



MOHAN STEELS LIMITED

BOARD OF DIRECTORS *(As on 31st March, 2016)*

Mr. VIKRAM KOTHARI *(Chairman)*

Mr. UDAY J DESAI

Mr. PRADEEP GAUTAM *(Whole time Director)*

Mr. SUNIL VERMA

Mr. SRI KRISHNA KEJRIWAL

Mr. BHASKAR RAY *(Independent Director)*

Mr. RAJEEV SAXENA *(Independent Director)*

Mr. SHYAM KANODIA *(Independent Director)*

COMPANY SECRETARY

Ms. CHETNA DWIVEDI

CHIEF FINANCIAL OFFICER

Mr. ARUN GOPALJI BHINDE

STATUTORY AUDITORS

M/s. B. C. JAIN & CO.
Chartered Accountants
KANPUR

COST AUDITORS

R. M. BANSAL & CO.
Cost Accountants
KANPUR

REGISTERED OFFICE & FACTORY

GAZAULI INDUSTRIAL AREA,
UNNAO-LUCKNOW HIGHWAY,
UNNAO - U.P. 209 801

Registrars & Share Transfer Agents

Skyline Financial Services Pvt. Ltd.
246, 1st Floor, Sant Nagar,
Main ISCON temple Road,
East of Kailash, New Delhi - 110 065
Ph. : 011-26292682, 26292683
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MOHAN STEELS LIMITED

NOTICE

NOTICE is hereby given that the **44th(Forty Fourth)** Annual General Meeting of **MOHAN STEELS LIMITED** will be held on Wednesday, the **28th December, 2016 at 2.00 P.M** at the Registered Office of the Company at plot-1, site-1, Gazauli Industrial Area, Unnao, UP 209801 to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016 including audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors ("the Board") and the Auditors thereon.
2. To appoint a Director in place of Shri Pradeep Gautam (DIN: 01172119) who retires by rotation in terms of sec 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/S B.C Jain & Co., Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2016-17 and to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof) and in terms of the approval given by the members at the Annual General meeting of the Company held on 30th September, 2014, the appointment of the current auditors of the Company, M/S B.C Jain & Co., Chartered Accountants who are eligible to hold the office up to the conclusion of Annual General Meeting for the Financial Year ending on 31st March, 2017 and who have furnished their eligibility certificate and confirmed that their appointment if ratified would be within the prescribed limits, be and is hereby ratified as the statutory auditors of the company for the financial year 2016-17 and to hold the office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting at such remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS:-

To Consider and, if thought fit, to pass with or without modification the following Resolution as a Special Resolution :

4. **"RESOLVED THAT**, pursuant to Section 100 and other applicable provisions of the Companies Act, 1956 or under the Companies Act, 2013 as and when made applicable, Article 44 of the Articles of Association and subject to the confirmation by the Hon'ble High Court of Judicature at Allahabad or the National Company Law Tribunal (The Tribunal), as the case may be, the consent of the Company be and is hereby accorded to the reduction of its existing fully paid-up share capital by Rs 30,68,900/- (Rupees Thirty Lakhs SixtyEight Thousand Nine Hundred Only) consisting of 3,06,890 (Three Lakhs Six Thousand Eight Hundred and Ninety Only) fully paid up shares of Rs. 10/- (Rupees Ten Only) each representing 1.750% of the total paid-up share capital, held by Equity Shareholders other than those who are Promoters, Promoters Group and Persons Acting in Concert (such shareholders herein after referred as "Persons in Control"), by repaying/ returning Rs. 60.12 per equity share against the face value of Rs. 10/- per equity share and thereby cancelling all such shares

RESOLVED FURTHER THAT the reduction of Company's paid-up equity share capital as indicated above is subject to the following terms and conditions:-

- a) After the reduction is approved by the members and confirmed by the Hon'ble High Court or the



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Tribunal, as the case may be, the Board of Directors shall fix a Record Date on such date as may be appropriate, for the purpose of determining the names of the registered holders of the equity shares of the Company being cancelled;

- b) On the Record Date all the equity shares other than those held by the "Persons in Control" of the Company shall in consideration of payment to be made to the shareholders in terms of clause (c) below, stand cancelled;
- c) All shareholders other than "Persons in Control" of the Company shall be paid the consideration due to them within 30 days of the Record Date, without any further application, act or deed by the shareholders. All such payments will be made by cheques or demand drafts/warrants and sent to the registered address of the members whose holdings stand cancelled as per clause (b) above;
- d) Upon cancellation of the equity shares as provided in clause (b) above, the issued, subscribed and paid-up equity capital account of the Company shall stand reduced by the extent of the aggregate of the face value of equity shares so cancelled @ Rs. 10/- per equity share.

RESOLVED FURTHER THAT for the purposes of giving effect to the reduction of the paid-up equity share capital as aforesaid, the Board be and is hereby authorized to do all such acts, deeds and things including to agree to any modification(s) or condition(s) that may be imposed or stipulated by the Hon'ble Court or the Tribunal or any other authority and to take all necessary steps and actions as the Board may in their discretion deem fit for purposes of ensuring that the reduction is completed in a fair and equitable manner.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution for reduction of the paid-up equity share capital, the Board be and is hereby authorized to give such directions as may be necessary and to settle any issues that may arise, including in connection with any deceased or insolvent shareholder or a shareholder suffering from any disability or in respect of any shares which are/ or may be subject to restraint by any Hon'ble Court or other authorities, as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the authorities conferred as above to any Directors/ Officers/ Authorized Representative (s) of the Company to give effect to the aforesaid Resolution or to accept any change (s) or modification(s) as may be suggested by the appropriate authorities or Counsels."

BY ORDER OF THE BOARD OF DIRECTORS,
MOHAN STEELS LIMITED

DATE : 05.09.2016
PLACE : UNNAO

CHETNA DWIVEDI
Company Secretary & Compliance Officer

NOTES:

1. **A MEMBER OF THE COMPANY IS ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") AND TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. **A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.**



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In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy in form MGT-11 should, however, be deposited at the Registered Office /Administrative Office of the company not less than 48 hours before the commencement of the meeting.

3. The businesses as set out in the notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in the notice **under Note No. 13.**
4. Annual Report along with Notice of Annual General Meeting, attendance slip, proxy form and route map of the venue of the meeting are being sent in electronic mode latest by 7th December, 2016 to members whose email ID's are registered with the Company unless the members have registered their request for a hard copy of the same. Physical copy of the Annual Report along with Notice of Annual General Meeting, attendance slip, proxy form and route map of the venue of the meeting are being sent latest by 2nd December, 2016 to those members who have not registered their e-mail ID's with the company. Members who have received attendance slip in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend AGM.
5. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy (ies) of their Annual Report.
6. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the company a certified copy of the relevant Board Resolution authorizing their representative to attend and vote on their behalf at the meeting together with the specimen signature of the representative authorized under the said Board Resolution.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Members holding shares in physical form are requested to inform the change of their registered address to our Registrar and Transfer Agent (RTA), M/s Skyline Financial Services Private Limited at 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi – 110 065 by quoting their folio number or Registered office / Administrative office of the company.
9. Members desirous of obtaining any information with regard to the Annual Reports, are requested to write to the secretarial department of the Company's registered and corporate Office at Gazauli Industrial Area, Unnao Uttar Pradesh or send email to info@mohansteels.com at least ten days before the date of Annual General Meeting so that the information can be made available at the meeting.
10. All the documents referred to in the accompanying Notice will be available for inspection at the Registered Office of the Company during business hours (10:00 A.M. to 6:00 P.M.) on all working days up to the date of declaration of the result of 44th Annual General Meeting of the Company. The aforesaid documents will also be available for inspection by members at the meeting.
11. Pursuant to the Provision of Sections 108 and any other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Amendments Rules, 2015 and regulation 44 of SEBI (Listing Obligation And Disclosure Requirements) Regulation, 2015 the businesses as contained in the notice of Annual General Meeting shall be transacted through electronic voting system and Company is pleased to provide to its members the facility to exercise their right to vote on resolution proposed to be passed in the meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).



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12. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. Necessary arrangements have been made by the Company with NSDL to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the General Meeting.
13. The information & instructions for the shareholders for remote e-voting are as under:
- (I) The Remote E-voting period begins on **25/12/2016 at 9:00 A.M.** and ends on **27/12/2016 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21/12/2016**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) In case of Shareholders receiving e-mail from NSDL:
 - a) Open email and open the PDF file viz, "MSL e-voting.pdf" with your client ID or Folio No. as password. The said PDF file contains user ID and password for e-voting. Please note that the password is an initial password;
 - b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>;
 - c) Click on Shareholder – Login;
 - d) Insert user ID and password as initial password noted in step (i) above. Click Login;
 - e) Password change menu appears. Change the password with the new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
 - f) Home Page of e-Voting opens. Click on e-Voting: Active E- Voting Cycles;
 - g) Select "EVEN" of mohan steels limited;
 - h) Now you are ready for e-voting as Cast Vote page opens;
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted
 - j) Upon confirmation, the message "Vote cast successfully" will be displayed;
 - k) Once you have voted on the resolution, you will not be allowed to modify your vote;
 - l) For the votes to be considered valid, the Institutional shareholders (other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at adesh.tandon11@gmail.com with a copy marked to evoting@nsdl.co.in
 - m) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of www.evoting.nsdl.com.
 - n) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.



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- o) It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period:

Commencement of e-voting: From 9.00 a.m. Ist on 25th December, 2016

End of e-voting: Upto 5.00 p.m. Ist on 27th December, 2016.

- p) E-Voting shall not be allowed beyond 5.00 p.m. of 27th December, 2016. During the e-voting period, Shareholders of the Company, holding shares as on the cut-off date (record date 21st **December, 2016** either in physical form or in dematerialized form may cast their vote electronically.
14. The Company has appointed Mr. Adesh Tandon, Practicing Company Secretary (Membership No. F2253 and Certificate of Practice No.1121), as 'Scrutinizer' for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
15. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting first counts the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make not later than 3 days of conclusion of the meeting i.e., 31st December, 2016 a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, to the Chairman of the Company.
16. The results declared along with the consolidated scrutinizer's report shall be placed on the company's website www.mohansteels.com and on the website of NSDL immediately after the results will be declared by the chairman.
17. ***The Register of Members and the Share Transfer Books of the Company shall remain closed from 21st December, 2016 to 27th December, 2016 (both days inclusive).***
18. A copy of this notice has been placed on the website of the company; www.mohansteels.com and the website of NSDL; www.evoting.nsdl.com
19. Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able exercise their right at the meeting.
20. The members who have exercised their right to vote by remote e -voting shall not be entitled to vote at the meeting. But may also attend the meeting.

BY ORDER OF THE BOARD OF DIRECTORS,
MOHAN STEELS LIMITED

DATE : 05.09.2016
PLACE : UNNAO

CHETNA DWIVEDI
Company Secretary & Compliance Officer



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EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The company was set up on 22.07.1971 as mini steel plant having 10mt ARC Furnace. With the single product of M.S. steel Goods by the promoters Kejriwal family. The company went in to public issue in Year 1978 and the equity share of the company were got listed on Bombay stock exchange as well as on UP stock exchange. The operation of the company started in November 1978 as the electricity was released by UP SEB subsequently the company increased its melting capacity and addition of certain products to manufacture billets as well as state of the ART Hot Rolling Mill to Manufacture MS Wire Rod and TMT Bar of very good quality in 1985 and subsequently and gradually the TMT Rolling capacity has Increased to 180000 MT Billets PY. In 1988 after the nuclear test conducted by India the steel Market collapse due to international sanction (Restriction) imposed on India. in order to aforesaid expansion of business and product diversification the loan were taken by the company from the banks. Due to nuclear test and its afterwards effects the losses started on account of non services of the loan. The accumulated loses reached to 50% of the net worth and subsequently the reference was made to the Hon'ble BIFR u/s 23. Subsequently the 100% net worth got eroded at the end of march 1999 and accordingly the reference was made to the Hon'ble BIFR u/s 15 of the SICA which is in the case of 100% erosion of net worth and on 17 October 2003 the Hon'ble BIFR sanctioned a scheme and production commenced from year 2004 but due to paucity of Working Capital, production did not reach to Break Even Point and in furtherance of the scheme the unsecured loans put in by the company's promoters and co-promoters (strategic Investors) group headed by Vikram Kothari and other Group headed by Uday Desai put in along with the main promoters were converted in to equity that resultant into 98.25% holding by the promoters and rest only 1.75% by the public. After that the company **was delisted from the Bombay stock exchange as of 06.06.1989** and due to De recognition of UP Stock Exchange company was sent to Dissemination board of NSE on 17th April 2015. The company is a running company therefore it would be necessary to provide the fair value to the shareholder determined by the Auditor, based on Balance sheet as on 31.03.2016.

