100.00 % of the issued and subscribed share capital stood dematerialized.

k) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE

| Name of the Stock Exchange | Stock code / Symbol |
|--|---------------------|
| BSE Limited PhirozeJeejeebhoy Towers Dalal Street, Mumbai- 400 001. | 538365 |
| The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001. | 028188 |
| ISIN No.- | INE452L01012 |

The annual listing fee for the year 2014-15 has been paid to the above stock exchange.

l) FINANCIAL CALENDAR TENTATIVE

Financial year 2015-16

| | | |
|---|--------------------------------------|--------------------------|
| 1 | First quarter results | Within August 14, 2015 |
| 2 | Second quarter and half-year results | Within November 14, 2015 |
| 3 | Third quarter results | Within February 14, 2016 |
| 4 | Annual Result | Within 30th May, 2016 |

m) DIVIDEND HISTORY

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

n) SECRETARIAL AUDIT

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

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

Not applicable

p) PLANT LOCATION:

Raturia Industrial Area, Angadpur
Durgapur- 713215, West Bengal.
India

q) INVESTORS CORRESPONDENCE

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

The Company Secretary
Adhunik Industries Limited
Lansdowne Towers
2/1A, Sarat Bose Road, Kolkata – 700020
Tel no. 91-33-30517100 | Fax no. 91-33-22890285
E Mail: investorsail@adhunikgroup.co.in
or
M/s Maheshwari Datamatics Pvt. Limited.
6, Mangoe Lane, 2nd Floor, Kolkata- 700 001
Tel no. 91-33-22435809 | Fax no. 91-33-22484787

For and on behalf of the Board

Registered Office

Registered Office
14, Netaji Subhas Road,
Kolkata – 700 001

Date: August13, 2015

Mahesh Kumar Agarwal
Chairman

Jugal Kishore Agarwal
Managing Director

DECLARATION BY CEO ON CODE OF CONDUCT

To
The Members
M/s. Adhunik Industries Limited

All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with stock exchanges, in so far as it was applicable to them and there was no non-compliance thereof during the year ended March 31, 2015.

Place: Kolkata
Date: August13, 2015.

Jugal Kishore Agarwal
Managing Director

Company Secretary Certificate regarding compliance of conditions of Corporate Governance

To the Members of
M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited, for the year ended 31.03.2015, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For MR & Associates
Company Secretaries**

Place: Kolkata
Date: August 13, 2015

**M R Goenka
Partner
C P No.: 2551**

CEO AND CFO CERTIFICATION

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 and confirm that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :
 - (i) significant changes, if any, in internal control during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Jugal Kishore Agarwal
Managing Director

Kolkata
August13, 2015.

Bikash Roy Chowdhury
Chief Financial Officer

Independent Auditors' Report

To the Members of
Adhunik Industries Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Adhunik Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the accounts for the year ended on that date audited by the branch auditors of the Company's branch at Mandi, Punjab.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements / information of branch included in the financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 28,53,300/- as at 31st March, 2015 and total revenues of ₹ Nil for the year ended on that date, as considered in the financial statements. The financial statements / information of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditor.
Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2015 ('the order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement of the matters specified in paragraph 3 and 4 of the order to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far, as appears from our examination of those books (and proper accounts adequate for the purposes of our audit have been received from the branch not visited by us),
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report;
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and the returns received from the branch not visited by us,
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) The going concern, in our opinion, may not have an adverse effect on the functioning of the Company.
- g) On the basis of written representations received from the Directors as on 31st March, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.
- h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
 - 1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements.
 - 2) The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses;
 - 3) There is no amount which required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended on that date.

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

Place: Kolkata
Date: The 29th Day of May, 2015

CA. S Jain
(Partner)
Membership No. 053537

Annexure to the Independent Auditors Report

The Annexure referred to in our report to the members of Adhunik Industries Limited ('The Company') for the year ended 2015.

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) as explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- ii. (a) as explained to us, physical verification of inventory has been conducted at reasonable intervals by the management;
(b) in our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
(c) in our opinion and on the basis of examination of the records, the Company is generally maintaining proper records of inventory and no material discrepancies were noticed on physical verification;
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clause iii (a) and iii(b) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v. According to the information and explanation given to us, the Company has not accepted any deposits, and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013, and we are of the opinion that *prima facie* such prescribed accounts and records have been made and maintained.
- vii. (a) According to the records, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues applicable to the Company with appropriate authorities during the year. According to the information and explanations given to us there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable;
(b) According to the information and explanations given to us, there is no dues of Income Tax or Wealth Tax or Service Tax or Custom Duty or Excise Duty or Value Added Tax or Cess which have not been deposited on account of any dispute;
(c) According to the information and explanations given to us, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- ix. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. Based on our audit procedures and on the information and explanations given by the management, we report that the Company has not raised any term loan during the year.
- xii. Based on our audit procedures and on the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor we have been informed of such case by the management.

