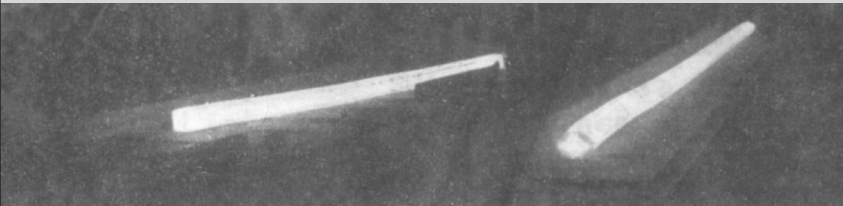


Annual Report 2016 - 2017



AKC STEEL INDUSTRIES LIMITED**CORPORATE INFORMATION**

- BOARD OF DIRECTORS** : Mr. Mukesh Chand Bansal
Mr. Ashok Kumar Bansal
Mr. Manav Bansal
Mr. Bhal Chandra Khaitan
Mr. Brijesh Kumar Dalmia
Mr. Tapan Kumar Banerjee
Ms. Shyanthi Sengupta
- BANKERS** : Yes Bank Ltd.
- AUDITORS** : M/s. H.P. Jhunjunwala & Co.
Chartered Accountants
- COMPANY SECRETARY** : Mr. Bishwajit Singh
- REGISTERED OFFICE** : 'Lansdowne Towers'
2/1A, Sarat Bose Road,
4th Floor, Kolkata: 700 020
Tel: (033) 3051 4444
Fax: (033) 2283 3322
Email: contact@akcsteel.com
Web: www.akcsteel.com
- REGISTRAR & SHARE
TRANSFER AGENT** : M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata-700 001
Phone: (033) 2243-5029/5809
Fax : (033) 22484787
Email: mdpldc@yahoo.com
- WORKS** : Post: Malkapuram
Visakhapatnam: 530 011
Andhra Pradesh
Tel: (0891)257-7483
Fax: (0891)2577 796
Email: akcsteelvizag@eth.net
- MACHINE SHOP/STOCKYARD** : Plot No. 42, 43A, Block-D,
Autonagar Yard,
Visakhapatnam: 530 012
Andhra Pradesh
Tel: (0891) 2511 595

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors hereby presents you the 44th annual report on the business and operations of your Company along with the audited accounts of the Company for the year ended 31st March, 2017:

FINANCIAL RESULTS

(Rs in lakhs)

Particulars	Financial Year 2016-17	Financial Year 2015-16
Revenue from Operations	559.53	3048.97
Profit for the Year before Interest, Depreciation & Tax	107.85	109.57
Interest	57.43	75.74
Depreciation	47.46	44.73
Profit Before Taxation	2.96	(10.90)
Provision for Tax	3.28	—
Income Tax adjustments	—	—
Gratuity /Leave Provisions	(3.98)	(1.49)
Provision for Tax-Deferred Tax	1.31	1.75
Net Profit for the Year	4.97	(10.63)
Balance of Profit for the Previous Year	129.15	139.78
Balance available for appropriation	134.12	129.15
Additional Depreciation	—	—
Balance carried forward to next year	134.12	129.15

ANNUAL
REPORT
2016-17

03

RESULTS OF OPERATIONS

The financial year 2016-17 threw up challenges in terms of tepid global steel consumption growth, trade remedial actions across countries and volatile raw material prices. While the Indian steel consumption grew by 2.6% there was competitive pressure in domestic market due to surge in domestic steel production.

Revenue from operations for FY 2016-17 stood at 461.70 Lakhs against revenue of Rs. 2983.19 Lakhs as reported during the previous year. In the current year under review the turnover of your company as decline severely due to reduction in trading operations drastically. The drop in turnover of about Rs. 2521.49 Lakhs is mainly on account of decline in trading activities.

There is a decrease in operating EBIDTA by 2.06 % to Rs.107.85 Lakhs against Rs. 109.57 Lakhs of the previous year. The net profit after tax during the year was Rs. 4.97 Lakhs against a loss of Rs. 10.63 Lakhs in the previous Year. The profit during the previous year was mainly due to drop in finance cost. Your Company's production was suspended w.e.f. 10.08.2012 due to acute shortage in power supply in the State, lack of orders and non-viability of production. Unit was finally closed w.e.f. 28.11.2012 and services of all the workers were terminated. Your Company is exploring various business opportunities to utilize the land at Parwada.

DIVIDEND

In view of the future requirement of funds in working capital and other purposes, your Directors are unable to recommend any dividend for the year financial year 2016-17.

Pursuant to the provision of the Companies Act the amount of unpaid and unclaimed dividend lying in the Unpaid Dividend Account becomes due to be transferred to Investor Education & Protection Fund ("IEPF") established by the Central Government after a period of 7 (seven) years from the date of its transfer to the Unpaid Dividend Accounts of the Company. Your Directors therefore suggest you to claim the unpaid dividend before the last date. The unpaid and unclaimed Dividend for the year 2009-10 is due to be transferred to Investor Education & Protection Fund ("IEPF") by 1st December, 2017 and last date of claiming the unpaid & unclaimed dividend is 27th September, 2017. The details of unpaid & unclaimed dividend lying in the unpaid dividend account for the years 2009-10 & 2010-11 are mentioned in the corporate governance report.

SHARE CAPITAL

The paid up equity capital as on March 31, 2017 was Rs. 415 Lakhs. The company has neither issued shares with differential voting rights nor granted stock options nor sweat equity during the financial year under review.

FINANCE

The Company continues to focus on judicious management of its working capital, and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS

The Company has not accepted any fixed deposits during the year to which the provisions of Section 73 of the Companies Act, 2013 are applicable.

AMOUNT TRANSFERRED TO RESERVES

The Company has not transferred any amount to the General Reserves out of the profit for the financial year ended 31st March, 2017.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the period under review, the Company has not given any loans or guarantees and has not made any investment. The overall limit is within the powers of the board as applicable to the company in terms of section 179 & 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROLS

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records.

The Company has in place an adequate and robust system for internal financial controls commensurate with the size and nature of its business. Internal control systems are integral to the Company's corporate governance policy and no reportable material weakness were observed in operations.

The Audit Committee of the Company evaluated the adequacy of internal financial control. During the year such controls were tested with reference to financial statements and no reportable material weakness in the formulation or operations were observed. The Statutory Auditors of the Company conducted audit on the Company's internal financial control over financial reporting and the report of the same is annexed with Auditor's Report

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Company has generally taken corporate social responsibility (CSR) initiatives under the Group. However, the present financial position of the Company does not mandate the implementation of CSR activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The Company will constitute CSR Committee, develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 the details forming part of the extract of the annual return in Form No. MGT – 9, is marked as '**Annexure – A**' and annexed hereto and forms a part of this report.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 6 (six) times during the year and the maximum interval between two meetings did not exceed 120 days. The details of the number of meetings of the Board held during the financial year 2016-17 forms part of the Corporate Governance Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption are not required to be given as the operation of unit has been closed since the year 2012. There is no foreign exchange earnings and outgo during the year under review. The Company has not undertaken any Research & Development activities during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3) (c) & 134 (5) of the Companies Act, 2013 your Directors state that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) the accounting policies adopted in the preparation of the annual accounts have been selected and applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2016-17 and of the profit for the year ended 31st March, 2017;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the year ended 31st March, 2017, have been prepared on a going concern basis.
- (e) proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively.
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI (LODR), Regulations, 2015).

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

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

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the financial year were on an arm's length basis and were in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further, there are no materially significant related party transactions during the year under review.

There have been no materially significant related party transactions with the Company's Promoters, Directors and others as defined in section 2(76) of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which may have potential conflict of interest with the Company at large.

The necessary disclosures regarding the transactions as required in Form AOC 2 are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Company has not entered into any specific contract with related parties.