Section 66 of the Companies Act, 2013 allows the Company, subject to confirmation by the Court/ Tribunal to reduce the Company's share capital in any manner. The company may extinguish any of its equity shares by repaying any paid-up share capital in terms of Article 48 of the Company's Articles of Association.

After the proposal is approved by the members through the special resolution which is being placed before them and after the scheme of reduction is confirmed by the Court or Tribunal, as the case may be, the Board of Directors shall fix a record date as to ascertain the names of the members whose equity shares would be cancelled. On the said record date, the equity shares held by all members other than promoters group of the Company, shall stand automatically cancelled within 30 days thereof. The said members would be paid the consideration as stated above due on their holdings by means of cheques payable at par/pay orders/demand drafts to be sent to their registered addresses. Upon the said payment, the members whose shares are so cancelled and for whom the consideration amount has been mailed would automatically cease to be the member of the company and consequently lose all the rights in respect of the equity shares held by them until the date of cancellation.

Upon the said cancellation, the issued, subscribed and paid-up equity share capital account of the company shall stand reduced to the extent of the aggregate of the face value of the equity shares so cancelled.

The proposed reduction of capital will afford an opportunity to the public shareholders to liquidate their illiquid shareholding at a properly determined price. The price has been determined on the basis of the audited balance sheet as at 31st March, 2016. **The value of the share determined by the auditor in**



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adherence to the above process is Rs. 60.12 per equity shares & the management, thought fit, ready to pay Rs. 60.12 per equity shares.

The cancellation of the paid-up equity share capital of the Company is expected to remove the high number of small-lot shareholding and reduce the related administrative cost, including the cost of distribution of dividend, cost of printing and posting of annual reports and dividend warrants etc.,. It may be noted that even after the proposed reduction of the Company's paid-up equity share capital, the interest of the Company's creditors will not be affected/ jeopardized as the creditors are almost negligible and unsecured borrowings are actually from the promoters group.

Your Board is therefore of the opinion that having regard to the number of small shareholders having no exit route being an unlisted Company, it would, therefore, be fit and proper to reduce the Company's paid-up equity share capital as indicated in the Special Resolution.

Copy of Memorandum and Articles of Association of the Company together with the valuation reports as specified above will remain open for inspection at the registered office of the Company between 10.00 A.M. And 12.00 Noon on all working days except Saturdays and will also be available at the meeting.

Directors of the Company and their relatives be considered/ interested in the said Resolution to the extent of their shareholding in the company.

As this resolution affects Rotomac Export Pvt. Ltd., and Vikram Kothari is happen to be director and virtually key managerial personnel of Rotomac Export Pvt. Ltd, where he and his family along with its associates have control over the company.



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DIRECTOR'S REPORT

To,
The Members of
MOHAN STEELS LIMITED

Your Directors have pleasure in presenting herewith the 44th Annual Report along with Audited Accounts of the company for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

The summarized financial position of the Company for the financial year ended on 31st March, 2016 as compared to Previous Year is as under:

Amount in lacs

PARTICULARS	FY ended on 31st March, 2016	FY ended on 31st March, 2015
Revenue From Operations		
- Domestic Sales	-	335.28
- Export Sales	387748.32	355992.57
- Conversion Charges from SAIL	-	1135.31
other Operating Revenue	3.16	34.02
Total Revenue from Operations	387751.49	357161.90
Other Revenue	13535.59	15139.17
Total Revenue	401287.08	372301.07
Total Expenditure	398867.53	368649.11
Profit before Interest, Depreciation and Tax (PBIDT)	2640.46	4569.71
- Interest	130.28	826.77
- Depreciation	90.64	90.98
Profit Before Tax (PBT)	2419.55	3651.97
- Deferred Tax	15.84	246.65
- Current Tax	(840.00)	(1243.00)
Profit After Tax (PAT)	1595.39	2655.62

OPERATIONS

Your company used to manufacture TMT bars on its own account. The domestic production plant operations were closed on 10/02/2015 and there is no production of TMT BARS during the financial year ended on 31st March, 2016.

Domestic production (own) account

ITEM	2016 (MT)	2015 (MT)
TMT BARS	NIL	324.590
MIS ROLL	NIL	929.091

Conversation SAIL Account*

YEAR	PRODUCTION (MT)	DESPATCH (MT)
2015	34694.678	34980.239
2016	NIL	NIL

* (SAIL) Conversation Account expired on 17/02/2015)



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FINANCE

The Company has made profit of Rs. 1595.39, Lacs during the year in comparison to last year's profit of Rs. 2655.62 lacs which is due to competition in the industry. The Billet conversion contract with SAIL ended on 16th Feb, 2015 and mercantile trade turnover is 3854.54 lacs.

FIXED DEPOSITS:

The Company has not accepted any deposit from public/shareholders as stipulated in section 73 of the Companies Act, 2013 and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required by the Listing Regulations is incorporated herein by reference and forms an integral part of this report (**Annexure H**).

DIVIDEND

In order to conserve the resources of the company, the Board of Directors have decided not to declare any dividend during the financial year under review.

TRANSFER TO RESERVES

During the year under review, the Board of Directors did not propose to transfer any amount to the reserves.

PROPOSAL FOR CAPITAL REDUCTION

The shares of the company were listed with the U.P.S.E. stock exchange. Due to de-recognition of the regional stock exchange on 9th June, 2015 by the Hon'ble Securities and Exchange Board of India, the company was referred to the Dissemination Board of the National Stock Exchange on 16th April, 2015. The public shareholding in the company is about 1.75 per cent, therefore, the Board of Directors in the interest of investor protection has proposed a resolution to be passed by the shareholders in the ensuing Annual General Meeting for capital reduction to the extent of public shareholding by paying them the fair value as determined by the auditors of the company. The detailed resolution along with the explanatory statement is contained in the notice of the ensuing annual general meeting.

DIRECTORS

In accordance with the provisions of Section 152 of The Companies Act, 2013 read with the Articles of Association of the Company, Shri Pradeep Gautam, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible have consented for re-appointment as Director. His appointment is recommended to the members.

The brief resume of directors retiring by rotation but seeking reappointment at the ensuing Annual General Meeting, their experience in specific functional areas and the companies on which they hold directorship and / or membership / chairmanship of the committees of the Board, their shareholdings etc., as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in section "**Report on Corporate Governance**".

- DETAILS OF DIRECTORS AND KMP'S APPOINTED AND RESIGNED DURING THE YEAR

a) APPOINTMENTS AND RESIGNATION OF DIRECTORS

During the financial year 2015-16 Mr. Shyam Kanodia, Mr. Krishna Gopal Malviya, Mr. Bhaskar Ray and Mr. Rajeev Kumar Saxena were appointed by the Board of Directors in their Board Meeting held



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on 1st September, 2015 which were further approved by the members in their Annual General Meeting held on 30th September, 2015.

Further, Mr. Mohan Krishna Kejriwal, Mr. Krishna Gopal Malviya, Mr. Gopal Krishna Kejriwal and Mr. Madhav Krishna Kejriwal resigned from their directorships with effect from 30th June, 2015, 16th October, 2015, 1st December, 2015 and 22nd March, 2016 respectively.

Further, Mr. Shyam Kanodia resigned from their directorship with effect from 12th August, 2016 and Mr Sri Krishna Kejriwal resigned w.e.f. 16th August, 2016 The board has accepted resignation of the above directors.

Mr. Uday J Desai and Mr. Sunil Verma resigned from their directorships with effect from 20th August, 2016, i.e. after the end of financial year 2015-16. It is pertinent to mention here that the entire Mercantile business of the company was being managed solely since inception by Mr. Uday J Desai and Mr. Sunil Verma, as they had international trade contacts and had rich experience in this line of business. The Board has requested them to continue and in event of their unwillingness to continue as directors, would then only file the resignations in prescribed form.

b) APPOINTMENTS OF KEY MANAGERIAL PERSONNEL

Mr. Arun Kumar Bhinde, who was serving as COO and handling all finance matters of the company since he joined on 01.04.2006, was appointed as CFO and KMP under Section 203 of The Companies Act, 2013 with effect from 12th March, 2016.

Miss Chetna Dwivedi, who was serving as Company Secretary since 03.10.2009, was appointed as Company Secretary and KMP of the company under Section 203 of The Companies Act, 2013 with effect from 12th March, 2016.

ANNUAL EVALUATION OF BOARD OF ITS OWN PERFORMANCE, OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI (LODR) Regulations, 2015 stipulates the performance evaluation of the Directors including Chairman, Board and its Committees. Considering the said provisions, the Company has devised the process and the criteria for the performance evaluation.

The Nomination & Remuneration Committee evaluates the performance of the Independent Directors, Non- Independent Directors and the Chairman of the Company. Structured questionnaires to evaluate and assess the quality, quantity and timeliness of the flow of information between the Company management and the Board to see the (i) Board Effectiveness, (ii) Evaluation of Non-independent Directors, (iii) Evaluation of Independent Directors, (iv) Evaluation of Committees (Audit, NRC, Stakeholder Relationship Committee & Corporate Social Responsibility and (v) Evaluation of Chairperson

The Board would use the results of evaluation process constructively to improve its effectiveness, maximize strengths of individual directors and deliver performance & overall growth for the company.

COMMITTEES TO THE BOARD:

The Company has 4 (Four) Committees which have been established in Compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee



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The details with respect to the composition, powers, roles, terms of reference, policies etc. of relevant Committee are given in details in the 'Report on Corporate Governance' of the Company which forms part of the Annual Report.

PERFORMANCE & FINANCIAL POSITION OF EACH OF THE SUBSIDIARY, ASSOCIATES AND CONSOLIDATED FINANCIALS:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with the Accounting Standard AS-23 on Accounting for Investments in Associates notified under Section 129(3) of the Companies Act, 2013, the audited Consolidated Financial Statements are not provided in the Annual Report as there is no transaction to report.

The Company has no joint venture companies.

The Annual Accounts of the Subsidiary Company are open for inspection by any member/investor at the Company's Registered Office and the Company will make available these documents and the related detailed information upon request by any investor of the Company or any investor of its Subsidiary Company who may be interested in obtaining the same.

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

The company would like to inform that no material changes and commitments affecting the financial position of the company have occurred in the financial year ending 31st March, 2016 except The Billet conversion contract with SAIL ended on 16th february, 2015.

RELATED PARTY CONTRACT AND ARRANGEMENT OF THE COMPANY:

All related party transactions that were entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The details of all the related party transactions entered into by the company are provided in the accompanying financial statements and also provided in separate **Form AOC-2 as ANNEXURE C.**

INTERNAL FINANCIAL CONTROLS:

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 process or operation was observed.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement

LEGAL FRAMEWORK AND REPORTING STRUCTURE:

The Company would like to inform that a legal compliance framework is there within the organization for monitoring and complying all laws applicable to the Company. This framework is being overseen and



MOHAN STEELS LIMITED

supervised by the office of the Company Secretary. Further the Company secretary has also been cast the responsibility of providing a compliance certificate at every Board meeting including the key non-compliances during the quarter.

RISK MANAGEMENT POLICY AND IDENTIFICATION OF KEY RISKS:

The Company would like to inform that the risks which threaten the existence of the Company have been identified and accordingly a risk management framework has been created and adopted by the company. Further the internal auditors of the Company have been cast with the responsibility of monitoring this framework and report to the management the key risks affecting the business from time to time. The company shall Endeavour to hedge its foreign exchange exposure to a greater extent in the current Financial Year going forward.

CSR ACTIVITIES:

As a responsible corporate citizen, your company supports a charitable trust, JAYANTILAL CHAND CHARITABLE TRUST, to discharge its social responsibilities, an outfit of the trust provides social services such as organizing workshops/seminars to voice different social issues, health camps/road shows for creating awareness on the social concerns and helping underprivileged masses.

The Company has adopted the CSR policy keeping into account section 135 of Companies Act, 2013. The Company's CSR policy and its detailed expenditure on CSR activities during the Financial Year 2016 as required under read with rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is also uploaded on the corporate website. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is annexed to this report (**ANNEXURE B**).

DISCLOSURES:

(I) MEETINGS OF THE BOARD:

Four meetings of the Board of Directors were held during the year. For further details, please see report on corporate governance.

(ii) AUDIT COMMITTEE:

All the recommendations made by the Audit Committee were accepted by the Board. Details of the audit committee are mentioned in the CG Report.

(ii) ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM:-

The Company promotes ethical behavior in all its business activities and in line with the best practices for corporate governance. It has established a system through which directors & employees may report breach of code of conduct, unethical business practices, illegality, fraud, and corruption etc at work place without fear of reprisal. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board.

During the Financial Year 2015 - 16 there was no complaint reported by any Director or employee of the company under this mechanism.