FOR SUDHIR KUMAR JAIN & ASSOCIATES
(Chartered Accountants)
Firm Registration. No: 318016E

Place: Kolkata

CA. S. Jain
(Partner)

Date: The 29th Day of May, 2015

Membership No. 053537

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

BALANCE SHEET AS AT 31st MARCH 2015

| PARTICULARS | Notes | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|-------|------------------------|------------------------|
| EQUITY AND LIABILITIES | | | |
| A. Shareholders' Funds | | | |
| Share Capital | 3 | 467,637,500 | 467,637,500 |
| Reserves and Surplus | 4 | 536,555,278 | 430,360,603 |
| | | 1,004,192,778 | 897,998,103 |
| B. Non-Current Liabilities | | | |
| Long Term Borrowing | 5 | 164,601,395 | 294,661,184 |
| Deferred Tax Liabilities (Net) | 6 | 89,390,063 | 87,759,011 |
| Other Long Term Liabilities | 7 | 24,998,935 | 8,605,496 |
| | | 278,990,393 | 391,025,691 |
| C. Current Liabilities | | | |
| Short Term Borrowing | 8 | 819,081,094 | 782,008,130 |
| Trade Payable | 9 | 708,356,526 | 359,448,840 |
| Other Short Term Liabilities | 10 | 169,969,977 | 90,372,390 |
| Short Term Provisions | 11 | 10,271,708 | 2,044,475 |
| | | 1,707,679,305 | 1,233,873,835 |
| | | 2,990,862,476 | 2,522,897,629 |
| ASSETS | | | |
| A. Non Current Assets | | | |
| Fixed Assets | | | |
| a) Tangible Asset | 12 | 550,456,129 | 556,527,737 |
| b) Capital Work-In-Progress | | 16,148,812 | 25,272,418 |
| Non Current Investments | 13 | 400,000 | 400,000 |
| Long Term Loans and Advances | 14 | 11,898,975 | 6,123,787 |
| | | 578,903,916 | 588,323,942 |
| B. Current Assets | | | |
| Inventories | 15 | 1,218,741,069 | 715,329,499 |
| Trade Receivables | 16 | 752,524,208 | 777,829,639 |
| Cash & Bank Balances | 17 | 79,526,192 | 110,555,077 |
| Short Term Loans and Advances | 14 | 361,167,091 | 330,859,472 |
| | | 2,411,958,560 | 1,934,573,687 |
| | | 2,990,862,476 | 2,522,897,629 |
| Summary of Significant Accounting Policies | 2 | | |

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

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Registration No: 318016E
Chartered Accountants

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

Place : Kolkata
Date : The 29th Day of May, 2015

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal

Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2015

| PARTICULARS | Notes | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|-------|------------------------|------------------------|
| INCOME | | | |
| Revenue from Operations (Gross) | 18 | 4,550,789,894 | 4,859,641,064 |
| Less: Excise Duty | 18 | 438,482,147 | 450,379,379 |
| Revenue from Operations (Net) | | 4,112,307,747 | 4,409,261,685 |
| Other Income | 19 | 9,077,332 | 6,205,205 |
| Total Revenue (A) | | 4,121,385,079 | 4,415,466,890 |
| EXPENSES | | | |
| Purchases & Raw Materials Consumed | 20 | 3,557,160,926 | 3,812,132,906 |
| (Increase)/Decrease in Inventories | 21 | (112,524,087) | (4,580,494) |
| Employee Benefit Scheme | 22 | 18,624,698 | 16,840,672 |
| Other Expenses | 23 | 280,394,356 | 254,395,805 |
| Total Expenses (B) | | 3,743,655,893 | 4,078,788,889 |
| Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) (A)-(B) | | 377,729,186 | 336,678,001 |
| Depreciation and Amortization Expenses | 12 | 33,310,129 | 37,388,058 |
| Finance Costs | 24 | 186,553,578 | 239,174,481 |
| Profit / (Loss) Before Extraordinary & Exceptional Item and Taxes | | 157,865,479 | 60,115,462 |
| Exceptional & Extraordinary Item | | - | - |
| Profit / (Loss) Before Taxes | | 157,865,479 | 60,115,462 |
| Tax Expenses | | | |
| Current Tax | | 48,079,809 | 15,003,749 |
| Deferred Tax | | 1,631,052 | 1,951,872 |
| Income Tax for earlier years | | 499,575 | (339,436) |
| Total Tax Expenses | | 50,210,436 | 16,616,185 |
| Profit/(Loss) for the year from continuing operation | | 107,655,043 | 43,499,277 |
| Earning per Equity Share (Nominal Value of share ₹ 10) | | | |
| Basic | | 2.30 | 0.93 |
| Diluted | | 2.30 | 0.93 |
| Summary of Significant Accounting Policies | 2 | | |

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

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Registration No: 318016E
Chartered Accountants

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

Place : Kolkata
Date : The 29th Day of May 2015

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

| | |
|---|---|
| Jugal Kishore Agarwal Managing Director DIN : 00227460 | Mahesh Kumar Agarwal Chairman DIN : 00507690 |
| Bikash Roy Chowdhury Chief Financial Officer | Bharat Agarwal Company Secretary |