RISK MANAGEMENT

Your Company has built a robust risk management framework over the years. The Company has a robust Risk Management framework to identify, evaluate business risks, and opportunities. This framework seeks to minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The framework also defines the risk management approach across the enterprise at various levels. Risk Management forms an integral part of the Company's planning process.

BOARD EVALUATION & CRITERIA FOR EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015 the Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**I) Directors-Retirement by Rotation:**

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Manav Bansal(DIN : 00103024), retires by rotation from the Board at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

II) Key Managerial Personnel

There is no change in the key managerial personnel during the year. In view of the provisions of Section 203 of the Companies Act, 2013, Mr. Ashok Kumar Bansal, Wholetime Director, Mr. Bishwajit Singh, Company Secretary and Mr. R. Jagadeeswara Rao, Chief Financial Officer (CFO) were identified and designated as Wholetime Key Managerial Personnel.

During the year under review there was no change in the composition of the board of directors.

In accordance with the provisions of the Companies Act, 2013 read with Schedule V and all other applicable provisions Mr. Ashok Kumar Bansal shall be re-appointed as Wholetime director and designated as KMP of the company for a period of three (3) years w.e.f. 01.10.2017 subject to the shareholders approval at the ensuing AGM.

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013. The Directors have also made necessary disclosures to the extent as required under provisions of section 184(1) as applicable

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

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

MATERIAL CHANGES AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report. There has been no change in the nature of business of the Company.

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Thus Ind AS is applicable to your Company w.e.f. 1st April, 2017

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on the website of the company.

The Audit committee oversees the vigil mechanism and the persons who avail the mechanism are encouraged to escalate to the level of the Audit Committee for any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. This policy also allows the direct access to the Chairperson of the Audit Committee.

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

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as 'Annexure – B' which is annexed hereto and forms part of the Directors' Report.

PARTICULARS OF EMPLOYEES

As required under provisions of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees concerned forms a part of the Directors' Report. Having regard to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

COMPANY'S WEBSITE

The website of your Company, www.akcsteel.com, has been designed to present the Company's businesses up-front on the home page. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013 and Companies Rules 2014 and as per the Listing agreement has been uploaded. The site carries a comprehensive database of information including the Financial Results of your Company, Shareholding pattern, Director's & Corporate profile, details of Board Committees, Corporate Policies and business activities of your Company.

AUDITORS & AUDITORS' REPORT

Statutory Auditors :

Pursuant to the provisions of the Act and rules made there under, the period of the Office of the present Statutory Auditors, M/s. H.P. Jhunjhunwala & Co, Chartered Accountants, expires at the conclusion of the ensuing Annual General Meeting of the Company to be held for the financial year 2016-17.

As per the provisions of Section 139 of the Companies Act, 2013 and rules made there under it is mandatory for the Company to rotate the current Statutory Auditors on completion of maximum term as permitted under the Act and rules made thereto. Accordingly, based on the recommendation of Audit Committee, the Board of Directors has proposed to appoint M/s S. Jaykishan, Chartered Accountants, as Statutory Auditors of the Company, for a term of 5 (five) consecutive years from the conclusion of 44th Annual General Meeting of the Company to be held for the financial year 2016-17 till the 49th Annual General Meeting of the Company subject to the approval of the Shareholders in the Annual General Meeting and ratification in each of the subsequent AGMs. M/s. S. Jaykishan, Chartered Accountants has confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

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

Secretarial Auditor:

In terms of Section 204 of the Companies Act, 2013 and the rules there under, the Board had appointed Mr. Santosh Kumar Tibrewalla, Practising Company Secretary to conduct Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report as provided by them is annexed to this Report, vide "Annexure C". The Report is self-explanatory and do not call for any further comments.

CORPORATE GOVERNANCE

Your Company has initiated, by providing the shareholders, to avail the option of receiving online the requisite documents i.e. notices, annual reports, disclosures and all other communications, by registering their e-mail Ids. For the success of 'Green Initiative' as per MCA circular no. 17/2011 & No. 18/2011.

The Company continues to comply with the requirements of the SEBI (LODR), Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement) regarding Corporate Governance. The Report on Corporate Governance together with a certificate from Mr. S.K. Tibrewalla, Practising Company Secretary regarding Compliance of Conditions of Corporate Governance, certification by Wholetime Director & CFO and the Management Discussion & Analysis Report are attached herewith which form part of this Annual Report.

STOCK EXCHANGE LISTING

The Equity Shares of your Company are already listed on the Calcutta Stock Exchange Ltd. and the applicable annual listing fees have been paid to the Stock Exchange till financial year 2017-18. During the

year under review, your Company had applied for Voluntary delisting of Company's Equity Shares from Calcutta Stock Exchange Limited, duly approved by the shareholders through Postal Ballot, under the regulations of the Securities and Exchange Board of India (Delisting) Regulations, 2009. The "In-Principle" approval for delisting has been issued by the Calcutta Stock Exchange.

CODE OF CONDUCT

The Code of Conduct for Directors, KMPs and Senior Executive of the Company is already in force and the same has been placed on the Company's website: www.akcsteel.com.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 your Company has adopted the Code of Conduct for Prevention of Insider Trading and the same is also placed on the Company's website: www.akcsteel.com.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India is currently the world's 3rd largest producer of crude steel against its 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world soon. India is the largest producer of direct reduced iron (DRI) or sponge iron in the world. The country is also the 3rd largest consumer of finished steel in the world preceded by China and the USA. Capacity for domestic crude steel production expanded from 90.87 million tonnes per annum (mtpa) in 2011-12 to 121.97 mtpa in 2015-16, a CAGR growth of 9% during this five year period. Crude steel production grew at 5% annually (CAGR) from 74.29 mtpa in 2011-12 to 89.79 mtpa in 2015-16. The steel sector contributes to over 2% of the country's GDP and employs around 20 lakhs employees in steel/allied sectors. During April-December 2016-17 the following is the industry scenario as compared to same period of last year.

There has been an acceleration in growth in advanced economies, primarily owing to reduced inventories and marginal recovery in manufacturing output. According to the World Steel Association's forecasts, the global apparent consumption of finished steel is expected to grow by 20.2 million tonnes i.e. 1.3% to 1.54 billion tonnes in CY 2017. The apparent consumption in China is expected to remain flat at 681 million tonnes. The steel consumption in Emerging and Developing economies (ex-China) is expected to increase by 4% to 452.7 million tonnes. As for the developed economies, consumption is expected to grow by 0.7% to 401.5 million tones. As per the World Steel Association, the US policy uncertainties, Brexit, the rising populist wave in current European elections and the potential retreat from globalisation and free trade under the pressure of rising nationalism add a new dimension of uncertainty in the investment environment.

Production of crude steel was at 72.349 million tonnes (mt), a growth of 8.8% compared to same period of last year. SAIL, RINL, TSL, ESSAR, JSWL & JSPL produced 40.376 mt during this period, which was a growth of 15.7% compared to last year. The rest i.e. 31.973 mt was the contribution of the Other Producers, which was a growth of 1.1% compared to last year. Pig iron production for sale was 7.072 mt (a decline of 0.5% compared to last year), after accounting for own consumption/IPT. The Private Sector accounted for 94% of the same, the rest (6%) being the share of the Public Sector.

The future outlook of steel seems to be quite promising for India. The construction, automobile, and white goods industries will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel over the forecast period (2015-2025) as we predict growth above the global trend. India is a developing economy with a large population. The forces of economic growth will require continued investments in new infrastructure, new and larger cities, machinery and production to employ more people and drive the economy forward.

Demonetization as well as GST (Goods and Services Tax) were the two major events moved by the present Govt. that occupied the headlines and continued to be the talk of the year while the former is to counter the black money as well as introduction of e-payments etc and the later, w.e.f. July 1, 2017, to counter double taxation and imposition of one nation one tax.