(iv) EXTRACT OF ANNUAL RETURN:-

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2016 to be set out in **ANNEXURE G** to the Directors' Report.



MOHAN STEELS LIMITED

AUDITORS & AUDITORS' REPORT:

STATUTORY AUDITORS:

The term of present Auditors of the Company, M/s. B.C. Jain & Co., Chartered Accountants, Kanpur expires at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment. The Company has received a Certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. The Board recommends the appointment of M/s. B.C. Jain & Co., Chartered Accountants, Kanpur from the conclusion of the ensuing AGM till the conclusion of the 45th AGM to be held in the year 2017, subject to annual ratification by members at AGM.

Directors Reply to Auditors remark

Auditor's remarks in their audit report are self explanatory and need no further comments.

(a) Secretarial Audit & Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Adesh Tandon & Associates, Practicing Company Secretary has been appointed by the company for conducting Secretarial Audit for all applicable laws for the Financial Year 2017. The Report of the Secretarial Audit Report to be set out in **ANNEXURE E** to the Directors' Report.

The remarks given by the board on the observations of Secretarial Auditor as given in Secretarial Audit report is mentioned in **ANNEXURE F**.

INTERNAL AUDITOR:

The Directors have appointed M/S Rajiv Girdhar & Co., Practicing Chartered Accountants, as Internal Auditor for the financial year 2016-17 in pursuance of provisions of sec 138 of the Companies Act, 2013 read with rule 13 of The Companies (Accounts) Rules, 2013

STATUTORY INFORMATION

A. PARTICULARS OF EMPLOYEES:

As none of the Employees of the Company was in receipt of remuneration in excess of the limits prescribed, information as per 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given.

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

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure-A hereto forming part of this Report.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy



MOHAN STEELS LIMITED

on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 and the rules there under.

During the year the Company has received no complaints.

DIRECTORS' RESPONSIBILITY STATEMENT:-

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:-

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

CORPORATE GOVERNANCE

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report.(ANNEXURE D)

LISTING INFORMATION

The Uttar Pradesh Stock Exchange Association Limited was de-recognised on 9th June, 2015. As per SEBI policy, company was referred to dissemination board of NSE on 16th April, 2015.

During the year, SEBI notified the Listing Regulations and the same were effective December 1, 2015. The Listing Regulations aim to consolidate and streamline the provisions of the erstwhile listing agreement for different segments of capital markets to ensure better enforceability. In terms of the Listing Regulations, all listed entities were required to enter into a new listing agreement with the stock exchanges



MOHAN STEELS LIMITED

INDUSTRIAL RELATIONS

Relations with the Employees continued to be cordial. The Directors wish to place on record their appreciation of the co-operation and contribution made by the Employees at all levels.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the continued cooperation and support extended by the Employees and specially the Shareholders of the Company and bankers of the company for reposing trust and confidence in Company's management.

For and on behalf of the Board
MOHAN STEELS LIMITED

(VIKRAM KOTHARI)

Director

(DIN: 00454708)

Address : 7/23, Tilak Nagar
Kanpur-208 002

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steel Ltd.
Gazauli Industrial Area
Kanpur Lucknow Road
Unnao-209 801 (U.P.)

Place : Unnao
Date : 5th Sep, 2016



MOHAN STEELS LIMITED

(Annexure 'A' to the Directors' Report)

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure-A forming part of the Director's Report for the year ended 31st March, 2016.

I. CONSERVATION OF ENERGY		F. Y. 2015-16	F.Y. 2014-15
(a)	Energy Conservation measures taken during the year	N.A	Nil
(b)	Additional Investment and proposals, if any, being implemented for reduction of consumption of energy	N.A	Nil
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	N.A	Nil
(d)	Total energy consumption & energy consumption per unit of production as per Form 'A' of the Annexure to the Rules, are as under:		
A. Power and Fuel consumption:			
(1)	Electricity		
	Purchased Units	N.A	5025900
	Total Amount (Rs)	N.A	43784883
	Average Rate/Unit (Rs./KVAH)	N.A	8.71
(2)	Fuel Consumption (Furnace Oil)		
	Qty. (KG)	N.A	14630
	Total Amount (Rs) *	N.A	619960
	Average Rate (Kg) Rs.	N.A	42.38
	*Net of CENVAT Credit		
(3)	Fuel consumption (Steam coal)		
	Quantity (Kg)	N.A	4399760
	Total Amount (Rs)	N.A	48666339
	Average Rate (Kg.) Rs.	N.A	11.06
B. Consumption per unit of production			
	Electricity KVAH/PMT	N.A	143.52
	Furnace Oil Kg./PMT	N.A	0.420
	Steam Coal Kg / PMT	N.A	125.640



MOHAN STEELS LIMITED

II. TECHNOLOGY ABSORPTION

(1) Research Development (R & D)

(a)	Specific areas in which R&D carried out by the Company	N.A	Nil
(b)	Benefits derived as result of the above R & D	N.A	Nil
(c)	Future plan of action	N.A	Nil
(d)	Expenditure on R&D (Rs.in lacs):		
	(I) Capital	N.A	Nil
	(ii) Recurring	N.A	Nil
	(iii) Total	N.A	Nil
	(iv) Total R & D Expenditure and % of turnover	N.A	Nil

(2)	Technology absorption, adoption and innovation	N.A	Nil
-----	--	-----	-----

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a)	Activities relating to exports, initiatives taken to increase export development of New markets for products and services and export plans	N.A	None
(b)	Total Foreign Exchange used	N.A	28075

For and on behalf of the Board
MOHAN STEELS LIMITED

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steels Ltd.

Gazauli Industrial Area

Kanpur Lucknow Road

Unnao-209 801 (U.P.)

Place : Unnao
Date : 5th Sep, 2016



MOHAN STEELS LIMITED

ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE-B'

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. To direct Co's CSR Programmes, inter alia, towards achieving one or more of the following –
 - Enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports
 - To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
 - To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
 - To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact
2. The Composition of the CSR Committee.
 - Shri Rajeev Saxena Independent Director
 - Shri Sunil Verma Director
 - Shri Sri Krishna Kejriwal Director
3. Average net profit of the company for last three financial years Rs. 3989 lacs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) Rs. 80 Lac
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes 1) Local area or other 2) Specify the state and district where Projects or programs was undertaken	Amount outlay (budge) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditures on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency



MOHAN STEELS LIMITED

1	1		UP & GUJRAT	80 Lac	80 Lac	80 Lac	
2							
3	Total						

***Give details of implementing agency:**

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
SRI KRISHNA KEJRIWAL
Director

Sd/-
SUNIL VERMA
(Chairman of CSR committee)

Sd/-N/A
(Person specified under Clause (d)
of Sub-section (1) of Section 380
of the act)

Dated : 9th August, 2016

(wherever applicable)



MOHAN STEELS LIMITED

ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE-C'

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	ROTOMAC EXPORTS PVT LTD/ ASSOCIATE COMPANY
b)	Nature of contracts/arrangements/transactions	1
c)	Duration of the contracts / arrangements/transactions	CONTINUOUS
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	SECURED LOAN
e)	Justification for entering into such contracts or arrangements or transactions	BIFR ORDER
f)	date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	OLD LOAN

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party	NIL
b)	Nature of Relation ship	NIL
c)	Nature of contracts / arrangements /transaction	NIL
d)	Duration of the contracts / arrangements/transactions	NIL
e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
f)	Date(s) of approval by the Board, if any:	NIL
g)	Amount paid as advances, if any:	NIL

For and on behalf of the Board
MOHAN STEELS LIMITED

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steels Ltd.

Gazauli Industrial Area

Kanpur Lucknow Road

Unnao-209 801 (U.P.)

Place : Unnao
Date : 5th Sep, 2016



MOHAN STEELS LIMITED

CORPORATE GOVERNANCE REPORT

Annexure - D

Corporate Governance Philosophy:

Effective Corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. The Company believes that sound corporate governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its board of directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with strategic direction needed to create long term shareholders value.

The Company has strong legacy of fair, transparent and ethical governance practices. The Company will continue to focus its resources, strengths and strategies to achieve its vision. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place procedures and systems, which are in accordance with the best practices of governance. Good Corporate Governance apart from other things ensured application of best management practices, compliance of Law in true letter, spirit, and adherence to ethical standards and discharge of social responsibility for sustainable development and growth of all shareholders.

I. Board of Directors:

a) Composition of the Board:

The Company's Board comprises of EIGHT Directors. The Board comprises of Executive and Non Executive Directors and meets the requirement of the Code of Corporate Governance. The Board is headed by Non Executive and Independent Chairman, Mr. Vikram Kothari. Except Managing Director and Whole time Director, all others are Independent Directors. Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry.

b) Board Meetings/ Director's Particulars:

The Board of Directors of the Company has a healthy blend of executive and non-executive directors, consequently ensures the desired level of independence in functioning and decision-making.

All the Non-Executive Directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

The Board meets at regular intervals and in addition to review of operations, formulates Corporate policies and sets up goals. The Agenda and the relevant papers are circulated for consideration to the Directors at least a week in advance. Directors are free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. Adequate information is circulated as part of the board papers and is also made available at the Board meeting to enable the Board to take decisions.

The table below provides the details of composition and category of Directors, their attendance at the Board Meeting and the number of other Directorship [other than the Company] and Chairmanship / membership in Board Committees of public limited companies.



MOHAN STEELS LIMITED

Name of Director	Category	No. of Director-ships held	Member (Chairman of Board Committee)	No. of Memberships in Board Committee
Mr. Vikram Kothari	Chairman	20		-
Mr. Pradeep Gautam	Whole time Director	3		3
Mr. Uday J Desai	Director	3		1
Dr. Sunil Verma	Director	3		1
Mr. Sri Krishna Kejriwal	Director	1		1
Mr. Bhasker Ray	Independent Director	-		3
Mr. Rajeev Kumar Saxena	Independent Director	-		4
Mr. Shayam Kanodia	Independent Director	-		1

Excluding Private, Foreign and Companies registered U/s 25 of the Companies Act, 1956. There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

c) Details of Board Meetings and Attendance:

During the Financial period from 1st April, 2015 to 31st March, 2016, Four Board Meetings were held on the following date (s) 21st May, 2015, 29th June, 2015, 14th November, 2015, 12th March, 2016.

Attendance of Directors at Board Meetings and at the Annual General Meeting (AGM):

Name of Director	No. of Board Meeting held during the year	No. of Board Meeting Attended	Whether Attended the AGM- Yes/No
Mr. Vikram Kothari	5	2	No
Mr. Pradeep Gautam	5	5	Yes
Mr. Uday J Desai	5	3	No
Mr. Sunil Verma	5	3	No
Mr. Sri Krishna Kejriwal	5	4	Yes
Mr. Bhasker Ray	5	2	No
Mr. Rajeev Kumar Saxena	5	2	No
Mr. Shyam Kanodia	5	1	No



MOHAN STEELS LIMITED

II. Committees of the Board:

The Company has four Board Level Committees, namely

- A) Audit Committees
- B) Stakeholders relationship committee
- C) Remuneration & nomination Committee:
- D) Corporate social responsibility Committee:

A. Audit Committee:

a) Composition of the Audit Committee and attendance of members:

The Audit Committee of the Company comprises of following Directors as Members of the Committee:

- 1. Shri Bhasker Ray - Independent Director
- 2. Shri Rajeev Saxena - Independent Director
- 3. Shri Shyam Kanodia - Independent Director
- 4. Shri Uday J Desai - Director
- 5. Shri Pradeep Gautam - Whole Time Director

The committee comprises of eminent professionals with expert knowledge in corporate finance. The Minutes of each audit committee meeting are placed before and discussed by the Board of Directors of the Company.

- b) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at the meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- c) The previous Annual General Meeting of the Company was held on September 30, 2015 and was attended by Mr. Uday J Desai, Chairman of the Audit Committee.

d) Meetings of Audit Committee:

The Company had constituted an Audit Committee in the year 2001, which was reconstituted on 11th September, 2010 & again on 16th Nov.,2015. During the period from 1st April, 2015 to 31st March, 2016, Four Meetings of the Audit Committee were held on the following date(s): 21st May, 2015, 29th June, 2015, 20th July, 2015, 14th November, 2015, 12th March, 2016. Attendance record of the Members of the Audit Committee is as under:

Name of the Member Director	Designation	No. of Meetings held	No. of Meetings Attended
Shri Uday j Desai	Chairman	5	5
Shri Pradeep Gautam	Member	5	5
Shri Bhaskar Ray	Member	5	2
Shri Rajeev Saxena	Member	5	2
Shri Shyam Kanodia	Member	5	2



MOHAN STEELS LIMITED

e) Terms of Reference

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee broadly are as under:

- Oversight of the Company's financial reporting process.
- To establish accounting policies and practices in consultation with management and Auditors.
- Reviewing with the Management, the financial results before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliance with the accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- To disclose financial information which is true, fair and objective.
- To establish appropriate internal controls and review the same with Management and Auditors.
- To recommend appointment / change of external auditors, audit fees and approve payment for other services.
- To meet Auditors regularly prior to commencement of audit to establish scope of audit.
- Reviewing internal audit functions, continuously, monitor and rectify any irregularities discovered in internal audit and report the same to the Board.
- Reviewing the financial and risk management policies.
- Reviewing management discussion and analysis of the financial condition and results of operations.
- Reviewing significant related party transactions.
- To review quarterly results and annual results with Auditors and place the same before the Board.
- Reviewing appointment, removal and terms of remuneration of Internal Auditors.