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

| PARTICULARS | | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|-------------------|------------------------|------------------------|
| A. Cash Flow from Operating Activities | | | |
| Net Profit before Tax and extra ordinary item | | 157,865,479 | 60,115,462 |
| Adjustment for : | | | |
| Depreciation | 33,310,129 | 37,388,058 | |
| Gratuity | 838,700 | 239,363 | |
| Interest Income | (7,531,908) | (4,185,618) | |
| Interest Paid | 186,553,578 | 213,170,499 | 272,616,284 |
| Operating Profit before Working Capital changes | | 371,035,978 | 332,731,746 |
| Adjustments for : | | | |
| (Increase)/Decrease in Trade and Other Receivable | (20,479,290) | 32,360,625 | |
| (Increase)/Decrease in Inventories | (503,411,571) | 2,177,027 | |
| Increase/(Decrease) in Trade Payables & Liabilities | 452,605,010 | 31,414,154 | 6,59,51,806 |
| Cash Generated from Operations | | 299,750,127 | 398,683,552 |
| Income Tax (Paid) / Refund | (31,488,936) | | (13,224,564) |
| Cash Flow before extraordinary items | | 268,261,191 | 385,458,988 |
| Extra-Ordinary items | | - | - |
| Net Cash used in Operating Activities | A | 268,261,191 | 385,458,988 |
| B. Cash Flow from Investing Activities | | | |
| Purchase of Fixed Assets | (28,698,889) | | (13,988,318) |
| Decrease in CWIP | 9,123,605 | | 32,443,763 |
| Interest Income | 7,531,908 | | 4,185,618 |
| Fixed Deposit made / matured during the year | 29,205,795 | | (46,717,829) |
| Net Cash used in investing Activities | B | 17,162,419 | (24,076,766) |
| C. Cash Flow from Financing Activities | | | |
| Interest Paid | (186,553,578) | | (239,174,481) |
| Increase/(Decrease) in Secured Loan | (38,517,334) | | (53,319,665) |
| Increase/(Decrease) in Unsecured Loan | (62,175,789) | | (64,502,461) |
| Net Cash from financing Activities | C | (287,246,701) | (356,996,607) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | | (1,823,091) | 4,385,615 |
| Cash and Cash Equivalent as at the opening of the year | 12,456,727 | | 8,071,112 |
| Cash and Cash Equivalent as at the close of the year | 10,633,636 | | 12,456,727 |
| Note : 1) Cash and Cash Equivalent comprises of: | | | |
| Cash in Hand | 5,015,024 | | 6,446,653 |
| Balance with Scheduled Banks (including Bank Overdrawn) | 5,618,612 | | 6,010,074 |
| | 10,633,636 | | 12,456,727 |
| 2) This Cash Flow Statement has been prepared under indirect method. | | | |
| 3) Previous Year Figures have been regrouped wherever necessary. | | | |

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Registration No: 318016E
Chartered Accountants

CA. S. JAIN
(Partner)

Membership No. 053537

Place : Kolkata
Date : The 29th Day of May 2015

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

Jugal Kishore Agarwal
Managing Director
DIN : 00227460

Mahesh Kumar Agarwal
Chairman
DIN : 00507690

Bikash Roy Chowdhury
Chief Financial Officer

Bharat Agarwal
Company Secretary

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

1) CORPORATE INFORMATION:

Adhunik Industries Ltd ("the company") is a public limited company, domiciled in India and incorporated under the provisions of Companies Act, 1956. Its equity shares are listed on Stock Exchanges in India. The Company is primarily engaged in the manufacture and sale of iron and steel products.

2) SIGNIFICANT ACCOUNTING POLICIES:

(I) Basis of Accounting:

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

(II) Presentation and disclosure of financial statement:

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

(III) Use of Estimates:

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

(IV) Revenue Recognition:

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

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

(V) Fixed Assets:

- (a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection / commissioning expenses, and interest, etc up to the date the asset is put to use.
- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.
- (c) Expenditure on New Projects and Substantial Expansion: Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction activity or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditures on expansion are capitalized. As regards to indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditures are capitalized only if they increase the value of the asset beyond its original standard of performance.

(VI) Depreciation:

- (a) The classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method based on the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. The residual value has been considered as 5% for the assets.
- (c) Depreciation includes the amount written off in respect of leasehold land over the respective lease period.

- (d) Depreciation on Fixed Assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.
 - (e) Discarded Fixed Assets awaiting disposal are valued at estimated realizable value and disclosed separately.
 - (f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.
- (VII) Fixed Assets acquired under lease:**
- (a) Finance Lease**
 - (i) Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment after discounting them at an appropriate discount rate at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expenses account.
 - (ii) Lease assets capitalized, if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.
 - (b) Operating Lease**

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease payments are recognized as expense in the Profit and Loss Account on a Straight Line Method basis over the lease term.
- (VIII) Investments:**
- Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- (IX) Inventories :**
- (a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realizable value.
 - (b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
 - (c) By-products are valued at net realizable value.
 - (d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.
- (X) Cash & Cash Equivalents :**
- Cash and cash equivalents in the Cash Flow comprise cash at bank and in hand (including cheques / drafts in hand), balance lying in banks in current account (including overdraft).
- (XI) Excise Duty :**
- Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and is accordingly considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date.
- (XII) Employees' Benefits :**
- i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.
 - ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of financial year.
 - iii. Actuarial gain / losses are immediately taken to the Profit & Loss Account and are not deferred.
- (XIII) Borrowing Costs:**
- Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(XIV) Provisions:

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

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

(XV) Taxation:

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

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

(XVI) Segment Reporting:

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

(XVII) Contingent Liabilities:

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

(XVIII) Earning per share:

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

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

(XIX) Impairment of Assets:

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

(XX) Foreign Currency Translation:

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

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

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

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

| NOTE 3 : SHARE CAPITAL | 31st March 2015 | | 31st March 2014 | |
|---|------------------------|---------------------|------------------------|--------------------|
| | No. of Shares | (₹) | No. of Shares | (₹) |
| Authorised Shares | | | | |
| Equity Shares of ₹ 10/- each | 50,00,000 | 500,00,000 | 50,00,000 | 500,00,000 |
| At the beginning of the year | 50,00,000 | 500,00,000 | - | - |
| Addition during the year | | | | |
| Total | 100,00,000 | 1,000,00,000 | 50,00,000 | 500,00,000 |
| Issued, Subscribed and Fully Paid Up Share | | | | |
| Equity Shares of ₹ 10 each fully paid up | 46,763,750 | 467,637,500 | 46,763,750 | 467,637,500 |
| Total | 46,763,750 | 467,637,500 | 46,763,750 | 467,637,500 |
| a) Reconciliation of the number of Equity Shares | 31st March 2015 | | 31st March 2014 | |
| | No. of Shares | (₹) | No. of Shares | (₹) |
| Outstanding at the beginning of the year | 46,763,750 | 467,637,500 | 46,763,750 | 467,637,500 |
| Issued during the year | - | - | - | - |
| Bought back during the year | - | - | - | - |
| Outstanding at the end of the year | 46,763,750 | 467,637,500 | 46,763,750 | 467,637,500 |
| b) Details of Shareholders holding more than 5 percent of equity shares | | | | |
| Name of Shareholder | 31st March 2015 | | 31st March 2014 | |
| | No.of Shares held | % of Holding | No.of Shares held | % of Holding |
| Mahananda Suppliers Limited | 16,600,000 | 35.50 | 16,600,000 | 35.50 |
| Sungrowth Share & Stocks Limited | 14,883,750 | 31.83 | 14,883,750 | 31.83 |
| Padmalaya Advisory Services LLP | - | - | 6,850,000 | 14.65 |
| Vrindavan Advisory Services LLP | 4,563,408 | 9.76 | - | - |
| c) Terms / Rights attached to Equity Share | | | | |
| The Company has only one class of issued shares i.e. equity shares having nominal value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all the preferential amounts, in proportion to their shareholding. | | | | |

| NOTE 4 : RESERVES AND SURPLUS | 31st March 2015 (₹) | 31st March 2014 (₹) |
|---|------------------------|------------------------|
| Surplus/(deficit) in the statement of profit and loss | | |
| Balance as per last financial statement | 430,360,603 | 386,861,326 |
| Add : Net Profit for the year as per Statement of Profit and Loss | 107,655,043 | 43,499,277 |
| Less: Depreciation Adjustment as per Companies Act 2013 | (1,460,368) | - |
| Net Surplus / (Deficit) in the statement of Profit and Loss | 536,555,278 | 430,360,603 |
| Total Reserve and Surplus | 536,555,278 | 430,360,603 |

| NOTE 5 : LONG TERM BORROWING | Non Current Portion | | Current Maturities | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31st March 2015 (₹) | 31st March 2014 (₹) | 31st March 2015 (₹) | 31st March 2014 (₹) |
| (a) Term loans Indian rupee loan from banks (Secured) | 109,894,000 | 177,778,000 | 69,077,620 | 76,783,918 |
| (b) Other loans and advances From Bodies Corporate (Unsecured) | 54,707,395 | 116,883,184 | - | - |
| Total Long Term Borrowings | 164,601,395 | 294,661,184 | 69,077,620 | 76,783,918 |

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

- a) The rupee term loan from banks are secured by way of pari pasu first charge over all the fixed assets of the Company both present and future at factory at Angadpur, Durgapur, West Bengal and first charge by way of hypothecation of the Company's movable properties, save and except asset purchased on lease and hire purchase basis.
b) Guarantee and certain collateral securities have been provided by the Promoters / Directors in their personal capacity.

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015
NOTE 6 : DEFERRED TAX LIABILITIES (NET)

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

| | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-----------------------|-----------------------|
| a) Difference between WDV of Fixed Assets as per Company Act and IT Act | 90,325,509 | 88,422,341 |
| b) Others | (935,446) | (663,330) |
| Total Deferred Tax Liabilities (Net) | 89,390,063 | 87,759,011 |

NOTE 7 : OTHER LONG TERM LIABILITIES

| | 31st March 2015 ₹) | 31st March 2014 ₹) |
|--|-----------------------|-----------------------|
| Trade Payables (including Acceptance) | 24,998,935 | 8,605,496 |
| Total Other Long Term Liabilities | 24,998,935 | 8,605,496 |

NOTE 8 : SHORT TERM BORROWING

| | 31st March 2015 ₹) | 31st March 2014 ₹) |
|------------------------------------|-----------------------|-----------------------|
| Cash Credit from Banks (Secured) | 819,081,094 | 782,008,130 |
| Total Short Term Borrowings | 819,081,094 | 782,008,130 |

Cash Credit from banks are secured by way of :

- a) First charge by way of hypothecation of stock, book debts and other current assets of the Company related to factory at Andagpur, Durgapur
- b) Second charge on other assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them of the Company related to factory at Andagpur, Durgapur.
- c) Guarantee and certain collateral securities have been provided by the Directors in their personal capacity.