Presently your Company is engaged in Machining operation as well as trading activities. Your Company is looking for a turnaround so that the operations of the Company may be resumed. The management is also exploring new business opportunities by utilizing the land available at Parwada considering the positive future outlook.

The Company's operations were hampered during the previous year due to severe decline in trading activities & unfavourable market condition. Your Company has a Machine Shop at Autonagar Yard for undertaking specialized Machining on Job work basis. Availability of desired volume of orders for machining job is considered as a major threat. All the assets of your Company are properly insured against expected risks involved. Your Company's factory has been shut down from August, 2012 due to labour unrest, low order position etc. and the trading activities of your Company have also reduced significantly which threatens the survival of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has put in place a proper and adequate system of internal controls, to ensure the safeguarding of assets and their usage, maintenance of proper records, adequacy and reliability of operational information is commensurate with the size, scale and complexity of its operations. The internal control is supplemented by an extensive audit by internal and external audit teams and periodic review by the top management, Audit Committee and Board of Directors. Internal audit department evaluates legal and compliance issues and supports in assessment of Internal Control Systems and identification of other important issues as a powerful tool for risk control and governance. The system is designed to adequately ensure the reliability of financial and other records for preparing financial information and other data and for maintaining accountability of our assets. The external auditors have evaluated the system of internal controls in the Company and have reported that the same is adequate and commensurate with the size of the Company and the nature of its business.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

HUMAN RESOURCES MANAGEMENT AND INDUSTRIAL RELATIONS

Human Resource functions in the organization has seen a paradigm shift and evolved to embody modern day practices with proper use of technology and automation. This has had a profound impact on the morale and motivation of the employees who are the prime-movers. Thus the symbiotic relationship of the employees and the management is leading towards transformation of the organization. There is a well-calibrated reward and recognition mechanism bringing in meritocracy. Learning and development initiative for employees are greatly emphasized to enable all round good performance by individuals. Encouraging cordial working relation and maintaining good industrial relations have been the philosophy and endeavour of the HR Department. On the whole, industrial relation scenario has been good. Statutory compliances related to labour laws have been followed with due emphasis. There is a continuous effort for better Human Resource (HR) service delivery in order to better serve the customers with simpler well executed processes with proper use of technology. HR service delivery has become all the more critical in the organization due to rise in customer expectation.

The organization has a mechanism to provide employees with feedback on a continuous basis. Based on the organization's strategic plan, HR planning processes map the capacity of the organization. The knowledge, skills and abilities of the employees are identified.

DISCLOSURES AS PER APPLICABLE ACT, LISTING AGREEMENT AND SEBI LODR REGULATIONS, 2015:

i) Composition of Audit Committee:

The Board has constituted the Audit Committee under the Chairmanship of Mr. Bhal Chandra Khaitan. Complete details of the Committee are given in the Corporate Governance Report, attached as Annexure to this Board's Report.

ii) Post Balance Sheet events:

There are no material changes in commitments affecting the financial position of the Company occurred since the end of the financial year 2016-17.

iii) Subsidiaries, Associates or Joint Ventures:

Your Company does not have any subsidiaries, associates or joint ventures, during the year under review.

iv) Nomination, Remuneration and Evaluation Policy:

The Company on recommendation of its Nomination & Remuneration Committee has laid down a Nomination, Remuneration and Evaluation Policy, in compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and the SEBI (LODR) Regulations, 2015. This Policy is formulated to provide a framework and set standards in relation to the followings and details on the same are given in the Corporate Governance Report attached to this Board's Report:

- a. Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Executives of the Company.
- b. Remuneration payable to the Directors, KMPs and Senior Management Executives.
- c. Evaluation of the performance of the Directors.
- d. Criteria for determining qualifications, positive attributes and independence of a Director.

APPRECIATION

Your Directors take this opportunity to convey their appreciation for the co-operation, support and assistance extended by the Government/Statutory Bodies, Bankers, Company's customers, vendors and investors during the year. The Directors also wish to place on record their gratitude and appreciation for the sincere and hard work put in by all employees of the Company.

Registered Office:

'Lansdowne Towers'
4th Floor, 2/1A, Sarat Bose Road
Kolkata – 700 020

Date: 12th August, 2017

For and on behalf of the Board

For AKC Steel Industries Ltd.

Sd/-

Ashok Kumar Bansal
Manav Bansal

Whole Time Director (DIN:00283193)
Director (DIN:00103024)

ANNEXURE 'A' TO DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[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	L27109WB1957PLC023360
ii) Registration Date	20-02-1957
iii) Name of the Company	AKC Steel Industries Limited
iv) Category / Sub-Category of the Company	Public Company / Limited by shares
v) Address of the Registered office and contact details	2/1A, Sarat Bose Road, Lansdowne Towers, 4 th Floor, Kolkata-700020 Tel: +91 33 30514444 Fax: +91 33 22833322 Email: contact@akcsteel.com
vi) Whether listed company	Yes / No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheswari Datamatics Private Limited 6, Mango Lane, 2 nd Floor Kolkata-700001 Tel: 033 22482248, 22435809/5029 Fax: +91 33 2248 4787
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
All the business activities contributing 10% or more of the total turnover of the company	As per Attachment A
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	
	As per Attachment B
IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i) Category-wise Share Holding	As per Attachment C
ii) Shareholding of Promoters	As per Attachment D
iii) Change in Promoters' Shareholding	As per Attachment E
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v) Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V. INDEBTEDNESS	
Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
B. Remuneration to other directors	As per Attachment J
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	
	As per Attachment L

ATTACHMENT - A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below :-

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.	Steel	2714 / 2715	100

ATTACHMENT - B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
N.A.					

ATTACHMENT - C

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

i) Category-wise Share Holding

Category of Shareholdings	No. of Shares held at the beginning of the year (as on 01.04.2016)				No. of Shares held at the end of the year(as on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A1) Promoters									
(a) Individual/HUF	740954	4200	745154	17.95	745154	0	745154	17.95	0.10
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	2360100	0	2360100	56.87	2360100	0	2360100	56.87	0.00
(e) Banks I FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other..	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1) :-	3101054	4200	3105254	74.82	3105254	0	3105254	74.82	0.10.
2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks I FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other.. Sub-total (A) (2) :-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3101054	4200	3105254	74.82	3105254	0	3105254	74.82	0.10
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/I FI	0	100	100	0.002	0	100	100	0.002	0.00
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1) :-	0	100	100	0.002	0	100	100	0.002	0.00
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	13830	347535	361365	08.71	13830	344385	358215	08.63	(0.08)
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	75492	607089	682581	16.44	76042	595089	671131	16.17	(0.27)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	14600	14600	0.35	0.35
(c) Others (specify)									
(i) Trust	0	700	700	0.017	0	700	700	0.017	0.00
Sub-total (B)(2) :-	89322	955324	1044646	25.17	89872	954774	1044646	25.17	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	89322	955424	1044746	25.17	89872	954874	1044746	25.17	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3190376	959624	4150000	100.00	3195126	954874	4150000	100.00	0.00