The Company continued to derive benefit from the deliberations of the Audit Committee Meetings, It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

III. REMUNERATION & NOMINATION COMMITTEE:

The Company had constituted a Remuneration Committee in the Year – 2003 which was lastly re-constituted on 14th November, 2015.

a) Composition of the Committee:

The Remuneration/ Compensation Committee comprises of the following Directors as Members;

Shri Bhasker Ray	- Independent Director
Shri Rajeev Saxena	- Independent Director
Shri Pradeep Gautam	- Whole Time Director



MOHAN STEELS LIMITED

b) Meetings of the Remuneration Committee

One Meeting of the Remuneration Committee was held during the year from 1st April, 2015 to 31st March, 2016 = NIL.

REMUNERATION OF DIRECTORS:

Following are the details of Director's remuneration for period from 1st April, 2015 to 31st March, 2016.

Executive Directors

Name of Director	Salary (Rs)	Commission (Rs)	Service Contract (Tenure)	Stock option with details if any
Shri Mohan Krishna Kejriwal (Managing Director)	1,50,000	-	Upto 30.06.2015	Nil
Shri Pradeep Gautam (Whole Time Director)	9,00,000	-	Upto 31.03.2016	Nil

Non-Executive Directors:

Name of Director	Sitting Fees (Rs.)	Commission (Rs)	No. of shares held as on March 31, 2015
Shri Vikram Kothari	-	-	212652
Shri Uday J Desai	-	-	50000
Shri Sunil Verma	-	-	90856

*All three are directors in Rotomac Exports Pvt Ltd which holds 7707537 (107537+7600000) shares consisting of 43.94% of total paid up equity of the MOHAN STEELS LIMITED.

c) Terms of Reference

The broad terms of reference of the Committee are to recommend to the Board;

- To approve the annual remuneration plan of the Company;
- To approve the remuneration and commission/incentive payable to the Managing Director and Whole Time Director for each financial year;
- To finalise the perquisites package within the overall ceiling fixed by the Board.
- Sitting fees and commission paid/to be paid to Non- Executive Directors is in pursuance of the resolution passed by the Board/ Shareholders.



MOHAN STEELS LIMITED

IV. SHAREHOLDERS RELATIONSHIP COMMITTEE:

- a) The Company had constituted a Share Transfer & Transmission cum Investors' Grievance Committee in the year 2001 which was lastly reconstituted on 14th Nov, 2015. The Committee comprises of an Independent Director as Chairman, a Non-Executive Director and the Managing Director.
- b) The Committee is empowered to oversee the redressal of Investors' complaints pertaining to share transfers, non-receipt of Annual Reports, interest / dividend payments, issue of duplicate certificates, transmission of shares and other miscellaneous complaints. During the year under review, Twenty One Share Transfer & Transmission cum Investors' Grievance Committee Meetings were held on according to RTA coordinated meetings

c) Composition and Attendance of the Committee:

- | | |
|------------------------|----------------------|
| 1. Shri Bhasker Ray | Independent Director |
| 2. Shri Rajeev Saxena | Independent Director |
| 3. Shri Pradeep Gautam | Whole time Director |

The Composition of the Stakeholders relationship Committee and attendance at its Meetings is given hereunder:-

Name of the Member Director	Designation	No. of Meetings held	No. of Meetings Attended
Shri Uday j Desai	Chairman	2	1
Shri Sunil Verma	Member	2	1
Shri Pradeep Gautam	Member	2	2
Shri Bhasker Ray	Member	2	1

d) Details of investor complaints received and redressed during the year 2015-16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
--	nil-	nil	---

e) Terms of reference:

Stakeholders relationship Committee primarily focuses on redressal of complaints received by the Company from the shareholders and investors. The Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to clause 47(a) of the listing Agreement with the Stock Exchanges.

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

- f) The Company had constituted a Corporate Social Responsibility Committee in the year 2014 which was lastly reconstituted on 14th Nov, 2015. The committee comprises of an Independent Director plus two Directors.

g) Composition and Attendance of the Committee:

- | | |
|------------------------------|----------------------|
| 1. Shri Rajeev Saxena | Independent Director |
| 2. Shri Sunil Verma | Director |
| 3. Shri Sri Krishna Kejriwal | Director |



MOHAN STEELS LIMITED

The Composition of the Corporate Social Responsibility and attendance at its Meetings is given hereunder:-

Name of the Member Director	Designation	No. of Meetings held	No. of Meetings Attended
Shri Rajeev Saxena	Chairman	2	2
Shri Sunil Verma	Member	2	1
Shri Sri Krishna Kejriwal	Member	2	2

VI. GENERAL BODY MEETINGS

- Details of last three Annual General Meetings (AGM) of the Company are given below:

Financial Year	Date	Time	Venue
2012-2013	30.09.2013	2.00 P.M	Gazauli Industrial Area, Unnao, UP 209801
2013-2014	30.09.2014	2.00 P.M	Gazauli Industrial Area, Unnao, UP 209801
2014-2015	30.09.2015	2.00 P.M	Gazauli Industrial Area, Unnao, UP 209801

- Details of Extra Ordinary General Meetings (EGM):**
No Extraordinary General Meeting of the members was held during the year 2015-2016.
- Details of Special Resolutions:**
No Special Resolutions have been passed in the last three Annual General Meetings of the Company:
Through postal ballot last year (Yes / No) : N.A
Details of voting pattern : N.A
Person who conducted the postal ballot : N.A
exercise

Vii. DISCLOSURES:

- Related Party Transactions:**
Related party transactions with them as required under AS-18 are furnished under Note No. 30 of the Notes of Accounts attached with the financial statements for the year ended March 31, 2016.
No Transaction of material nature has been entered into by the Company with its Promoters, the Directors of the Management, their subsidiary or relatives etc. that may have any potential conflict with the interest of the Company.
- Compliance by the Company:**
Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.
There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the SEBI or any other statutory authority.



MOHAN STEELS LIMITED

VIII. MEANS OF COMMUNICATION:

- **Financial Results:** Quarterly, half yearly and annual results of the Company are published in 'Swatantra Bharat' and 'Business Standard, Mumbai'.
- **New Releases, Presentations etc:** Official news releases, detailed presentations made to media are displayed on the Company's website.
- **Website:** The Company's website www.mohansteels.com
- **Annual Report:** Annual Report containing inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other information circulated to members and others entitled thereto and also displayed on the Company's website.
- **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

Code of Conduct:

The Code of Business Conduct and Ethics for Directors and management personnel, as recommended by the Corporate Governance and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. This code is aimed to prevent any wrongdoing and to promote ethical conduct at Board and Senior Management level. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually.

Management Discussion & Analysis Report:

Management Discussion and Analysis Report is set out in a separate section include in this Annual report and forms part of this Report.

IX. General Shareholders' Information:

Company Registration Details

The Company is registered in the State of Uttar Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27107UP1971PLC003442

Annual General Meeting

Date and Time of 44th AGM	28th Dec., 2016 at 2.00P.M.
Venue of 44th AGM	Gazauli Industrial Area, Unnao, UP 209801
Financial Year	April 1, 2015 to March 31, 2016
Book Closure	21st Dec., 2016 to 27th Dec., 2016
Registered Office	Gazauli Industrial Area, Unnao, UP 209801
Website Address	www.mohansteels.com

Financial Calendar (tentative):

Financial Year: April 1, 2015 to March 31, 2016.

Results for the quarter ending:

30th June, 2015	Second week of August
30th September, 2015	Second week of November
31st December, 2015	Second week of February
31st March, 2016	Second week of May



MOHAN STEELS LIMITED

Listing of Equity Shares

Company referred to dissemination board of NSE

ISIN number for Equity Shares	INE581K01010
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Registrar and Share Transfer Agents:

The Company had appointed Skyline Financial Services Private Limited as the Registrar and Share Transfer Agents to deal with all the matters relating to Transfer and Transmission of shares, redressal of Investors' grievances and all other Investors' related issues.

Skyline Financial Services (P) Ltd.
D-153/A, 1st Floor
Okhla Industrial Area, Phase -1,
New Delhi -110020
Contact No.: 011-26292680, 82, 83 & 84
Fax No.: 011-26292681

• Transfer System for Physical Shares:

Share Transfers would be registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee. A summary of transfer and transmission of securities of the Company so approved by the Committee is placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half –yearly certificate of compliance with transfer formalities as required under clause 47 (c) of the Listing Agreement with Stock Exchanges.

• Secretarial Audit:

A Practicing Company Secretary carried out secretarial audit in each of the quarter in the financial year 2013-14, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit report confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares with depositories.

• Shareholding pattern as on March 31, 2016

(I)	(II)	(III)	(IV)	(V)
(A)	Shareholding of Promoter and Promoter Group²	NO	PHYSICAL	DEMAT
1	Indian			
(a)	Individuals/ Hindu Undivided Family	29	9404462	7063184



MOHAN STEELS LIMITED

(b)	Central Government/ State Government(s)			
(c)	Bodies Corporate	2	7707537	107537
(d)	Financial Institutions/ Banks			
(e)	Any Others(Specify)			
(e-i)				
(e-ii)				
	Sub Total(A)(1)	31	17111999	7170721
2	Foreign			
a	Individuals (Non-Residents Individuals/ Foreign Individuals)			
b	Bodies Corporate			
c	Institutions			
d	Any Others(Specify)			
d-i				
d-ii				
	Sub Total(A)(2)	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	31	17111999	7170721
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds/ UTI			
(b)	Financial Institutions / Banks			
(c)	Central Government/ State Government(s)			
(d)	Venture Capital Funds			
(e)	Insurance Companies			



MOHAN STEELS LIMITED

(f)	Foreign Institutional Investors			
(g)	Foreign Venture Capital Investors			
(h)	Any Other (specify)			
(h-i)				
(h-ii)				
	Sub-Total (B)(1)	0	0	0
B 2	Non-institutions			
(a)	Bodies Corporate	5	37875	700
(b)	Individuals			
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	991	128891	11001
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	260755	155325
(c)	Any Other (specify)			
(c-i)				
(c-ii)				
(c-iv)	Hindu Undivided Family	1	34	34
	Sub-Total (B)(2)	1004	427555	167060
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	1004	427555	167060
	TOTAL (A)+(B)	1035	17539554	7337781
(C)	Shares held by Custodians and against which Depository Receipts have been issued			



MOHAN STEELS LIMITED

1	Promoter and Promoter Group			
2	Public			
	Sub-Total (C)	0	0	0
	GRAND TOTAL (A)+(B)+(C)	1035	17539554	7337781

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

Address for Correspondence:

Shareholders' correspondence should be addressed to the Company's Registrar and Share transfer Agent at the address mentioned above.

Shareholders may also contact Ms.Chetna Dwivedi, Company Secretary at the Registered Office of the Company for any assistance.

Tele. No. : (0515) – 2829592 Extn. – 30

Investors can also send their complaints at info@mohansteels.com

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct.

In accordance with regulation 26 (3) of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended on 31st March, 2015.

For and on behalf of the Board
MOHAN STEELS LIMITED

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steels Ltd.

Gazauli Industrial Area

Kanpur Lucknow Road

Unnao-209 801 (U.P.)

Place : Unnao
Date : 5th Sep, 2016



MOHAN STEELS LIMITED

Annexure - E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,

**The Members,
M/s. Mohan Steels Limited
Gazauli Industrial Area
Unnao - 209801
Uttar Pradesh**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mohan Steels 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 books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MOHAN STEELS LIMITED for the financial year ended on March 31st, 2016 according to the provisions of:

- I) The Companies Act, 2013 (the Act) and the rules made there under
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)
- 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;
How ever, No Continual Disclosure Under Regulation 30 was Sent to the Stock Exchange.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The New Regulations regarding Prohibition of Insider Trading i.e.,
The Securities and Exchange Board of India (Prohibition of Insider Trading)
Regulation, 2015, Effective from 15th May, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable To The Company during the Audit Period)



MOHAN STEELS LIMITED

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable To The Company during the Audit Period)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable To The Company during the Audit Period)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
(Not applicable to the Company during the Audit Period).
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(Not applicable to the Company during the Audit Period)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable To The Company during the Audit Period)
- (vi) I further report that, as per management representation Letter for secretarial Audit, there are no specific laws applicable to 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. (effective from July 01, 2015)
- ii. The Listing Agreements entered into by the Company with U.P. Stock Exchange Limited and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as applicable during the year with effect from 1st December, 2015).