NOTE 9 : TRADE PAYABLES

| | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-----------------------|-----------------------|
| a) Due to Micro, Small & Medium Enterprises | - | - |
| b) Trade Payable (Including Acceptance) | 708,356,526 | 359,448,840 |
| Total Trade Payable | 708,356,526 | 359,448,840 |

Trade Payable include ₹ NIL (₹ NIL) due to small scale and ancillary industry undertakings (SSI) to the extent such parties have been identified from the available documents / information

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

NOTE 10: OTHER CURRENT LIABILITIES

| | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-----------------------|-----------------------|
| a) Current maturities of long-term debt (Refer Note 5) | 69,077,620 | 76,783,918 |
| b) Advance from customers | 95,958,311 | 7,059,724 |
| c) Unpaid/Unclaimed Dividends | 272,000 | 272,000 |
| d) Statutory Dues | 4,662,046 | 6,256,748 |
| Total Other Current Liabilities | 169,969,977 | 90,372,390 |

NOTE 11 : SHORT TERM PROVISION

| | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-----------------------|-----------------------|
| Provision for Employee Benefits | | |
| Provision for Gratuity | 2,883,175 | 2,044,475 |
| Other Provision | | |
| Provision for Income Tax (Net of Advance Tax) | 7,388,533 | - |
| Total Short Term Provision | 10,271,708 | 2,044,475 |

ADHUNIK INDUSTRIES LIMITED

CIN : 165921WB1979PLC022200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

Note 12: FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|------------------------|-----------------------------|--------------------------------|-------------------------|----------------------------|-----------------------------|--------------------|-------------------------|----------------------------|
| | As at 1st April, 2014 ₹) | Addition During the Year ₹) | Sale / Adjustment ₹) | As at 31st Mar, 2015 ₹) | As at 1st April, 2014 ₹) | For the Year ₹) | Sale / Adjustment ₹) | As at 31st Mar, 2015 ₹) |
| Tangible Assets | | | | | | | | |
| Leasehold Land | 8,429,270 | - | - | 8,429,270 | 983,870 | 98,387 | - | 7,347,013 |
| Freehold Land | 1,700,000 | - | - | 1,700,000 | - | - | - | 1,700,000 |
| Factory Building | 171,970,950 | - | - | 171,970,950 | 35,391,755 | 5,364,698 | - | 131,214,497 |
| Plant & Machinery | 592,517,476 | 28,382,916 | - | 620,900,392 | 186,331,791 | 26,727,860 | - | 213,059,651 |
| Furniture | 663,212 | - | - | 663,212 | 373,552 | 202,575 | - | 576,127 |
| Office Equipment | 3,784,120 | 224,780 | - | 4,008,900 | 1,229,216 | 366,175 | (1,401,362) | 2,996,753 |
| Vehicle | 3,988,524 | - | - | 3,988,524 | 2,289,480 | 529,741 | (7,854) | 2,827,075 |
| Computer | 2,419,583 | 91,193 | - | 2,510,776 | 2,345,734 | 20,693 | (51,152) | 2,417,579 |
| Total | 785,473,135 | 28,693,889 | - | 814,172,024 | 228,945,398 | 33,310,129 | (1,460,368) | 263,715,895 |
| Previous Year's Total | 771,484,817 | 13,988,318 | - | 785,473,135 | 191,557,340 | 37,388,058 | - | 228,945,398 |
| | | | | | | | | 556,527,737 |

Note:

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

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

| NOTE 13: NON CURRENT INVESTMENT | Number of Shares | Face Value/Share (₹) | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|------------------|----------------------|---------------------|---------------------|
| Long Term, Quoted (Other than Trade) | | | | |
| Fully Paid Equity Shares | | | | |
| - In Adhunik Metaliks Ltd. (The market value is ₹ 8,36,000) | 40,000 | 10 | 400,000 | 400,000 |
| Total Non Current Investment | | | 400,000 | 400,000 |

| NOTE 14 : LOANS AND ADVANCES | Non Current | | Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31st March 2015 (₹) | 31st March 2014 (₹) | 31st March 2015 (₹) | 31st March 2014 (₹) |
| a. Security Deposits Unsecured, considered good | 11,898,975 | 6,123,787 | 84,100,000 | 84,100,000 |
| b. Advances recoverable in cash or in kind Secured, considered good Unsecured, considered good | 11,898,975 | 6,123,787 | 84,100,000 | 84,100,000 |
| | - | - | - | - |
| c. Other loans and advances Prepaid Expenses Advance Payment to Supplier Balance with IT Authorities (Net of Provision for Taxation) Balance with statutory/government authorities | - | - | 115,003,901 | 58,671,954 |
| | - | - | 115,003,901 | 58,671,954 |
| Total Loans and Advances (A+B+C) | 11,898,975 | 6,123,787 | 160,872 | 134,396 |
| | | | 10,548,583 | 60,924,842 |
| | | | - | 9,701,915 |
| | | | 151,353,735 | 117,326,365 |
| Total Loans and Advances (A+B+C) | 11,898,975 | 6,123,787 | 162,063,190 | 188,087,518 |
| Total Loans and Advances (A+B+C) | 11,898,975 | 6,123,787 | 361,167,091 | 330,859,472 |