ATTACHMENT - D

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

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2016)			Shareholding at the end of the year (as on 31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered total Shares	
1	Suresh Chand Bansal	103425	2.4922	0.00	103425	2.4922	0.00	0.0000
2	Basheshar Lal Bansal	161360	3.8882	0.00	161360	3.8882	0.00	0.0000
3	Bhawani Bansal	88769	2.1390	0.00	88769	2.1390	0.00	0.0000
4	Mukesh Chand Bansal	90400	2.1783	0.00	90400	2.1783	0.00	0.0000
5	Vikas Bansal	66750	1.6084	0.00	66750	1.6084	0.00	0.0000
6	Manav Bansal	61550	1.4831	0.00	61550	1.4831	0.00	0.0000
7	Indu Bansal	49200	1.1855	0.00	49200	1.1855	0.00	0.0000
8	Gautam Bansal	48350	1.1651	0.00	48350	1.1651	0.00	0.0000
9	Aruna Bansal	48250	1.1626	0.00	48250	1.1626	0.00	0.0000
10	B. L. Bansal	25100	.6048	0.00	25100	.6048	0.00	0.0000
11	Sarika Bansal	2000	.0482	0.00	2000	.0482	0.00	0.0000
12	Concast Steels And Alloys Ltd.	1200100	28.92	0.00	1200100	28.92	0.00	0.0000
13	Beekay Steel Industries Limited	1160000	27.95	0.00	1160000	27.95	0.00	0.0000
	TOTAL	3105254	74.8254	0.00	3105254	74.8254	0.00	0.0000

ATTACHMENT - E

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

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2016)		Cumulative Shareholding during the year (as on 01.04.2016 to 31.03.2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	3105254	74.8254	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	No change in Promoters shareholding during the period from 01.04.2016 to 31.03.2017			
	At the end of the year	—	—	3105254	74.8253

ATTACHMENT - F

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

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares at the beginning (01.04.16) and end of the year (31.03.17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	KAMLESH MERCANTILE CREDIT PVT LTD	240000 240000	5.7831 5.7831	01.04.2016 31.03.2017	NA	Nil movement during the year	240000	5.7831
2	JEWEL MOULDERS & HOLDINGS PVT LTD	60000 60000	1.4458 1.4458	01.04.2016 31.03.2017	NA	Nil movement during the year	60000	1.4458
3	RITESH PROJECTS PVT LTD	40000 40000	.9639 .9639	01.04.2016 31.03.2017	NA	Nil movement during the year	40000	.9639
4	INDRA KUMAR BAGRI	12470 12470	.3004 .3004	01.04.2016 31.03.2017	NA	Nil movement during the year	12470	.3004
5	A3 CAPITAL SERVICES (INDIA)LIMITED	11760 11760	.2833 .2833	01.04.2016 31.03.2017	NA	Nil movement during the year	11760	.2833
6	BALKRISHNA CHOUDHARY	4500 0	.1084 0	01.04.2016 31.12.2016 31.03.2017	(4500)	Sale	4500	.1084
7	JAYESH KANTILAL VORA	2900 2900	.0699 .0699	01.04.2016 31.03.2017	NA	Nil movement during the year	2900	.0699
8	RAJESH MUKTILAL PALDIWAL	2700 2700	.0651 .0651	01.04.2016 31.03.2017	NA	Nil movement during the year	2700	.0651
9	KAMLA B LULLA	2500 2500	.0602 .0602	01.04.2016 31.03.2017	NA	Nil movement during the year	2500	.0602
10	RITESH JINDAL	650 .0157 .1120 .0711 .1687 15250	.0157 .1120 .0711 .1687 .3675	01.04.2016 15.07.2016 30.09.2016 31.12.2016 31.03.2017	4650 2950 7000	Purchase Purchase Purchase	15250	.3675

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

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Director	Date	Reason	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Ashok Kumar Bansal	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
2	Shri Mukesh Chand Bansal	1.4.16	At the beginning of the year	90400	2.18	90400	2.18
		31.3.17	At the end of the year	90400	2.18	90400	2.18
3	Shri Manav Bansal	1.4.16	At the beginning of the year	61550	1.48	61550	1.48
		31.3.17	At the end of the year	61550	1.48	61550	1.48
4	Shri Brijesh Kumar Dalmia	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
5	Shri Bhal Chandra Khaitan	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
6	Shri Tapan Kumar Banerjee	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
7	Ms. Shyanthi Sengupta	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
B	KEY MANAGERIAL PERSONNEL (KMP) :						
1	Shri Ashok Kumar Bansal (WTD)	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
2	Shri R Jagadeeswara Rao (CFO)	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.
2	Shri Bishwajit Singh(CS)	1.4.16	At the beginning of the year	Nil	N.A.	Nil	N.A.
		31.3.17	At the end of the year	Nil	N.A.	Nil	N.A.

ATTACHMENT - H**V. INDEBTNESS**

Indebtness of the company including interest outstanding or accrued but not due for payment

(In ₹)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount as on 1.04.2016	31,375,521	50,866,007	0	82,241,528
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due as on 31.03.2016	0	0	0	0
TOTAL (i+ii+iii)	31,375,521	50,866,007	0	82,241,528
Change in Indebtness during the financial year *				
ADDITION	0	0	0	0
REDUCTION	(12,119,753)	(2,900,768)	0	(15,020,521)
Exchange Difference	0	0	0	0
Net Change	(12,119,753)	(2,900,768)	0	(15,020,521)
Indebtness at the end of the financial year				
i) Principal Amount as on 31.03.2017	19,255,768	47,965,239	0	67,221,007
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due as on 31.03.2017	0	0	0	0
TOTAL (i+ii+iii)	19,255,768	47,965,239	0	67,221,007

Note : Loan & Interest in Foreign currency is considered at closing Rate for respective years.

* Including refinance of foreign currency term loan.

ATTACHMENT - I

(VI) DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Ashok Kumar Bansal (Whole-time Director)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	3.31 0.00 0.00
2.	Stock Option	0.00
3.	Sweat Equity	0.00
4.	Commission - as % of profit - others	0.00
5.	Others, please specify	0.00
	Total (A)	3.31

ATTACHMENT - J

(VI) DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to other directors :

(₹ in Lakhs)

1. Independent Directors :

Particulars of Remuneration	NAME OF THE DIRECTORS				
	Shri Bhal Chandra Khaitan	Shri Brijesh Kumar Dalmia	Shri Tapan Kumar Banerjee	Smt. Shyanthi Sengupta	Total
• Fee for attending board committee meetings	0.095	0.070	0.030	0.030	0.230
• Commission	0	0	0	0	0
• Others	0	0	0	0	0
Total (B)(1)	0.095	0.070	0.030	0.030	0.230

2. Other Non-Executive Directors

(₹ in Lakhs)

Particulars of Remuneration	Name of Director		Total
	Shri Mukesh Chand Bansal	Shri Manav Bansal	
• Fee for attending board committee meetings	0.075	0.090	0.165
• Commission	0.000	0.000	0.000
• Others	0.000	0.000	0.000
Total (B)(2)	0.075	0.090	0.165

Total (B)=(B1)+(B2) = ₹ 0.395 lacs

ATTACHMENT - K

(VI) DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Ashok Kumar Bansal (Whole Time Director)	Mr. Bishwajit Singh (Company Secretary)*	Mr. R Jagadeeswara Rao (Chief Financial Officer)**	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3.31 0.00 0.00	2.84 0.00 0.00	5.22 0.00 0.00	11.37 0.00 0.00
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others	-- --	-- --	-- --	-- --
5.	Others, please specify	--	--	--	--
	Total	3.31	2.84	5.22	11.37

ATTACHMENT - L

(VII) DETAILS OF PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

ANNEXURE 'B' TO THE DIRECTOR'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2016-17 (Rs. in lakhs)	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Ashok Kumar Bansal (Whole Time Director)	3.31	-38.01%	2.27:1
2	Mr. R Jagadeeswara Rao (Chief Financial Officer)*	5.22	NA	NA
3	Mr. Bishwajeet Singh (Company Secretary)**	2.84	NA	NA

* Appointed w.e.f. 01.07.2015

** Appointed w.e.f. 30.05.2015

Note: No other Director other than the Whole time Director received any remuneration other than sitting fees during the financial year 2016-17.