However, the company was sent to the Dissemination Board of National Stock Exchange by U.P. Stock Exchange with effect from 17th April, 2015.

We further report that - the Uttar Pradesh Stock Exchange ("UPSE") was de-recognized and Exit order was passed in respect of UPSE Vide order dated 9th June, 2015.

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

- (a) Two forms MGT-14 Pursuant to section 179 read with other applicable Provisions of the Companies Act, 2013, Were pending to be filed as on the date of signing of this report.
- (b) The Company has failed to appoint Woman Director pursuant to second proviso to sub-section(1) of Section 149 of The Companies Act 2013.
- (c) Company has not published a Public Notice for Closure of Registrar of Members pursuant to Section 91 of the Companies Act, 2013 at the time of its Annual General Meeting as well as Public Notice for E-voting under Section 108 of Companies Act, 2013.

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, except appointment if woman Director in the Board of Directors.

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



MOHAN STEELS LIMITED

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 member's views are captured and recorded as part of the minutes.

We further report that:-

There exist 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 have relied on the representations made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts/Laws/Regulations to the company.

We further report that during the audit period, there were no instances of:

- (I) Public/Right/Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities .
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

Adesh Tandon & Associates
Company Secretaries

Adesh Tandon
Proprietor

Place : Kanpur
Date : 05.09.2016

FCS No : 2253
C P No : 1121



MOHAN STEELS LIMITED

Annexure - F

ADDENDUM TO DIRECTORS REPORT FOR AUDITOR REMARK

Reply to the observation no. (a) OF SECRETARIAL AUDIT REPORT

The pending form MGT-14 under section 179 for appointment of internal auditor shall be filed shortly.
It could not be filed due to inadvertence.

Reply to the observation no. (b) OF SECRETARIAL AUDIT REPORT

The company's steel manufacturing unit is lying closed since 10/02/2015. It is difficult to find a Women Director as the plant is lying closed but board is trying that in the current year the same shall be complied with.

Reply to the observation no. (c) OF SECRETARIAL AUDIT REPORT

Curable measures shall be taken as per applicable provisions. It is further noted that, management is exploring the possibilities and pros and cons to ensure the listing at NSE or exit from Dissemination Board of NSE. The default is inadvertent on the part of company.

For and on behalf of the Board
MOHAN STEELS LIMITED

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steels Ltd.

Gazauli Industrial Area

Kanpur Lucknow Road

Unnao-209 801 (U.P.)

Place : Unnao
Date : 5th Sep, 2016



MOHAN STEELS LIMITED

ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE-G'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2016

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

I. REGISTRATION AND OTHER DETAILS :

i. CIN:-	L27107UP1971PLC003442
ii. Registration Date:	22/07/1971
iii. Name of the Company:	Mohan Steels Limited
iv. Category / Sub-Category of the Company:	Public Company/ Limited by shares
v. Address of the Registered office and contact details:	Plot no 1, Gazuli Industrial Area , Unnao, Uttar Pradesh, India, 209801
vi. Whether listed company:	Referred to dissemination board of NSE
vi. Name, Address and Contact details of Registrar and Transfer Agent	Skyline Financial Services Private Limited D-153/A, first floor, okhla Industrial area, phase – I , NEW DELHI – 110020 TEL: + 91 11 64732681 -88 Fax: + 91 1126812682 Web: www.skylinerta.com

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	TMT BARS		0.00
2	AGRI BUSINESS		100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/As Sociate	% of shares held	Applicable Section
1.	MOGOKRIM RESOURCES PVT.LTD. Address:-PLOT NO 1 GAZAULI INDUSTRIAL AREA UNNAO UP 209801	U13203UP2011PTC 043557	ASSOCIATE COMPANY	99.92%	2(6)



MOHAN STEELS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The Year
	Demat	Physical	Total	% of Total Shares	Demat	Pshysical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	7658798	1866064	9524862	54.31	7658798	1866064	9524862	54.31	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	107537	7600000	7707537	43.94	107537	7600000	7707537	43.94	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(1):-	7766335	9466064	17232399	98.25	7766335	9466064	17232399	98.25	NIL
1) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(2):-									
Total(A)(1+2)	7766335	9466064	17232399	98.25	7766335	9466064	17232399	98.25	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



MOHAN STEELS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The Year
	Demat	Physical	Total	% of Total Shares	Demat	Pshysical	Total	% of Total Shares	
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B) (1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non Institutions									
a) Bodies Corp.									
(I) Indian	1000	37175	38175	0.22	1000	37175	38175	0.22	NIL
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
(I) Individual shareholders holding nominal share capital upto Rs. 2 lakh	178606	90340	268946	1.53	178606	90340	268946	1.53	NIL
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others(Specify)	34	0	34	0.00	34	0	34	0.00	NIL
Sub-Total(B)(2)	179640	127515	307175	1.76	179640	127515	307175	1.76	NIL
Total Public Share holding (B)=(B) (1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	7945975	9593579	17539554	100.00	7945975	9593579	17539554	100.00	NIL



MOHAN STEELS LIMITED

ii. Shareholding of Promoters Groups

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ Encumbered to total shares	
1	Rahul Kothari	5450	0.03	-	5450	0.03	-	-
2	Vikram Kothari	212652	1.21	-	212652	1.21	-	-
3	Sadhana Kothari	327168	1.87	-	327168	1.87	-	-
4	Rotomac Exports Pvt.ltd.	7707537	43.94	-	7707537	43.94	-	-
5	Uday J. Desai	50000	0.29	-	50000	0.29	-	-
6	Sunil Verma	90856	0.52	-	90856	0.52	-	-
7	Nilima U Desai	102256	0.58	-	102256	0.58	-	-
8	Rita Verma	90900	0.52	-	90900	0.52	-	-
9	Anita Tibrewala	29500	0.17	-	29500	0.17	-	-
10	Sandhya Kejriwal	21938	0.13	-	21938	0.13	-	-
11	Jhilmil Kejriwal	332914	1.90	-	332914	1.90	-	-
12	Mohan Krishna Kejriwal HUF	368252	2.10	-	368252	2.10	-	-
13	Mohan Krishna Kejriwal	1461378	8.33	-	1461378	8.33	-	-
14	Gopal Krishna Kejriwal	142387	0.81	-	142387	0.81	-	-
15	Kartikeya Kejriwal	226500	1.29	-	226500	1.29	-	-
16	Gopal Krishna Kejriwal HUF	372000	2.12	-	372000	2.12	-	-
17	Vinita Kejriwal	1401679	7.79	-	1401679	7.79	-	-
18	Akhil Kejriwal	251431	1.43	-	251431	1.43	-	-
19	Sriya Kejriwal	14744	0.08	-	14744	0.08	-	-
20	Sri Krishna Kejriwal	357915	2.04	-	357915	2.04	-	-
21	Sri Krishna Kejriwal HUF	371270	2.12	-	371270	2.12	-	-
22	Renu Kejriwal	1146405	6.54	-	1146405	6.54	-	-
23	Aparna Kejriwal	1482929	8.45	-	1482929	8.45	-	-
24	Madhav Krishna Kejriwal	169885	0.97	-	169885	0.97	-	-
25	Madhav Krishna Kejriwal (HUF)	267000	1.52	-	267000	1.52	-	-
26	Pradyumna Kejriwal	227453	1.30	-	227453	1.30	-	-
	Total	17232399	98.25	-	17232399	98.25		



MOHAN STEELS LIMITED

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	17232399	98.25	17232399	98.25
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment /transfer /bonus/ sweat equity etc)*				
	At the End of the year	17232399	98.25	17232399	98.25

***THERE IS NO CHANGE IN PROMOTERS SHAREHOLDING**

IV. Shareholding patterns of top ten shareholders, (Other than directors promoters & holders of GDR and ADR'S) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase /Decrease During the year	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	SHISHIR B NEVATIA	34925	0.20	-	34925	0.20
2	KANTI BANSAL	34925	0.20	-	34925	0.20
3	MARS EXPORTS PVT LTD	34925	0.20	-	34925	0.20
4	SANDHYA RATHI	33125	0.19	-	33125	0.19
5	MANISHA CHANDRA	24000	0.14	-	24000	0.14
6	PRAKASHBHAI K VAGEHLA	8200	0.05	0.01	6200	0.04
7	NIRALI JIGNESH GOHEL	5900	0.03	-	5900	0.03
8	RAJNI KANTILAL SANGHVI	4500	0.03	-	4500	0.03
9	PARESH AMRUTLAL TRIVEDI	3300	0.02	-	3300	0.02
10	MOHAN NARAYAN DAS AHUJA	2050	0.01	-	2050	0.01



MOHAN STEELS LIMITED

ii. Shareholding of Directors and Key Managerial Personnel (As at 31st March, 2016) :

Sl. No.	Name	Shareholding at the beginning of the year		Change in shareholding		Cumulative shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Vikram Kothari*	212652	1.21	NIL	NIL	212652	1.21	212652	1.21
2	Uday J Desai	50000	0.29	NIL	NIL	50000	0.29	50000	0.29
3	Sunil Verma	90856	0.52	NIL	NIL	90856	0.52	90856	0.52
4	Sri Krishna Kejriwal	357915	2.04	NIL	NIL	357915	2.04	357915	2.04
5	Pradeep Gautam	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*Chairman & Promoter of Rotomac Exports Private Limited which in turn holds 7707537 equity shares comprising 43.94% of the paid up capital of MOHAN STEELS LIMITED

V. Indebtedness

Sl. No.	Secured Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	1585947755	463624638	-	2049572393
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14852873	21117034	-	35969907
Total (i+ii+iii)	160,08,00,628	48,47,41,672	-	208,55,42,300
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	150,44,47,755	34,74,87,394	-	185,19,35,149
Net Change	(-)150,44,47,755	(-)34,74,87,394	-	(-)185,19,34,149
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	8,15,00,000	11,61,37,244	-	19,76,37,244
ii) Interest due but not paid	1,48,52,873	2,11,17,034	-	3,59,69,907
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,63,52,873	13,72,54,278	-	23,36,07,151

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



MOHAN STEELS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager		
		Mohan Krishna Kejriwal	Pradeep Gautam	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.50,000	9.00,000	10,50,000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission (as % of profit/others)	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	1,50,000	9,00,000	10,50,000
	Ceiling as per the Act	Being Rs. 42 lacs per annum per director as per section 197 read with Schedule V and all other applicable provisions, if any of the companies		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				
		Vikram Kothari	Uday J Desai	Sunil Verma		Total
1.	Independent Directors					
	• Fee for attending board /committee meetings					
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify					
	Total (1)	NIL	NIL	NIL	NIL	NIL



MOHAN STEELS LIMITED

Sl. No.	Particulars of Remuneration	Name of Directors				
		Vikram Kothari	Uday J Desai	Sunil Verma		Total
	Other Non-Executive Directors					
	• Fee for attending board / committee Meetings	NIL	NIL	NIL	NIL	NIL
	• Commission					
	• Others, please specify					
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
Ceiling as per the Act		Being Rs 1 Lac per meeting per Director as per Section 197(5) and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	480000	48387	528387
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission (as % of profit/others)	Nil	Nil	Nil
5	Others, please Specify	Nil	Nil	Nil
	Total	480000	48387	528387

D. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER COMPANIES ACT, 2013 : NIL

For and on behalf of the Board
MOHAN STEELS LIMITED

(VIKRAM KOTHARI)

Director

(DIN: 00454708)

Address : 7/23, Tilak Nagar
 Kanpur-208 002

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steel Ltd.
 Gazauli Industrial Area
 Kanpur Lucknow Road
 Unnao-209 801 (U.P.)

Place : Unnao
 Date : 5th Sep, 2016



MOHAN STEELS LIMITED

ANNEXURE TO THE DIRECTORS REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure - H

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Company is engaged in the business of Steel Rebar Manufacturing dealing and trading in commodities.

Steel manufacturing Industry is amongst the most stable sectors in India and there is a huge requirement to meet the needs of the growing populations.

Company was founded in 1971 by late Sh. R.S. Gupta as a manufacturer of Steel ingots have now diversified in to rolling of steel billets over the years..

It also diversified into international commodity trading which is being phased off due to diminishing margins.

2. OPPORTUNITIES AND THREATS

As the Company is engaged in the Manufacturing of rebars by rolling and Trading of various varieties of other commodities thus your company foresees great opportunity in the rolling business as steel has bottomed out and is now taking an upturn.