| NOTE 15 : INVENTORIES | 31st March 2015 (₹) | 31st March 2014 (₹) |
|---------------------------------------|----------------------|---------------------|
| Raw Materials and Components | 881,473,315 | 454,878,374 |
| Finished Goods and Rejected Materials | 318,951,154 | 206,427,067 |
| Stores & Spares | 18,316,600 | 27,137,826 |
| Stock in Transit | - | 26,886,232 |
| Total Inventories | 1,218,741,069 | 715,329,499 |

| NOTE 16 : TRADE RECEIVABLE | 31st March 2015 (₹) | 31st March 2014 (₹) |
|---|---------------------|---------------------|
| Unsecured, considered good unless stated otherwise | | |
| Outstanding for the period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 28,909,810 | 37,280,525 |
| Doubtful | - | - |
| Other receivables | 28,909,810 | 37,280,525 |
| Unsecured, considered good | 723,614,398 | 740,549,114 |
| Doubtful | - | - |
| Total Trade Receivable(A+B) | 723,614,398 | 740,549,114 |
| Total Trade Receivable(A+B) | 752,524,208 | 777,829,639 |

| NOTE 17 : CASH AND BANK BALANCES | 31st March 2015 (₹) | 31st March 2014 (₹) |
|---|---------------------|---------------------|
| Cash and cash equivalents | | |
| Balances with banks | | |
| On Current Accounts | 5,618,612 | 6,010,074 |
| Deposit (includes Margin Money) with original maturity less than three months | 68,892,556 | 98,098,350 |
| Cash In Hand | 5,015,024 | 6,446,653 |
| Total Cash and Bank Balance | 79,526,192 | 110,555,077 |

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

| NOTE 18 : REVENUE FROM OPERATION | 31st March 2015 (₹) | 31st March 2014 (₹) |
|---|--------------------------------|--------------------------------|
| Sales | 4,144,057,883 | 4,552,340,389 |
| Business & Other Service Income | 406,732,011 | 307,300,675 |
| Revenue from Operation (Gross) | 4,550,789,894 | 4,859,641,064 |
| Less: Excise Duty | 438,482,147 | 450,379,379 |
| Total Revenue from Operation (Net) | 4,112,307,747 | 4,409,261,685 |

| DETAILS OF REVENUE FROM OPERATION | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|--------------------------------|--------------------------------|
| Sales | | |
| Iron & Steel product | 4,144,057,883 | 4,552,340,389 |
| | 4,144,057,883 | 4,552,340,389 |
| Services Rendered | | |
| Business & Other Service Income | 406,732,011 | 307,300,675 |
| | 406,732,011 | 307,300,675 |

| NOTE 19: OTHER INCOME | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|--------------------------------|--------------------------------|
| Interest Income On | | |
| - Bank Deposits | 4,619,015 | 3,663,199 |
| - Others | 2,912,893 | 522,419 |
| Unspent liabilities and provisions no longer required written back | 836,622 | - |
| Trade Discount | 19,055 | - |
| Foreign Exchange Gain | 689,747 | 2,019,587 |
| Total Other Income | 9,077,332 | 6,205,205 |

| NOTE 20 : PURCHASES & RAW MATERIAL CONSUMED | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|--------------------------------|--------------------------------|
| Inventory at the beginning of the year | 454,878,374 | 497,313,856 |
| Add. Purchases | 3,969,110,489 | 3,764,547,149 |
| Freight | 14,645,378 | 5,150,275 |
| | 4,438,634,241 | 4,267,011,280 |
| Less: Inventory at the end of the year | 881,473,315 | 454,878,374 |
| Total Purchases & Raw Material Consumed | 3,557,160,926 | 3,812,132,906 |

| DETAILS OF PURCHASES | 31st March 2015 (₹) | 31st March 2014 (₹) |
|-----------------------------|--------------------------------|--------------------------------|
| Purchase | | |
| Iron & Steel product | 3,969,110,489 | 3,764,547,149 |

| NOTE 21 : (INCREASE) / DECREASE IN INVENTORIES | 31st March 2015 (₹) | 31st March 2014 (₹) |
|---|--------------------------------|--------------------------------|
| Inventory at the end of the year | | |
| Finished Goods | 318,951,154 | 206,427,067 |
| Less: Inventory at the beginning of the year | | |
| Finished Goods | 206,427,067 | 201,846,573 |
| Total (Increase) / Decrease in Inventories | (112,524,087) | (4,580,494) |

| NOTE 22 : EMPLOYEE BENEFIT EXPENSES | 31st March 2015 (₹) | 31st March 2014 (₹) |
|--|--------------------------------|--------------------------------|
| Salaries & Bonus | 13,056,651 | 11,928,892 |
| Contribution to Provident Fund | 1,729,347 | 1,483,794 |
| Gratuity | 838,700 | 427,986 |
| Managing Directors' Remuneration (Refer Note 25 below) | 3,000,000 | 3,000,000 |
| Total Employee Benefit Expenses | 18,624,698 | 16,840,672 |