- ii) The median remuneration of employees of the Company during the financial year was Rs. 1.46 Lacs
- iii) In the financial year, there was increase of 7.70% in the median remuneration of employees;
- iv) There were 13 permanent employees on the rolls of Company as on March 31, 2017.
- v) Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year 2016-17 was 8.73 % whereas the decrease in the managerial remuneration for the same financial year was -38.01%(Only for Whole Time Director because Chief Financial Officer & Company Secretary were appointed in the previous financial year.)
- vi) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2017 as per the Remuneration Policy of the Company.
- vii) List of top 10 (Ten) Employees in terms of remuneration drawn :

Sl. No.	Name	Designation	Qualification	Date of Commencement of Employment	Age	Remuneration 2016-17	Experience (In Yrs)	Last employment held
1	ASHOK KUMAR BANSAL	Wholetime Director	B.COM	30.01.1999	61	331,395	36	-
2	R JAGADEESWARA RAO*	CFO	B.COM	01.07.2015	51	522,000	26	Beekay Structural Steel
3	BISHWAJEET SINGH**	Company Secretary	B.COM(H), ACS	30.05.2015	26	284,000	2	-
4	G SRINIVAS RAO	Sr. Accounts Officer	B.COM	01.05.2005	41	196,200	13	-
5	PRASANTA POREL	In-Charge Machine Shop	-	16.08.2012	35	188,400	6	Jai Balaji Industries
6	RANJAN KUMAR PAUL	QC-IC-MC Shop	B.A	16.08.2012	45	176,400	6	Jai Balaji Industries
7	K K PATNAIK	Yard Incharge	B.A	01.07.2002	48	165,000	11	-
8	P ESWARA RAO	Office Asst	Matriculation	17.10.1977	58	146,400	16	-
9	C V SHANKAR RAO	Security Sup.	Matriculation	01.04.2007	73	128,400	16	Beekay Steel Industries Ltd
10	NARASIMHA RAJU MATHA	Sr. Accounts Asst	M.COM	23.07.2015	31	127,320	6	-

* Appointed w.e.f. 01.07.2015

** Appointed w.e.f. 30.05.2015

ANNEXURE – C TO THE DIRECTORS' REPORT**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017***[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,
A K C Steel Industries Ltd.
 Lansdowne Towers, 4th Floor,
 2/1A, Sarat Bose Road,
Kolkata – 700 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. A K C Steel Industries Ltd. (hereinafter called 'the Company') bearing CIN: L27109WB1957PLC023360. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. A K C Steel Industries Ltd. 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. A K C Steel Industries Ltd. ("the Company") for the financial year ended on 31st March, 2017, **to the extent Acts / provisions of the Acts applicable**, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. I further report that, having regards to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis and on representation made by the Company and its officers for compliances under other applicable Acts, laws and Regulations to the Company, the Company has complied with the laws including the laws specifically applicable to the Company as given in **Annexure 1**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Calcutta Stock Exchange Ltd.;

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

I 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. There has been no change in the composition of the Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity with the provisions of the Act.

The Company has applied for Voluntary de-listing of Equity Shares of the Company from the Calcutta Stock Exchange Ltd. pursuant to the authority given by the Shareholders by means of Special Resolution passed through Postal Ballot on 13th October, 2016.

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

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

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

I further report that during the audit period, the Company has no reportable specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Kolkata

Date : 12.08.2017

Sd/-
(SANTOSH KUMAR TIBREWALLA)
Practising Company Secretary
Membership No. : 3811
Certificate of Practice No. : 3982.

ANNEXURE - I**List of applicable laws to the Company**

1. Factories Act, 1948 and allied State Laws ;
2. Payment of Wages Act, 1936 ;
3. Minimum Wages Act, 1940 ;
4. ESI Act, 1948 ;
5. Gratuity Act, 1972 ;
6. Bonus Act, 1965 ;
7. W.B. Profession Tax Act, 1979 ;
8. Workmen Compensation Act, 1923 ;
9. Contract Labour (Regulation & Abolition) Act, 1970 ;
10. Apprentices Act, 1961 ;
11. Industrial Employment (Standing Order) Act, 1946 ;
12. West Bengal Fire & Emergency Services Act, 1950 ;
13. Interstate Migrant Workmen (Regulation of Employment & Condition of Services) Act, 1979 ;
14. Air (Prevention & Control of Pollution) Act, 1981 and the rules and standards made thereunder ;
15. Water (Prevention & Control of Pollution) Act, 1974 and rules made thereunder ;
16. Employees Provident Fund & Misc. Provisions Act, 1952 ;
17. West Bengal Shop & Establishment Act, 1964 ;
18. The Central Excise Act, 1944 ;
19. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 ;
20. Equal Remuneration Act, 1976 ;
21. Personal Injuries Compensation Act, 1963 ;
22. Indian Fatal Accidents Act, 1855 ;
23. Hazardous Wastes (Management and Handling) Rules, 1989 ;
24. Environment Protection Act, 1986 ;
25. Employer's Liability Act, 1938 ;
26. Kolkata Municipal Corporation Act, 1980 ;
27. Negotiable Instruments Act, 1881 ;
28. The Competition Act of India, 2002 ;
29. Industrial Disputes Act, 1947 ;
30. Information Technology Act, 2000 ;
31. Income Tax Act, 1961, etc.

ANNEXURE TO THE DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

A good Governance process provides transparency of corporate policies and the decision making process and also strengthens internal control system and helps in building good relationship with all stakeholders. We at AKC Steel believe in being transparent and commit ourselves to adherence of good corporate governance at all times. It aims at align interest of the Company with its shareholders and other stakeholders. The Company adheres to the highest standards of business ethics, compliance with all statutory and legal requirements and commitment to transparency in business dealings. The code of conduct highlights corporate governance as the corner stone for sustained management performance, for serving all the stakeholders.

Your Company believes in implementing Corporate Governance not only under the law but also in true spirit. The Company maintains a high degree of transparency in all its dealings with stakeholders through sustained disclosures. The belief and core principles of Corporate Governance adopt by the Company leads the Company's Governance philosophy, transparency, independence, fairness, equity, accountability and social responsibility, which in turn is the basis of public confidence in corporate system. The Company is committed to execute sustainable business practices and create long term value for all its stakeholders. At the same time, your Company also ensures full compliance with regulatory disclosure requirements.

The report containing the details of Corporate Governance systems and processes at AKC Steel Industries Ltd. that is in accordance with the SEBI (LODR), Regulations, 2015 of the Listing Agreement with the Calcutta Stock Exchange Limited (CSE) is as follows:

The Board of Directors of the Company governs the Company and deliberately creates a culture of leadership to provide a long-term vision to improve the quality of governance. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in all its dealings. Therefore, the Board has adopted various codes and policies, i.e. code of conduct, code of conduct for prohibition of Insider Trading, Vigil Mechanism and Whistle Blower Policy, Policy on Materiality of Related Party Transactions etc., to carry out its duties and responsibilities in a fair and ethical manner.

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in all its dealings. Therefore, the Board has adopted various codes and policies to carry out its duties and responsibilities in a fair and ethical manner, some of these codes and policies are 'Code of Conduct', 'Code of Conduct for Prohibition of Insider Trading', 'Vigil Mechanism and Whistle Blower Policy', 'Corporate Social Responsibility Policy', 'Policy on Materiality of Related Party Transactions' and 'Remuneration Policy for Directors, Key Managerial Personnel and other Employees' etc.

B. BOARD OF DIRECTORS**Composition and category of Directors as on 31st March, 2017**

The Board of Directors of the Company has a combination of Executive & Non-Executive & Independent Directors on the Board and are in accordance with the Corporate Governance Practices. The Board Comprised of 7 (Seven) Directors as on 31st march, 2017 out of which 4 (Four) are Independent Directors including 1 (One) Independent Woman Director and two are non-executive and one is wholetime Director.