There is always a risk attached to the manufacturing product market due to Competition. But your company, having the knowledge of this fact, always tries to control the risk associated with the type of business but emerging consumer market is enough to ensure the growth of the Company.

As indicated above there is a huge scope for growth. The perceptible threat is the industry to our business in Industry from overseas competitions and low quality products and we need to guard against the same but in the Consumer market ultimately quality prevails.

3. SEGMENT WISE OR PRODUCT WISE OR PRODUCT WISE PERFORMANCE

The Company is engaged in only one segment i.e., in Steel rolling for production. Due to bad steel market the company closed its manufacturing and only now when the market is reviving is it planning to restart. The Company's trading activities are being closed due to negligible margin in it..

4. OUTLOOK

In near future your company sees tremendous growth in Steel sectors of the economy which will strengthen the position in market.

5. RISK AND CONCERNS

The business in which your company deals is based on the infrastructure and does not see any risk except imports. The company always endeavors to follow the market trend and risk and benefits attached to it before introducing different products in the market, so as to minimize the risk and maximize the returns.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has proper and adequate internal control system which aims at conducting the business in an orderly and efficient manner, safeguarding the assets and resources of the company. It ensures the timely flow of financial and management information, effective and efficient implementation of policies and plans, completeness of accounting records and proper check on errors, frauds. The Board has framed a risk management plan for the company and suitably incorporated procedures in it for assessing and minimizing the prospective risks to which the company may be exposed. The Audit committee also monitors and evaluates the risk management plan placed in the company from time to time.



MOHAN STEELS LIMITED

The company has appointed a firm of Internal Auditors. The internal auditors of the company keep a follow up on the internal financial reporting and information dissemination of the company between the departments. The Audit committee of the company interacts from time to time with the internal auditors of the company regarding the adequacy of internal financial control system placed in the company.

Further, the Company has adopted a Vigil Mechanism for directors and employees of the company to report their genuine concern for any unethical conduct or malpractice, violation of code of conduct observed by them in the company.

7. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

REVENUE

Total revenue of the company is Rs.4,01,287.08 Lakhs in financial year 2015-16 as compared to Rs.3,72,301.08 Lakhs in financial year 2014-15.

The Profit Before Tax is Rs.2419.55 Lakhs in financial year 2015-2016 as compared to Profit Before Tax of Rs.3651.97 in 2014-15.

TOTAL EXPENSES

Total expenses of the company is Rs.3,98,867.53 Lakhs in financial year 2015-16 as compared to Rs.3,68,649.11 lakhs in financial year 2014-2015.

DEPRECIATION

Depreciation for the Financial Year 2015-16 is Rs.90.64 Lakhs as compared to Rs.90.98 Lakhs in Financial year 2014-15.

TAX EXPENSES

The current tax is Rs.824.16 lakhs in Financial Year 2015-16 as compared to Rs.996.35 lakhs in the Financial Year 2014-15.

NET PROFIT

The Net profit for the Financial Year 2015-16 is Rs.1,595.39 Lakhs as compared to Net profit of Rs.2.655.62 Lakhs in financial year 2014-15.

8. MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Company has formulated an evaluation criteria for the performance evaluation of its Board of Directors, committees of board of the company, and for Independent Directors and for each individual directors. The Board of Directors evaluate the performance of the directors on individual basis and on whole from time to time to judge the capability of its directors and to check if they need training.

The company has adopted a practice of conducting familiarization programme as and when the company appoints an Independent Director in its board in order to familiarize him with the company, its working culture, its operations, management team, code of conduct for directors, the role and duties of independent directors.

Towards the end of the financial year, a discussion session was also arranged in the Board Meeting for knowing the experience of the independent directors in the entire year, achievement of



MOHAN STEELS LIMITED

compliance related and other targets of the company, making them aware of new rules, regulations to be implemented by the company.

The relations between the employees and the management have remained cordial and harmonious during the year under review..

9. CAUTIONARY STATEMENT

Statements in the 'Management Discussion and Analysis' describing the Company's objective, projections, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. These statements are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors.

For and on behalf of the Board
MOHAN STEELS LIMITED

(PRADEEP GAUTAM)

Whole Time Director

(DIN:01172119)

Mohan Steels Ltd.

Gazauli Industrial Area

Kanpur Lucknow Road

Unnao-209 801 (U.P.)

Place : Unnao
Date : 5th Sep, 2016



MOHAN STEELS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of MOHAN STEELS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of MOHAN STEELS LIMITED, ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

1. The Board of Directors of the Company are responsible for the matters stated 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, of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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

2. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. 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 a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with notes give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016.



MOHAN STEELS LIMITED

6. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure A", a statement on the matters Specified in paragraphs 3 and 4 of the said order.

Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Act, we further 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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c) the Balance Sheet, dealt with by this Report in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rule 2014.
 - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act ;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company has no pending litigations which would impact its financial position..
 - ii. The Company has no material foreseeable losses, on long-term contracts.
 - iii. There were no amounts due to be transferred, to Investor Education fund.

Place : UNNAO
Date : 5th September 2016

For B. C. JAIN & CO.,
Chartered Accountants
F RN 1099C

CA SHYAM JI GUPTA
Partner
(M. 416155)



MOHAN STEELS LIMITED

ANNEXURE - A TO INDEPENDENT AUDITORS REPORT

The annexure referred to in Independent Auditors Report to the members of the company on the standalone financial statements for the year ended 31st March, 2016, we report that:

- (I) In respect of its fixed assets,
 - (a) The Company has maintained proper records showing full particulars, including fixed assets.
 - (b) As explained to us, fixed assets has been physically verified by the management in a phased periodical manner which in our opinion is reasonable, As informed to us no discrepancy was noticed on such physical verification.
 - (c) According to the information and explanation given to us and on the basis of examination of the records of the Company, Land is taken on lease of 90 years from UPSIDC which is in name of Mohan Steels Ltd.
- (ii) In respect of its inventories,
 - (a) As explained to us the inventories have been physically verified by the management at regular interval during the year and the frequency of physical verification is reasonable., the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business the discrepancies between the physical stocks and the book stock.
 - (c) The Company has maintained proper records of inventories. As explained to us, the discrepancies between the physical stocks and the book stocks were not material and properly dealt with in the books of accounts.
- iii. According to information and explanation given to us the Company has taken long term loans from its associate company and the amount outstanding as on 31 March, 2016 is Rs 19,73,72,422 (Rs 19,73,72,422 as on 31 March, 2015), which is non-interest bearing. The terms and condition of the loans are not prejudicial to interest to the company, No schedule of repayment of principal and interest has been stipulated.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect loans, investments, guarantee and securities made.
- v. in our opinion and according to the information and explanation given to us, the company has not accepted any deposit within the meaning of section 73 to 76 of the Act, and the rules framed thereunder.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, for the maintenance of cost records. Prescribed under section 148(1) of the Act, and are of the opinion that prim facie, the prescribed accounts and records have been made and maintained, We have not however made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) The Company is regular in depositing undisputed statutory dues including Income Tax, Provident Fund, Employees' State Insurance, Value added Tax, Sale Tax, Custom Duty, Excise Duty, Service Tax, Cess and other Statutory dues with the appropriate authorities.
 - (b) In our opinion and according to the information and explanations given to us, there is no undisputed dues payable in respect of above which were outstanding as at 31.03.2016 for a period of more than six months from the date they became payable.



MOHAN STEELS LIMITED

- viii. Based on our audit procedures and according to the information and explanation given by the management, the Company has not defaulted in repayment of loans from bank.
- ix. In our opinion, and according to the information and the explanation given to us, the Company has not raised money by way of initial Public Offer (IPO) or further public offer (including debt instruments) during the year. According to information and explanation given to us; term loans were broadly applied for the purposes for which those are raised.
- x. According to the information and explanations given by the management and to the best of our knowledge and belief, no fraud by the company or on the company by its officer or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation give to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and therefore paragraph 3(xii) of the companies (Auditor's Report) Order 2016 is not applicable.
- xiii. According to the information and explanation give to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.
- xv. According to the information and explanation give to us and based on our examination of the records of the Company, the company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : UNNAO
Date : 5th September, 2016

For B. C. JAIN & CO.,
Chartered Accountants
F RN 1099C

CA SHYAM JI GUPTA
Partner
(M. 416155)



MOHAN STEELS LIMITED

ANNEXURE - B TO THE AUDITORS REPORT

Annexure referred to in paragraph 9(f) of our report of even date to the members of Mohan Steels Ltd. for the year ended 31 March 2016

Report on the Internal Financial Controls under Clause (I) of Sub-section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of "Mohan Steels Ltd." (the Company) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



MOHAN STEELS LIMITED

company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place : UNNAO
Date : 5th September, 2016

For B. C. JAIN & CO.,
Chartered Accountants
F RN 1099C

CA SHYAM JI GUPTA
Partner
(M. 416155)

ACCOUNTS



MOHAN STEELS LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

(Amount in rupees)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	175,395,540	175,395,540
Reserves and surplus	2.2	879,105,673	719,561,984
Non-current liabilities			
Long-term borrowings	2.3	197,372,422	197,372,422
Deferred tax liabilities (Net)	2.4	7,982,000	9,566,000
Long-term provisions	2.5	36,149,788	35,969,907
Current liabilities			
Short-term borrowings	2.6	264,822	1,852,199,971
Trade payables	2.7	17,916,787,680	13,669,243,022
Other current liabilities	2.8	3,011,770,602	2,882,227,850
Short-term provisions	2.9	84,000,000	124,300,000
TOTAL		22,308,828,527	19,665,836,696
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	2.10	94,250,728	103,674,439
-Capital work-in-progress	2.10	97,766,366	97,599,841
Non-current investments	2.11	136,807	137,409
Long-term loans and advances	2.12	174,609,535	224,547,676
Current assets			
Current Investments	2.13	10,000,000	-
Inventories	2.14	13,025,806	14,750,930
Trade receivables	2.15	4,569,618,623	2,818,303,877
Cash and cash equivalents	2.16	16,913,994,329	15,654,391,858
Short-term loans and advances	2.17	12,973,563	13,030,727
Other current assets	2.18	4,22,452,770	739,399,939
Significant accounting policies	1		
Notes to accounts	2		
TOTAL		22,308,828,527	19,665,836,696

Auditor's Report :
As per our report of even date attached
For B C Jain & Co.
Chartered Accountants
(Regd. No. 001099C)

(SHYAM JI GUPTA)
Partner
(Membership No. 416155)

Place : Unnao
Dated : 5th September, 2016

CHETNA DWIVEDI
Company Secretary

ARUN GOPALJI
BHINDE
Chief Financial Officer

PRADEEP
GAUTAM
Director

VIKRAM
KOTHARI
Director



MOHAN STEELS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in rupees)

Particulars	Note No.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Income :			
Revenue from operations	2.19	38,774,832,724	35,712,788,277
Other operating revenues	2.20	316,013	3,402,336
Other income	2.21	1,353,559,228	1,513,917,279
Total Revenue		40,128,707,965	37,230,107,892
Expenses:			
Cost of Material Consumed		-	11,093,987
Purchase-Import Trading		38,545,395,170	35,372,093,352
Changes in inventories	2.22	-	1,404,931
Employee benefits expense	2.23	4,247,084	14,267,905
Finance costs	2.24	13,027,973	82,676,671
Depreciation & Amortisation	2.10	9,064,404	9,097,621
Other expenses	2.25	1,315,018,078	1,374,276,192
Total expenses		39,886,752,709	36,864,910,659
Profit before tax		241,955,256	365,197,233
Tax expense			
-Current tax		(84000000)	(124300000)
-Deferred tax		1584000	24665000
Profit after tax		159,539,256	265,562,233
Earnings per equity share			
Basic & diluted - Par value Rs.10 per share	2.27	9.10	15.14

Auditor's Report :
As per our report of even date attached
For B C Jain & Co.
Chartered Accountants
(Regd. No. 001099C)

(SHYAM JI GUPTA)
Partner
(Membership No. 416155)

Place : Unnao
Dated : 5th September, 2016

CHETNA DWIVEDI
Company Secretary

ARUN GOPALJI
BHINDE
Chief Financial Officer

PRADEEP
GAUTAM
Director

VIKRAM
KOTHARI
Director



MOHAN STEELS LIMITED

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

Particulars.	For the year ended 31.03. 2016 (Rs. In Lacs)	For the year ended 31.03. 2015 (Rs. In Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax but after depreciation	2419.55	3651.97
Adjustments:		
Depreciation	90.64	90.98
Profit on sale of Fixed assets	(16.24)	0.38
Gratuity written back	-	(12.55)
Operating Profit before working capital changes	2493.95	3730.78
Trade & other receivables	(17513.15)	17583.12
Inventories	17.25	85.44
Loans & Advances	3170.04	(4.14)
Trade Payables & Other liabilities	43772.67	(29993.70)
Income Tax	(754.23)	(749.42)
NET CASH FROM OPERATING ACTIVITIES	31186.53	(9347.92)
B. NET CASH FROM INVESTING ACTIVITIES :		
Investment in mutual fund	(100.00)	-
Sale of equity shares	0.01	-
Purchase of Fixed Assets	(1.77)	(25.40)
Sale of Fixed Assets	19.94	0.11
Decrease in security deposit	10.66	(2.46)
NET CASH FROM INVESTING ACTIVITIES:	(71.16)	(27.75)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of short term loan	(18519.35)	-
Repayment of long term loan	0.00	(84.00)
NET CASH USED IN FINANCIAL ACTIVITIES	(18519.35)	(84.00)
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS(A+B+C)	12596.02	(9459.67)
Opening Cash & Bank Balance	156543.92	166003.59
Closing Cash & Bank Balance	169139.94	156543.92

Auditor's Report :
As per our report of even date attached
For B C Jain & Co.
Chartered Accountants
(Regd. No. 001099C)

(SHYAM JI GUPTA)
Partner
(Membership No. 416155)

CHETNA DWIVEDI
Company Secretary

ARUN GOPALJI
BHINDE
Chief Financial Officer

PRADEEP
GAUTAM
Director

VIKRAM
KOTHARI
Director

Place : Unnao
Dated : 5th September, 2016



MOHAN STEELS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial statements

The financial statements are prepared under historical cost convention on accrual basis, in accordance with Generally Accepted Accounting principles in India and Accounting Standards notified u/s 133 and other relevant provisions of the Companies Act, 2013.