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

| NOTE 23 : OTHER EXPENSES | 31st March 2015 ₹) | 31st March 2014 ₹) |
|--|-------------------------------|-------------------------------|
| Consumption of Stores and Spares | 19,734,671 | 16,159,349 |
| Excise Duty on Inventory | 12,205,796 | 22,360,296 |
| Power and Fuel | 154,230,788 | 135,322,075 |
| Operation & Maintenance Charges | 9,746,401 | 8,080,899 |
| Freight and Forwarding Charges | 22,575,026 | 20,439,553 |
| Rent | 2,977,404 | 2,651,742 |
| Rates and Taxes | 659,671 | 374,121 |
| Fees and Subscription(includes ₹ 38,28,126 towards increase in Authorised Capital) | 4,885,871 | 658,200 |
| Insurance | 233,422 | 325,882 |
| Repair & Maintenance | 6,995,013 | 2,210,432 |
| Motor Vehicle & Travelling Expenses | 4,178,479 | 3,002,927 |
| Selling & Distribution Expenses | 16,347,011 | 16,613,905 |
| Payment to auditor (Refer Note 23.1 below) | 100,000 | 100,000 |
| Commission Charges | 33,903 | 45,000 |
| Consultancy Charges | 977,450 | 602,500 |
| Bank Commission, Letter of Credit and Charges | 16,728,996 | 19,997,372 |
| Listing Fees | 172,500 | 614,300 |
| Others Administrative Expenses (Refer Note 23.2 below) | 7,611,954 | 4,837,252 |
| Total Other Expenses | 280,394,356 | 254,395,805 |

| NOTE 23.1 : PAYMENT TO AUDITOR | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---------------------------------------|-------------------------------|-------------------------------|
| As Auditor | | |
| - Audit Fees | 75,000 | 75,000 |
| - Tax Audit Fees | 25,000 | 25,000 |
| | 100,000 | 100,000 |

| NOTE 23.2 : OTHER ADMINISTRATIVE EXPENSES INCLUDE | 31st March 2015 ₹) | 31st March 2014 ₹) |
|--|-------------------------------|-------------------------------|
| - Directors' Sitting Fees | 260,000 | 370,000 |
| - CSR Activities | 1,265,270 | - |
| | 1,525,270 | 370,000 |

| NOTE 24 : FINANCE COST | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---------------------------------|-------------------------------|-------------------------------|
| Interest to Banks on Term Loans | 30,237,033 | 37,536,977 |
| Others | 156,316,545 | 201,637,504 |
| Total Finance Cost | 186,553,578 | 239,174,481 |

| NOTE 25 : DIRECTOR REMUNERATION | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-------------------------------|-------------------------------|
| a) Directors' Remuneration Paid | | |
| Basic | 1,500,000 | 1,500,000 |
| House Rent Allowance | 290,000 | 290,000 |
| Bonus | 250,000 | 250,000 |
| Other | 960,000 | 960,000 |
| | 3,000,000 | 3,000,000 |
| b) Computation of Profit for the purpose of Directors Remuneration | | |
| Profit before tax as per profit & loss account | 157,865,479 | 60,115,463 |
| Add : Depreciation | 33,310,129 | 37,388,058 |
| Directors' Remuneration | 3,000,000 | 3,000,000 |
| | 194,175,609 | 100,503,521 |
| Less : Depreciation as per Companies Act, 2013 | 33,310,129 | 37,388,058 |
| Directors' Remuneration | 3,000,000 | 3,000,000 |
| Net profit as per Section 198 of Companies Act, 2013 | 157,865,479 | 60,115,463 |

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

| NOTE 26 : EARNING PER SHARE | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-------------------------------|-------------------------------|
| Net Profit after tax ₹) | 107,655,043 | 43,499,277 |
| Weighted average No of Equity Shares outstanding in calculation of Basic EPS | 46,763,750 | 46,763,750 |
| Basic Earnings per Share ₹) | 2.30 | 0.93 |
| Weighted average No. of Equity Shares outstanding in calculation of Diluted EPS | 46,763,750 | 46,763,750 |
| Diluted Earning per Share ₹) | 2.30 | 0.93 |
| Nominal Value of Share | 10 | 10 |

Note 27: EMPLOYEE BENEFITS

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

| PARTICULARS | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|---------------------------------|---------------------------------|
| a) Defined Contribution Plan Employer's Contribution to Provident and Other Funds | 1,729,347 | 1,483,794 |
| b) Defined Benefit Plan The present value of obligation is determined basedon actuarial valuation using Projected Unit Credit Method as on 31st March, 2015 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. | | |
| The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective plans. | | |
| (i) Net Employee Benefit expense (recognized in Employee Benefit Expense) | | |
| Current Service Cost | 450,175 | 357,937 |
| Interest Cost on benefit plans | 163,558 | 153,972 |
| Net Actuarial (gains)/losses recognized in the year | 224,967 | (83,923) |
| Total Employer expense recognized in the Statement of Profit and Loss | 838,700 | 427,986 |
| (ii) Actual Return on Plan Assets | N.A. | N.A. |
| (iii) Net Assets/ (Liabilities) recognized in the Balance Sheet | 2,883,175 | 2,044,475 |
| (iv) Movement in Defined Benefit Obligation | | |
| Opening defined benefit obligation | 2,044,475 | 1,805,112 |
| Current Service Cost | 450,175 | 357,937 |
| Interest Cost on benefit plans | 163,558 | 153,972 |
| Benefit paid | - | (188,623) |
| Net Actuarial (gains)/losses recognized in the year | 224,967 | (83,923) |
| Closing defined benefit obligation | 2,883,175 | 2,044,475 |
| (v) Movement in fair value of Plan Assets | N.A. | N.A. |
| (vi) Major categories of plan assets as a percentage of the fair Value of total plan assets | N.A. | N.A. |
| (vii) Actuarial Assumptions | | |
| Mortality Table | IAKM (2006-2008) Ultimate | IAKM (2006-2008) Ultimate |
| Discount Rate per annum Compounded | 8.00% | 9.00% |
| Rate of increase in salaries per annum | 6.00% | 6.00% |
| (viii) (a) The estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employee market. (b) The gratuity liabilities is unfunded. Accordingly, information regarding Planned Assets is not applicable. | | |
| (ix) The above information is certified by the actuary. | | |