The number of Independent Directors is 4 which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are professional with specialization from their respective fields having wide range of skills and experiences to the Board which helps the Board for good decision making thereby ensuring the best interest of stakeholders and the Company. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and (under erstwhile Clause 49 of the Listing Agreement) SEBI LODR Regulations, 2015.

The appointment of the Independent Directors of the Company excluding Mr. Mr. Tapan Kumar Banerjee Ms. Shyanthi Sengupta has been made in the Annual General Meeting of the Company held on 26th September, 2014 for a term of consecutive five years i.e upto 31st March, 2019 and appointment of Mr. Mr. Tapan Kumar Banerjee Ms. Shyanthi Sengupta has been made in the Annual General Meeting of the Company held on 26th September, 2015 for a term of consecutive five years i.e upto 30th March, 2020.

The Board has carried out performance evaluation of Independent Directors and recommended to continue the term of their appointment.

The Directors of the Company are appointed by the shareholders at General Meetings. 1/3rd of such Directors are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

The details of composition of the Board as at 31.03.2017 are given as under:

Name of the Director	Category	
Mr. Ashok Kumar Bansal	Executive – Promoter	Whole Time Director
Mr. Mukesh Chand Bansal Mr. Manav Bansal	Non-Executive – Promoter	Director
Mr. Brijesh Kumar Dalmia Mr. Bhal Chandra Khaitan Mr. Tapan Kumar Banerjee Ms. Shyanthi Sengupta	Non-Executive	Independent Director

b) Board Meetings:

Attendance of each Director at Board Meeting and attendance at the last Annual General Meeting held on 17-09-2016 and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in various Companies are as under:

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorship in other Indian Public Ltd. Cos.	No. of other Chairmanship(s)/ Membership(s) of Committees in other Indian Public Ltd. Cos. as on 31 st March, 2015	
								Chairmanship(s)	Membership(s)
Executive Directors	Mr. Ashok Kumar Bansal	Wholetime Director	30.01.1999	5	2	No	NIL	NIL	NIL
Non-Executive Directors									
Non-Independent Directors	Mr. Mukesh Chand Bansal	Director	08.05.1999	5	5	NO	3	3	4
	Mr. Manav Bansal	Director	30.01.1999	5	5	YES	3	NIL	4
Independent Directors	Mr. Bhal Chandra Khaitan	Director	29.12.2005	5	4	NO	3	4	5
	Mr. Brijesh Kumar Dalmia	Director	16.12.2005	5	5	NO	1	1	7
	Mr. Tapan Kumar Banerjee *	Director	31.03.2015	5	5	YES	1	NIL	NIL
	Ms. Shyanthi Sengupta *	Director	31.03.2015	5	5	NO	1	NIL	NIL
(*) Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.									

During the year under review, the Board of Directors of the Company met Six (6) times on 30th May 2016, 12th August 2016, 2nd September 2016, 8th September 2016, 14th November 2016 and 13th February 2017. Board Meetings were held and the gap between two Board Meetings did not exceed four months one hundred and twenty days in terms of the Listing Agreement / Regulation 17 (2) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Secretarial Standards and the provision of Companies Act, 2013.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in the SEBI (LODR), Regulations, 2015 (erstwhile Clause 49) of the Listing Agreement across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

c) Board Committees, Meetings and Procedures:

The Board of Directors of the Company oversees the overall functioning of the Company. The Wholetime Director and promoter Directors are entrusted with wide range of functions from operation, marketing & administration and duly assisted by the Chief Executive Officer, Company Secretary including Senior Managerial Personnel in overseeing the functional matters of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

The Board of Directors has constituted Four Standing Committees, namely, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee & Share Transfer Committee. A strategy meet of the Board of Directors is generally held at appropriate intervals to formulate, evaluate and approve the business strategy of the Company. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company and compliance management.

The meetings are usually held at the Company's Registered Office at "Lansdowne Towers", 4th Floor, 2/1A, Sarat Bose Road, Kolkata – 700 020. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors alongwith the agenda items and necessary documents & information were provided to all Directors beforehand to make able the Board of Directors to take proper decision. The Board is also provided with Audit Committee observations on the internal audit findings and matters required to be included in the Director's Responsibility Statement. The Company Secretary is the Secretary to all the above Committees of the Board.

d) Separate Meeting of Independent Directors:

The Independent Directors of the Company meet once in a year informally through a Meeting called Independent Directors Meeting. This meeting is conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Chairman and Managing Director.

During the year under review, the Independent Directors met on 13th February 2017, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors; and

The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

e) Shares held by non-executive Directors

The shareholdings of Non-Executive Directors are given hereunder:-

Name of Directors	Category	No. of Shares held as on 31-03-2017
Mr. Mukesh Chand Bansal	Non-Executive (Promoter Director)	90400
Mr. Manav Bansal		61550
Mr. Bhal Chandra Khaitan	Non-Executive Independent Director	Nil
Mr. Brijesh Kumar Dalmia		Nil
Mr. Tapan Kumar Banerjee		Nil
Ms. Shyanthi Sengupta		Nil

f) Familiarization Programme imparted to Independent Directors

As required under Regulation 25 of the SEBI LODR Regulations, the Company has familiarized Independent Directors with their roles, rights and liabilities in the Company, nature of the industry in which the Company operates, business models, updates and developments including various measures and other relevant information pertaining to the Company's business through familiarization programmes. Details of the familiarisation programmes of the Company have been disclosed on the Company's website: www.akcsteel.com.

CODE OF CONDUCT

The Company has framed Code of Conduct for the Directors and Senior Management of the Company. The Directors and Senior Management have affirmed compliance of the said Code of Conduct as on 31st March, 2017. The Code is displayed on the Company's website: www.akcsteel.com.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended), the Board has approved the 'Code of Conduct for prevention of Insider Trading' and entrusted the Audit Committee to monitor the compliance of the code.

WHISTLE BLOWER/VIGIL MECHANISM POLICY

The Company has established necessary vigil mechanism and adopted a whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics. Further, no employee has been denied direct access to the Audit Committee. The Audit Committee is committed to ensure the flawless work environment by providing a platform to report any suspected or confirmed incident of fraud/misconduct.

BOARD COMMITTEES:

AUDIT COMMITTEE:

The Audit Committee reviews the financial accounting policies, adequacy of internal control system of quarterly and annual financial statements before submission to the Board, review of observations of auditors and to ensure compliance of internal control systems, authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board. All the members of the Committee are financially literate.

Audit Committee of the Board comprises three Directors and all are non-executive Directors out of which two are Independent Directors & one is Non-Executive Director. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015. The Company Secretary is the Secretary of the Committee.

Composition of the Audit Committee and attendance of the members at Committee meetings as on 31st March 2017 are as follows:

Constitution	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Bhal Chandra Khaitan	Non- Executive–Independent Director –Chairman	4	4
Mr. Brijesh Kumar Dalmia	Non- Executive–Independent Director –Member	4	4
Mr. Manav Bansal	Non- Executive–Non-Independent Director–Member	4	4

Four (4) meetings of the Audit Committee were held during the financial year 2016-17, as against the minimum requirement of four meetings, held on 30th May 2016, 12th August 2016, 14th November 2016 & 13th February 2017.

The Audit Committee meetings are usually held at Company's Registered Office and attended by members of the Committee, other Accounts Heads and Unit Head. The representative of the Statutory Auditors also attend the meeting as and when required.

The terms of reference of Audit Committee are as per Section 177 of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015. The broad terms of reference of Audit Committee are:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
 - (1) Matters to be included in the Directors Responsibility Statement of Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act.
 - (2) Changes to any accounting policies and practices.
 - (3) Major accounting entries based on the exercise of judgement by Management.
 - (4) Significant adjustments if any, arising out of audit.
 - (5) Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.
- c) Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, cost auditors of the Company.
- d) To review reports of Internal Auditors and discussion on any significant findings and follow up there on;
- e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and the Company's statement on the same prior to endorsement by the Board.
- f) Evaluation of the internal financial controls and risk management systems.
- g) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.
- i) In addition, the powers and role of the Audit Committee are as laid down under Clause 49 III C and D of the Listing Agreement and Section 177 of the Companies Act, 2013.