1.2 Use of Estimates

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

1.3 Own Fixed Assets

Fixed Assets are stated at cost net of cenvat credits, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the assets to working condition for its intended use.

1.4 Leased Assets

Finance Leases – Present value of the minimum lease rental is capitalized as fixed assets with corresponding amount shown the lease liability. The principal component of repayment of lease rental is adjusted against the lease liability and the interest component is charged to Profit & Loss Account.

1.5 Depreciation

Depreciation on owned & leased Assets is provided for 'on straight line method' based on useful life of Fixed Assets as per Schedule II of the Companies Act, 2013.

1.6 Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impaired loss is charged in the Profit & Loss Account in the year in which an asset is identified as impaired. The impaired loss recognized in the prior accounting period is reversed if there has been change in the estimate of recoverable amount.

1.7 Foreign Currency Transactions

1.7.1 Transactions denominated in Foreign Currencies are recorded at the exchange rates prevailing on the date of transaction.

1.7.2 Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items covered by forward exchange contracts, the difference between year end rates and the rate on the date of contract is recognized as exchange difference.

1.7.3 Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account.

1.8 Investments

Long term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.



MOHAN STEELS LIMITED

1.9 Inventories

Items of inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchases (net of cenvat credit), cost of conversion and other costs incurred in bringing them to present condition. Cost is determined on weighted average basis. By-products are valued at realizable value.

1.10 Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Domestic sales is net of returns, rebate and discounts. Sales are recognized on dispatch to customers. Interest income is recognized on time proportion basis. Dividend income is recognized on receipt.

High seas sales have been recognized upon endorsement of documents of title of goods. Import of goods have been accounted for at the time of receipt of documents relating to delivery of materials and bill of entry in respect of import of goods. Exports are net of credits allowed for rate difference.

1.11 Excise duty and sales tax / value added tax.

Excise Duty is accounted for on the basis of both payments made in respect of goods cleared as also provision made for goods lying in stocks. Sales tax/value added tax net of realization is charged to Profit & Loss Account.

1.12 Employee Benefit

1.12.1 Short term employee benefits are recognized as an expense in the Profit & Loss Account of the year in which the related service is rendered.

1.12.2 Post retirement benefits i.e. Earned Leave are accounted for on payment basis. Gratuity is not applicable.

1.13 Financial Derivatives

In respect of derivative contracts, gains / losses on settlement are recognized in Profit & Loss Account.

1.14 Provision for Current tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the income tax Act, 1961. Deferred tax resulting from 'timing difference' between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the date of balance sheet. The deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

1.15 Provisions, Contingent Liabilities and Contingent assets

Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS

(Amount in rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
2.1 : SHARE CAPITAL		
AUTHORISED :		
2,00,00,000 Equity shares of Rs.10/- each.	20,00,00,000	20,00,00,000
ISSUED		
1,75,39,554 Equity Shares of Rs. 10/- fully paid	175,395,540	175,395,540
SUBSCRIBED, CALLED & PAID-UP		
1,75,39,554 Equity Shares of Rs. 10/- fully paid	175,395,540	175,395,540
TOTAL	175,395,540	175,395,540

2.1.1 : The reconciliation of the number of equity shares outstanding is set out below:

Particulars	AS AT 31 March, 2016		AS AT 31 March, 2015	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Shares outstanding at the beginning of the year	17,539,554	175,395,540	17,539,554	175,395,540
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,539,554	175,395,540	17,539,554	175,395,540

2.1.2 : The details of shareholder holding more then 5% equity shares is set out below:

Particulars	AS AT 31 MARCH 2016		AS AT 31 MARCH 2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Rotomac Exports Pvt. Ltd.	7,707,537	43.94	7,707,537	43.94
Mohan Krishna Kejriwal	1,461,378	8.33	1,461,378	8.33
Aparna Kejriwal	1,482,929	8.45	1,482,929	8.45
Renu Kejriwal	1,146,405	6.54	1,146,405	6.54
Vinita Kejriwal	1,401,679	7.99	1,401,679	7.99
Total	13,199,928	75.25	13,199,928	75.25



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (Continued)

(Amount in rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
2.2 - RESERVES & SURPLUS		
General Reserve		
Transfer from Profit & Loss a/c	710,000,000	710,000,000
Fixed Assets Revaluation Reserve		
Opening Balance	-	1,145,025,997
Less : Old reserve reversed	-	1,145,025,997
Closing Balance	-	-
Surplus		
Opening Balance	9,561,984	439,505,220
Add : Profit for the year	159,539,256	265,562,233
Add : Excess liabilities written back	4433	167641
Add : Excess depreciation for earlier years reversed	-	12274850
Add : Dividend & Dividend tax written back	-	2052040
Less : Transfer to General Reserve	-	(710000000)
Closing Balance	169,105,673	9,561,984
Total	879,105,673	719,561,984
2.3 - LONG TERM BORROWING		
Secured		
From Co-Promoter	81,500,000	81,500,000
(Secured against charge on fixed assets in the form of capital work in progress of Melting Unit and wire Rod Block to the extent of Sale Proceeds not exceeding Rs.9.90 Crores)		
Unsecured		
Loans & Advances form related parties		
Co-Promoter's group	115,872,422	115,872,422
	197,372,422	197,372,422
2.4 - Deferred tax liabilities (Net)		
Deferred tax liabilities	7,982,000	9,566,000
Less : Deferred tax assets	-	-
	7,982,000	9,566,000
2.5 - Long-term provisions		
Interest payable	36,149,788	35,969,907
	36,149,788	35,969,907



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (Continued)

(Amount in rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
2.6 - SHORT TERM BORROWING		
Secured		
Indian Overseas Bank, Kanpur	-	1,496,396,893
(Above loans are secured against pledge of fixed deposit receipts)		
Kotak Mahindra Prime Ltd.(Car)	-	7,632,278
Indusind Bank Ltd.(Jcb)	-	30,809
Kotak Mahindra Bank Ltd.(Bus)	-	387,775
(Above loans are secured against assets financed, Guaranteed by Director of Co.)		
Unsecured		
Loans & Advances form related parties	264,822	347,752,216
	264,822	1,852,199,971
2.7 - Trade Payables		
Trade Payables		
- Due to Other than micro and small enterprises	38,157	22,237,898
- Due to against Export Trading	17,916,749,523	13,647,005,124
	17,916,787,680	13,669,243,022
2.8 - Other current liabilities		
Advances from customers	-	845,074
Advances from customers against export order	188,768,821	2,878,645,479
Statutory liabilities	78,124	188,253
Payable of employees	-	1,106,208
Cheques in clearing	2,814,700,000	-
Book overdraft from bank	10,909	403,422
Liabilities for expenses	202,748	1,039,414
Other liabilities	8,010,000	-
	3,011,770,602	2,882,227,850
2.9 - Short term provisions		
- Income tax Provision	84,000,000	124,300,000
	84,000,000	124,300,000



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (Continued) 2.10 - FIXED ASSETS

2.10 - FIXED ASSETS										
Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 01.4.2015	Additions During the year	Sale/Adj.	As at 31.03.2016	Up to 1.4.2015	For the Year	Adjust- ment	Total Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
	(Amount in rupees)									
1. Tangible assets										
Lease hold land (25.4 acres)	462,359	-	-	462,359	-	-	-	-	462,359	462,359
Factory Building	23,074,123	-	-	23,074,123	14,477,713	487,560	-	14,965,273	8,108,850	8,596,410
Plant & Machinery	234,296,245	-	2,439,879	231,856,366	158,881,800	4,608,702	2,317,885	161,172,617	70,683,749	75,414,445
Furniture & Fixtures	1,433,761	-	-	1,433,761	1,311,503	9,789	-	1,321,292	112,469	122,258
Office Equipments	4,545,315	10,799	-	4,556,114	3,994,712	102,690	-	4,097,402	458,712	550,603
Vehicles	33,356,426	-	637,022	32,719,404	14,828,063	3,855,663	388,911	18,294,815	14,424,589	18,528,363
Total	297,168,229	10,799	3,076,901	294,102,127	193,493,791	9,064,404	2,706,796	199,851,399	94,250,728	103,674,438
2. Capital work in progress										
Melting shop -factory shed	16,910,228	-	-	16,910,228	-	-	-	-	16,910,228	16,910,228
Melting shop -Plant	55,358,846	166,525	-	55,525,371	-	-	-	-	55,525,371	55,358,846
Rolling mill-Plant	25,330,767	-	-	25,330,767	-	-	-	-	25,330,767	25,330,767
Total	97,599,841	166,525	-	97,766,366	-	-	-	-	97,766,366	97,599,841
Total (1+2)	394,768,070	177,324	3,076,901	391,868,493	193,493,791	9,064,404	2,706,796	199,851,399	192,017,094	201,274,279
Previous year	1,544,391,238	5,405,487	1,155,028,654	394,768,071	203,758,073	9,097,621	19,361,903	193,493,791	201,274,280	1,340,633,165

Note :

- Depreciation on fixed assets are charged as per schedule II of the Companies Act 2013 on useful life basis.
- Legal formalities of leasehold land sold in 2004-05 as per BIFR order pending.
- Company owns 25.4 acres leasehold land in UPSIDC Industrial area, Gazauli, Unnao



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

(Amount in rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
2.11 - Non current investment		
Investment in equity instruments		
Trade investment (Quoted)		
Investment in Indian companies (At cost)	36,887	37,489
Name of Company	Face Value	No. of Shares
Usha Martin Ltd.	1	165
Rathi Alloys & Steels Ltd	10	100
Tata Steels Ltd.	10	30
Tata Steels Ltd.	10	6
Mukand Ltd.	10	80
Mukand Ltd. (Pref. Shares)	10	20
Ganesh Benzoplast Ltd.	10	100
Total	36,887	37,489
(Quoted value in aggregate as on 31.03.2016 was Rs. 17,807/- (Previous year Rs. 19,846/-)		
Trade investment (Unquoted)		
Mogokrim Resource Pvt Ltd.	99,920	99,920
(9992 Equity shares @10/- per shares)		
	136,807	137,409
2.12 - Long term loans and advances		
Security deposit		
- Unsecured, Considered good	7,837,650	8,903,340
Advance income tax (TDS)		
- Unsecured, Considered good	166,771,885	215,644,336
	174,609,535	224,547,676
2.13 - Current investment		
Tata short Term Bond Fund	10,000,000	-
	10,000,000	-



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

(Amount in rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
2.14 - Inventories		
Stores & spares (At cost)	16,048,587	16,364,910
Less : Provision for obsolete melting stores	3,022,781	3,189,305
	13,025,806	13,175,605
Raw Material (At cost)	-	731,369
Obsolete machine held for disposal	-	843,956
	13,025,806	14,750,930
2.15 - Trade receivables		
Unsecured, Considered good		
- Exports receivable	4,569,618,623	2,818,301,505
- Others	-	2,372
	4,569,618,623	2,818,303,877
2.16 - Cash and cash equivalents		
Balance with bank		
- Current account	2,397,780	83,834,416
- Cash on hand	1,881,683	7,551
- Fixed deposits	16,909,714,866	15,570,549,891
(Pledges against bank guarantee & L.C.)		
	16,913,994,329	15,654,391,858
2.17 - Short-term loans and advances		
Advances recoverable in cash or in kind or for value to be received	11,827,990	12,430,154
Loans & advances to related party	-	74,168
Advances with government, public bodies and others	1,145,573	455,852
CENVAT receivable	-	70,553
	12,973,563	13,030,727
2.18 - Other current assets		
Interest accrued	422,298,313	739,151,103
Prepaid Expenses	154,457	248,836
	422,452,770	739,399,939