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015
Note 28: DISCLOSURE IN RELATION TO RELATED PARTIES

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

a) Name of Related Parties and nature of relationship

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

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015
b) Aggregated Related Party Disclosures:

| Nature of Transactions | Name of Related Party | 31st March 2015 ₹) | 31st March 2014 ₹) |
|--|---|--|---|
| Remuneration to KMP | Mr. Jugal Kishore Agarwal Mr. Bikash Roy Chowdhury Mr. Bharat Agarwal | 3,000,000 1,500,000 392,360 | 3,000,000 942,000 385,080 |
| Directors' Sitting Fees | Mr. Ashok Bector Mr. Asit Baran Dasgupta Mr. Mahesh Kumar Agarwal Mr. Mohan Lal Agarwal Mr. Shyam Bhadur Singh Ms. Archana Gupta Sha | 60,000 60,000 60,000 40,000 30,000 10,000 | 90,000 90,000 90,000 60,000 40,000 - |
| Purchase of Raw Material | | | |
| Billet | Adhunik Corporation Ltd. | 147,292,582 | 649,098,163 |
| Coal & Coal Fines | Adhunik Corporation Ltd. | 2,063,474 | 1,375,885 |
| Sale of Finished Goods | | | |
| Wire Rod | Adhunik Alloys & Power Ltd. Adhunik Metaliks Ltd. Adhunik Power & Natural Resources Ltd. | 500,604 2,869,379 - | 841,228 2,696,695 3,359,361 |
| Misrolled, Wastage, E.Cutting, etc | Adhunik Corporation Ltd. | 155,965,316 | 167,255,171 |
| Expenditure for services/others | | | |
| Rent | Mr. Mahesh Kumar Agarwal Adhunik Infotech Ltd. | 6,000 2,640,000 | 6,000 2,640,000 |
| Accounts & Finance Maintenance Charges | Adhunik Infotech Ltd. | 1,980,000 | 1,980,000 |

c) Outstanding Balance Related Party:

| Nature of Relationship | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-------------------------|-------------------------|
| Key Managerial Persons / Relatives of Key Management Personnel | | |
| Balance outstanding as at the year end – Debit Balance outstanding as at the year end – Credit | - 121,108 | - 132,235 |
| Enterprises over which key Management Personnel / Relatives having significant influence | | |
| Balance outstanding as at the year end – Debit Balance outstanding as at the year end – Credit | 3,753,507 19,626,646 | 1,761,773 19,031,273 |

| NOTE 29 : VALUE OF IMPORTS CALCULATED ON CIF BASIS: | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-----------------------|-----------------------|
| Stores & Spares | 1,073,805 | 482,197 |

ADHUNIK INDUSTRIES LIMITED

CIN : L65921WB1979PLC032200

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2015

| NOTE 30 : EXPENDITURE IN FOREIGN CURRENCY: | 31st March 2015 ₹) | 31st March 2014 ₹) |
|---|-------------------------------|-------------------------------|
| Travelling Expenses | 1,817,207 | 776,930 |
| Bank Charges | 118,633 | 231,237 |
| NOTE 31 : EARNINGS IN FOREIGN EXCHANGE: | 31st March 2015 ₹) | 31st March 2014 ₹) |
| Export of steel materials | 67,587,018 | 149,190,172 |
| NOTE 32: CONTINGENT LIABILITIES (to the extent not provided for) | 31st March 2015 ₹) | 31st March 2014 ₹) |
| Contingent Liabilities Outstanding guarantees and counter guarantees to various bank, in respect of the guarantees given by those banks in favor of various government authorities, suppliers and others. | 36,500,000 | 10,000,000 |

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

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

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

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

NOTE 37: Previous year figures has been regrouped / rearranged wherever necessary.

Signatories to Schedules 1 to 37.

As per our report of even date

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

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

Place : Kolkata
Date : The 29th Day of May 2015

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

| | |
|---|---|
| Jugal Kishore Agarwal Managing Director DIN : 00227460 | Mahesh Kumar Agarwal Chairman DIN : 00507690 |
| Bikash Roy Chowdhury Chief Financial Officer | Bharat Agarwal Company Secretary |

Note

35th ANNUAL GENERAL MEETING



CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY





Adhunik Industries Ltd.

Corporate Office: Lansdowne Towers 2/1A, Sarat Bose Road, Kolkata – 700020

Registered Office: 14, N.S. Road, 2nd Floor,

Kolkata – 700001, West Bengal, India, Telefax: 033022428551/53

Works: Raturia, Angadpur, Durgapur – 713215

Web: www.adhunikindustries.com, Trade Enquiry : +91 33 30517100, 9007477753