NOMINATION & REMUNERATION COMMITTEE

The terms of reference and constitution of the Nomination & Remuneration Committee (NRC) are compliance with Section 178 of the Companies Act, 2013 and pursuant to Regulation 19 and Part D of Schedule II of SEBI LODR Regulations, 2015. The Committee has formulated the criteria for evaluation of the Board and Non-Independent Directors includes framing of specific remuneration package of Executive Directors and fees for Non-Executive Directors etc. and approval of remuneration to the managerial personnel as per the Company's policy on the same.

The terms of reference of the Nomination & Remuneration Committee are as follows:

- i. To identify persons who are qualified to become Directors and who may be appointed in the Senior management in accordance with the criteria laid down and to recommend to the Board their appointment, terms of appointment and/or removal;
- ii. To formulating a criteria for determining the qualification, positive attitudes, independence of a Director and evaluation of Independent Directors and the Board;
- iii. To evaluate every Directors performance;

- iv. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial persons and other employees;
- v. To ensure that the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- vi. To ensure that the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks;
- vii. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- viii. To devise a policy on Board diversity.
- ix. To Carry out any other function as is mandated by the Board of Directors of our Company or prescribed by the Listing Agreement, as amended, from time to time.
- x. To invite any employee or such document as it may deem fit for exercising of its functions
- xi. To obtain such outside or professional advice as it may consider necessary to carry out its duties.

The Committee comprises of three Directors , two Non-Executive Independent Directors and one Non Executive Director. During the year under review One meeting of the Committee was held on 13th February 2017.

The composition of the Nomination & Remuneration Committee & attendance of its members as at March 31, 2017 are as given below:

Constitution	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Bhal Chandra Khaitan	Non- Executive–Independent Director –Chairman	1	1
Mr. Brijesh Kumar Dalmia	Non- Executive–Independent Director –Member	1	1
Mr. Mukesh Chand Bansal	Non- Executive Director–Member	1	1

The Board decided and fixes the powers and roles of the Committee from time to time.

The Company Secretary is the Secretary of the Committee.

The Company follows the policy to fix remuneration of Managing Director/ Whole Time Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015 of the Listing Agreement a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board. The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors were satisfied with the evaluation process which reflects the overall engagement of the Board and its committees with the Company.

Performance evaluation criteria of Independent Directors and the Board :

The basic criteria which assist in determining the effective performances of the Directors are Leadership & Managerial abilities; Contribution to the corporate objectives & plans; Communication of expectations & concerns clearly with subordinates; review & approval of strategic & operational plans of the Company - its objectives and budgets; regular monitoring of corporate results against projection; Identification, monitoring & mitigation of significant corporate risks; direct, monitor & evaluate KMPs, senior officials; regularity in attending meetings of the Company and inputs therein; review & maintenance of corporation's ethical conduct etc.

Remuneration to Directors:

Remuneration Policy /Criteria

- i) Executive Directors : The Company follows the policy to fix remuneration to Whole Time Director by taking into account the financial position of the Company, trend in the Industry, qualification, experience, past performance and past remuneration of the respective Directors in the manner to strike a balance between the interest of the Company and the Shareholders. The Whole Time Director of the Company are appointed on contractual basis, on terms approved by the shareholders. Their remuneration comprises salary, allowances, commission and perquisites etc.

- ii. **Non-Executive Directors** : The Non-executive Directors (including Independent Directors) are paid compensation by way of sitting fees on uniform basis. The sitting fees payable to the Non-Executive Directors is based on the number of meetings of the Board & other Committees of the Board attended by them. The Company pays sitting fees at the rate of Rs. 500/- for each meeting of the Board and Committees attended by them.
- iii. **KMPs & Senior Management Personnel** : The Board on the recommendation of the Nomination and Remuneration Committee fix the remuneration payable to the Key Managerial Personnel and Senior Management Personnel. The criteria also oversees the industry trend, quality and experience of the personnel. These factors not only contributes to the Company but makes thier job satisfaction.

The details of remuneration paid /payable to the Wholetime Director and Sitting Fees paid/ payable to Non-Executive Directors are given hereunder:-

Name of Directors	Remuneration paid/payable for the year ended 31st March, 2017				Service Contract		
	Salary (Rs.)	Bonus (Rs.)	Benefits (Rs.)	Sitting Fees (Rs.)	Pay Scale per Month (Rs.)	Period	Effective
Mr. Ashok Kumar Bansal	3,00,000	--	31,395	--	25,000	5 Years	01-10-2012
Mr. Mukesh Chand Bansal	--	--	--	7,500	--	--	--
Mr. Manav Bansal	--	--	--	9,000	--	--	--
Mr. Bhal Chand Khaitan	--	--	--	8,000	--	--	--
Mr. Brijesh Kumar Dalmia	--	--	--	8,000	--	--	--
Mr. Tapan Kumar Banerjee	--	--	--	3,500	--	--	--
Ms. Shyanthi Sengupta	--	--	--	3,500	--	--	--

STAKEHOLDERS RELATIONSHIP COMMITTEE

The main tasks of Stakeholders Relationship Committee is to looks into redressing of shareholders' and investors grievances like non transfer / transmission of Shares, non- receipt of declared Dividend, Balance Sheet, dematerialization & re-materialization of Shares, etc. The Company has registered with SCORES of SEBI for Redressal of Investors' Grievances on-line.

The terms of reference and constitution of the Stakeholders Relationship Committee are in compliance with the provisions of the Companies Act, 2013 and pursuant to Regulation 20 and Part D of Schedule II of SEBI LODR Regulations, 2015.

The Board has also modified the scope of the Committee to align it with and SEBI (LODR), Regulations, 2015 (erstwhile Clause 49) of the Listing Agreement, which is as follows:

- 1) To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Half yearly intervals.
- 2) To interact periodically and as & when required with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.
- 3) To consider and resolve the grievances of the security holders of the company.
- 4) To periodically report to the Board about serious concerns if any.
- 5) To follow-up on the implementation of suggestions for improvement.

The Stakeholders Relationship Committee met four times during the financial year 2016-17 on 30th May 2016, 12th August 2016, 14th November 2016 & 13th February 2017. The composition of the Committee as at March 31, 2017 and the number of meetings attended by the Members are as given below:

The Stakeholders Relationship Committee comprises of 3 Directors out of whom One is Independent Director & Mr. Mukesh Chand Bansal is the Chairman of the Committee. The Committee comprises of the following Directors:

Name of Directors	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Mukesh Chand Bansal	Non- Executive – Chairman	4	4
Mr. Brijesh Kumar Dalmia	Non- Executive–Independent Director –Member	4	4
Mr. Manav Bansal	Non- Executive Director–Member	4	4

Mr. Bishwajit Singh, Company Secretary of the Company was acting as Secretary of the Committee.

The Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and SEBI (LODR), Regulations, 2015. His address and contact details are as given below:

Address : Lansdowne Towers, 4th Floor, 2/1A, Sarat Bose Road, Kolkata-700020

Phone : 033-3051 4444

Fax : 033-2283 3322

Email : contact@akcsteel.com/rksahoo@beekaygroup.co.in

Number of complaints from members received and resolved during the period under review and pending as on 31-03-2017 are as follows:

Shareholders' Complaints

The numbers of shareholders'/ investors' complaints received, resolved/ replied and pending during the year under review are as under :

Nature of complaints	Received	Resolved/Replied	Pending
Non-receipt of share certificates	2	2	Nil
Non-receipt of annual reports	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total	Nil	Nil	Nil

No request for Share transfer remains pending for registration for more than 15 days except in one case which is delayed beyond 15 days. No complaint / query is received by the Company during the financial year and no complaint is pending as on 31st March, 2017.