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

(Amount in rupees)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
2.19 - Revenue from operations		
Domestic Sales	-	37,660,373
Less : Excise Duty & Edu. Cess recovered on Sales	-	4,132,480
	-	33,527,893
Export Sales	38,774,832,724	35,565,729,531
	38,774,832,724	35,599,257,424
Conversion charges received	-	113,530,853
	38,774,832,724	35,712,788,277
2.20 - Other operating revenues		
Sale of sweeping waste	-	2,716,830
Sale of coal ash	316,013	685,506
	316,013	3,402,336
2.21 - Other income		
Dividend received	288	360
Interest received (Gross) from bank	1,339,367,256	1,502,198,399
Interest received (Gross) from others	9,757,350	11,214,379
Obsolete melting unit sores (Prov. Written back)	166,524	-
Profit on sale of fixed assets	1,624,414	-
Miscellaneous receipt	2,643,396	504,141
	1,353,559,228	1,513,917,279
2.22 - Change in inventory of finished goods		
- Opening stock	-	1,404,931
- Less : Closing stock	-	-
	-	1,404,931
2.23 - Employee benefits expenses		
Salary ,Wages & Bonus	4,034,913	12,897,408
Contribution to Provident Fund & ESIC	77,940	910,907
Staff Welfare Expenses	134,231	459,590
	4,247,084	14,267,905
2.24 - Finance cost		
Interest on Secured Loan to bank	12,701,792	56,181,281
Interest on Unsecured Loan	-	26,261,891
Interest paid	326,181	163,906
Other Financial Charges	-	69,593
	13,027,973	82,676,671



MOHAN STEELS LIMITED

2. NOTES TO ACCOUNTS (CONTINUED)

(Amount in rupees)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
2.25 -Other expenses		
Consumption of stores & spares	-	9,920,095
Power consumed	8,411,584	43,784,883
Fuel consumed	-	49,286,299
Other manufacturing expenses	2,250,074	19,115,508
Handling & supervision exp. on conversion material	-	10,829,434
Insurance Charges	628,190	999,827
Lease Rent	5,717	930,717
Printing & Stationery	130,966	267,276
Rates & taxes	-	77,382
Repairs & Maintenance		
- Building	30,844	472,026
- Machinery	188,110	1,236,778
- Others	41,216	101,315
Legal & professional charges	1,309,443	1,644,422
Director's Remuneration	1,050,000	3,554,089
Director's sitting fee	11,500	-
Advertisement	-	101,448
Hire Charges	22,330	116,655
Filing & Other Fees	172,433	354,773
Books & Periodicals	5,299	4,663
Cost Audit Fee	25,000	6,000
Donation	-	1,100
CSR Expenses	8,000,000	5,000,000
Loss on sale of fixed assets	-	38,389
Loss on sale of raw material	217,567	-
Security service charges	1,938,512	3,023,818
Outward freight	-	6,076
Brokerage	-	46,534
Speculation loss on commodity trading	-	3,741,074
Bad debts	-	4,494,351
Claims & Compensation	-	220,816,995
Bank Charges & L.C. Commission	226,331,874	122,327,398
Balances written off	-	2,188,113
Net gain/loss on foreign currency transaction/translation	1,058,437,585	60,483,611
Telephone & internet charges	514,287	870,665
Travelling expenses	1,222,470	3,564,976
Vehicle running & maintenance	3,318,993	3,359,733
Auditors Remuneration	100,000	125,000
Miscellaneous Expenses	654,084	1,384,769
	1,315,018,078	1,374,276,192



MOHAN STEELS LIMITED

2. Notes to Accounts (Continued..)

2.26 : Contingent Liabilities not provided for :

- 2.26.1** Income tax liability on account of burning loss of Rs.82.95 lacs (excluding interest) (Previous year Rs.82.95 lacs excluding interest).

Hon'ble Allahabad High Court had passed stay order against order of ITAT earlier. Now High court has set aside the orders of ITAT and remanded the case to ITAT for considering the case afresh. The matter is now pending with ITAT.

- 2.26.2** Guarantee issued by bank on behalf of Company (net of margin) Rs.NIL (Previous year Rs.450 lacs). Foreign LC issued by bank on 100% margin by way of FDR.

- 2.26.3** Claims against company not acknowledged as debts - Amount not determinable.

2.27 : Earning per Share (EPS)

Particulars	2015-16	2014-15
Net Profit after tax as per statement of Profit & Loss attributable to Equity Share holders.	Rs.159539256	Rs.265562233
Weighted Average number of Equity Shares	17539554	17539554
Basic & Diluted Earning per share	Rs.9.10	Rs.15.14
Face Value of Shares	Rs.10	Rs.10

2.28 : Deferred tax Liability

Deferred tax liabilities comprise the following :

Particulars	2015-16 (Rs. In Lacs)	2014-15 (Rs. In Lacs)
Deferred Tax Liabilities		
Related to Fixed Assets	107.00	95.66
	107.00	95.66
Deferred Tax Assets		
Provision for CSR	27.18	-
Net Deferred Tax Liabilities	79.82	95.66



MOHAN STEELS LIMITED

2. Notes to Accounts (Continued..)

2.29 : In respect of Fixed Assets (vehicles) required on Finance lease, minimum Lease Rental outstanding as on 31.03.2016 as follows :

	Maximum Lease Rent outstanding		Future Interest on outstanding Lease payment	
	2015-16	2014-15	2015-16	2014-15
Within one Year	-	6180660	-	516625
Later than one year and not later than five years.	-	1870202	-	139414
	-	8050862	-	656039

2.30 : Employees Benefits

a.	Defined Contribution Plan	2015-16	2014-15
	Employer's Contribution to PF	77940	616864
	Employer's Contribution to ESI	-	294043
b.	Earned Leave**	23077	364684

**Earned leave encashment is accounted for on payment basis.

2.31 : Disclosure regarding Derivative Instruments

The Company uses foreign currency forward contract for trading. Profit/Loss arising out of settlement of forward contract is recognized in Profit/Loss statement. There is Seventeen foreign Currency contract outstanding as on Balance sheet date as under.

SALE : USD 1409.21 Lacs (Previous year 855.22 lacs) (Refer Note No.1.7. 2)

2.32 : Segment Information

The Company is engaged in both, domestic as well as overseas trade which is identified as primary business segment.

	2015-16	2014-15
Segment Revenue	401287.08 Lacs	372301.08 Lacs
-Segment Results(Before Taxation)	479.14 Lacs	3651.97 Lacs
-Capital expenditure	1.77 Lacs	25.40 Lacs



MOHAN STEELS LIMITED

2. Notes to Accounts (Continued..)

- 2.33:** Company has paid listing fee / other charges to Calcutta stock Exchange, however listing of Company's share is pending.
- 2.34:** Claim Receivable from SAIL Rs. 1,15,58,690 regarding increase in Conversion rates for 2014-15 were disputed by the SAIL. The matter is under arbitration.
- 2.35:** Company is yet to comply with the Provisions of Companies Act, 2013 Regarding appointment of Women Director.
- 2.36 :** **Related Party transaction in terms of accounting standard 18 is given below :**

A. Particulars of Associate companies.

1. Rotomac Exports P.Ltd.
2. Frost International Ltd.
3. Frost Infrastructure & Energy Ltd.
4. Mogokrim Resources Pvt.Ltd.

B. Key Management Personnel

1. Vikram Kothari Director
2. Pradeep Gautam Director

C. Transaction with related party

(Amount in Rs.)

Particulars	Associate company	Key Management Personnel
Short term loan taken during the year	2710786774	-
Unsecured loan re- payment	3058200000	-
Remuneration	-	1050000
Balances :		
Secured Loan from related party	81500000	-
Unsecured Loan from related party	116137244	-
Interest payable to related party	35969907	-



MOHAN STEELS LIMITED

2. Notes to Accounts (Continued..)

2.37 : Auditors Remunerations (excluding service tax)

	F.Y. 2015-16	F.Y. 2014-15
Audit fee	7,5000	75,000
Tax Audit	20,000	20,000
Other Services	5,000	5,000
Audit Fee (Short Prov.)	-	25000
	100,000	125000

2.38 : Production

	F.Y. 2015-16 (M.T.)	F.Y. 2014-15 (M.T.)
- TMT Bars (SAIL) Conversion	-	34694.678
-TMT Bars (Own)	-	324.590
- Misrolls	-	920.548

2.39: Purchases/Turnover/Stock

2.39.1 Misrolls

Year	Opening Stock	Turnover	Closing Stock
2015-16	-	-	-
2014-15	15.79	271.72	-

-Conversion charges received Rs.NIL (Previous year Rs.1135.31 lacs)

2.39.2 : Import / Export - Trading

Particulars	Purchase		(Rs. In Lacs) Sale	
	2015-16	2014-15	2015-16	2014-15
Computer & Commodity Items	385453.95	353720.93	387748.33	355657.30



MOHAN STEELS LIMITED

2. Notes to Accounts (Continued..)

2.40 : Consumption of Stores & Spares

	2015-16		2014-15	
	Amount (Rs.)	%	Amount (Rs.)	%
Imported	-	-	887585	8.95
Indigenous	-	-	9032510	91.05

2.41 : Earnings in foreign exchange

	2015-16 Amount (Rs.)	2014-15 Amount (Rs.)
Export realization and advance received against sale	34,333,638,948	37,294,938,722

2.42: Expenditure in foreign currency

Payments for Imports	34,275,650,771	40,054,796,780
Travelling Expenses	-	28075

2.43 Company has one subsidiary, However Companies Accounts are not consolidated in view there being no operation in subsidiary company.

2.44 The Current Assets, loans and advances are taken at a value that they shall realize in ordinary course of business. Balances of Debtors and creditors (including Import/ Export) are subject to confirmation.

2.45 Advances from Customers against Export order which are adjustable against Export sales are pending for settlement from earlier year.

2.46 Previous figures have been regrouped/reclassified wherever necessary.

2.47 Notes to Accounts form part of Balance Sheet and statement of Profit & Loss Account.

For B C Jain & Co.
Chartered Accountants
(Regd. No. 001099C)

(SHYAM JI GUPTA)
Partner
(Membership No. 416155)

Place : Unnao
Dated : 5th September, 2016

CHETNA DWIVEDI
Company Secretary

ARUN GOPALJI
BHINDE
Chief Financial Officer

PRADEEP
GAUTAM
Director

VIKRAM
KOTHARI
Director



MOHAN STEELS LIMITED

PROXY FORM

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

CIN: L27107UP1971PLC003442

Name of the company: **MOHAN STEELS LIMITED**

Registered office: Plot No 1, Gazauli Industrial Area, Unnao, 209801, Uttar Pradesh, India

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

(Cut Here)

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

1. Name:Address.....E-mail Id :

Signature:....., or failing him

2. Name:Address.....E-mail Id :

Signature:....., or failing him

3. Name:Address.....E-mail Id :

Signature:....., or failing him



MOHAN STEELS LIMITED

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the company, to be held on the 28th day of December, 2016 At 2:00 P.M. at Plot No 1, Gazauli Industrial Area, Unnao, 209801, Uttar Pradesh, India, and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	Resolution	For	Against
1.	Consider and adopt a) Audited Financial Statement, report of the board of director and Auditors Report for the year ended 31st March, 2016		
2.	To appoint a Director in place of Mr. Pradeep Gautam , who retires by rotation and being eligible, offers himself for re-appointment		
3.	To ratify appointment of Auditors and fix their remuneration		

(Cut Here)

Signed this..... day of..... 2016

Signature of shareholder
Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A person can act as proxy on behalf of members upto and not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.



MOHAN STEELS LIMITED

ATTENDANCE SLIP

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

44th Annual General Meeting on 28th December, 2016

Full name of the members attending
(In block capitals letter)

Ledger Folio No./Client ID No. No. of shares held:

Name of Proxy
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 44th Annual General Meeting of the MOHAN STEELS LIMITED, PLOT NO. 1, GAZAULI INDUSTRIAL AREA, UNNAO on Wednesday, the 28th December, 2016.

(Member's /Proxy's Signature)

BOOK - POST

Through Courier

If undelivered, please return to :

MOHAN STEELS LIMITED

Gazauli Industrial Area,

Unnao - U.P. - 209 801

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