Securities and Exchange Board of India ('SEBI') Complaints Redress System ("SCORES") :

As per the SEBI directive, the investors desirous of making complaints pertaining to the listed Companies has to be made electronically and sent through SCORES and the Companies or their appointed Registrar & Share Transfer Agent (R&TA/ STA) are required to view the pending complaints and submit 'Action Taken Report' ('ATRs') along with necessary documents electronically in SCORES. Further, there is no need to file any physical ATRs with SEBI. **The Company is already registered under SCORES to efficiently and effectively redress the investors / shareholders complaints in time.**

SHARE TRANSFER COMMITTEE

The functions of the Committee include approval of share transfers and transmissions taking actions and any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

During the period under review 4 (Four) meetings of the share transfer committee were held on 14th July 2016, 8th September 2016, 10th November 2016 & 24th November 2016.

The Share Transfer Committee comprises of 3 Directors and the Chairman of the Committee is Non-executive Director. The Composition of the Committee are as follows:

Name of the Directors	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Mukesh Chand Bansal	Non- Executive – Chairman	4	4
Mr. Bhal Chandra Khaitan	Non- Executive–Independent Director –Member	4	4
Mr. Manav Bansal	Non- Executive Director–Member	4	4

Generally, the meetings of the Committee are held whenever necessary for transfer / transmission of shares, issue of duplicate share certificates, change of name/status, transposition of names, sub-division/ consolidation of share certificates, de-materialisation/ re-materialisation of shares, etc. **Mr. Bishwajit Singh, Company Secretary of the Company was acting as Secretary of the Committee.**

As at 31st March, 2017, 31,95,126 nos. of equity shares constitutes 76.99 % (previous year – 76.88 %) of the Company's equity shares are held in dematerialized form.

GENERAL BODY MEETINGS

Date, Time and Location where last three Annual General Meeting held:

Year	Type of Meeting	Date of Meeting & Time	Venue
2015-16	43 rd AGM	17-09-2016 at 1.00 P.M.	'EIPC India Conference Room', EIPCINDIA, Vanijya Bhavan, ITFC Building, Ground Floor,1/1, Wood Street, Kolkata: 700 016.
2014-15	42 nd AGM	26-09-2015 at 11.00 A.M	Somany Conference Hall, MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata – 700 001.
2013-14	41 st AGM	26-09-2014 at 2.30 P.M	Somany Conference Hall, MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata – 700 001.

Extraordinary general meeting:

No extraordinary general meeting of the members was held during the years 2015-16. In the year under review one Extra Ordinary General Meeting was held and resolution was passed through postal ballot for Voluntary Delisting of Equity Shares from Calcutta Stock Exchange Ltd.

All resolutions which were moved at the last Annual General Meeting were passed through e-voting by the members.

DISCLOSURES

i) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of listed entity at large :**

All material transactions entered into with related parties as defined under the Act and SEBI (LODR), Regulations, 2015 during the financial year were in the ordinary course of business. No transactions of materially significant nature were entered into by the Company with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

ii) **Details of non-compliance by the Listed Entity, penalties, strictures imposed on the Listed Entity by Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years :**

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority on any matter related to the capital markets during last four years. No penalty or strictures have been imposed by them on the Company during the last three financial years.

- iii) The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company.
- iv) The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.
- v) The Company has complied with the mandatory requirements and non-mandatory requirements of the Corporate Governance as prescribed and SEBI (LODR), Regulations, 2015:
- The statutory financial statements of the Company are unqualified.
 - Mr. Ashok Kumar Bansal is the Wholetime Director & KMP of the Company and.
 - The CEO / CFO certification as required and SEBI (LODR), Regulations, 2015 is annexed hereto which forms part of this report.
 - The Management Discussion and Analysis Report as required under SEBI (LODR), Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement) is annexed hereto which forms part of this report.

vi) **Reconciliation of share capital audit:**

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the national securities depository limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report is also placed before the Board of Directors of the Company.

Policy for determining 'material' Subsidiary:

The Company does not have any material non-listed Indian Subsidiary as defined in Regulation 16 and 24 of SEBI (LODR), Regulations, 2015.

Risk Management :

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

Details of Directors seeking appointment / re-appointment

The Details of Directors seeking appointment / re-appointment as required under SEBI (LODR), Regulations, 2015 and Secretarial Standard 2 as issued by the Institute of Company Secretaries of India with the Stock Exchanges) is given in annexure to the notice which forms part of this Report and other details of the aforesaid Director is stated hereunder :

Mr. Manav Bansal

Mr. Manav Bansal is a Director of the Company and a Commerce Graduate and MBA from University of Wales, U.K. He is 41 years of age. He is having experience of more than 16 years in corporate planning, financial management, taxation, general administration, etc. He is one of the Directors in Beekay Steel Industries Ltd., Concast Steels & Alloys Ltd., Beekay Associates Pvt. Ltd., Beekay Fresh Agro Pvt. Ltd., Pleasant Holdings Pvt. Ltd., Shri Govinda Grounds Bars Pvt Ltd., Manav Ispat Pvt. Ltd., Century Vision Pvt. Ltd., Forbes Infracon Pvt. Ltd. & Lansdowne Builders Pvt. Ltd. He holds 61550 Equity Shares of the Company.

Mr. Ashok Kumar Bansal

Mr. Ashok Kumar Bansal is a Commerce Graduate and 61 years of age. He is having experience of more than 34 years in the fields of production, marketing and administration. He takes active participation in deciding various business plans of the Company. He does not hold Directorship in any other Company. He does not hold any share of the Company.

Relationship between the Directors inters se:

Non-executive Director, Mr. Mukesh Chand Bansal is related to Mr. Manav Bansal. No other Directors in the Board are related to each other.

MEANS OF COMMUNICATION

The quarterly, half yearly & yearly results of the Company are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in both English and Bengali Newspapers.

The unaudited / audited quarterly & half yearly financial results as approved by the Board of Director at its meeting are furnished to the Stock Exchange where the Company's shares are listed within the prescribed time-frame of the close of every quarter together with limited review report and yearly audited results alongwith Auditors Report as provided by the Auditors in compliance with SEBI (LODR) Regulations, 2015 and are published in leading newspapers in India which include Financial Express & Business Standard and in leading regional/vernacular languages in Bengali within 48 hours of conclusion of Board Meeting. The results are also displayed on the Company's website "www.akcsteel.com".

Website: The Company's web site is www.akcsteel.com where the quarterly / annual results and other statutory & non-statutory information are displayed.

No presentation has been made to Institutional Investors or Analysts

GENERAL INFORMATIONS FOR MEMBERS:**a. Annual General Meeting :**

(Date, Time & Venue)

Date : 15-09-2017

Time : 12.30 P. M.

Venue :

'EEPC India Conference Room'

EEPCINDIA,

Vanijya Bhavan, ITFC Building,

Ground Floor, 1/1, Wood Street, Kolkata: 700 016

b. Date of Book Closure : 09.09.2017 to 15.09.2017 (Both days inclusive) - For AGM**c. Financial Year & Calendar : April-March****Financial Year 2017-18**

Unaudited Results for the quarter ending 30th June, 2017

- By middle of August, 2017

Unaudited Results for the quarter ending 30th Sept., 2017

- By middle of November, 2017

Unaudited Results for the quarter ending 31st Dec., 2017

- By middle of February, 2018

Audited Annual Accounts for 2017-18

- By end of May, 2018

Annual General Meeting for the year Ending 31st March, 2018

- Middle of Sept, 2018

d. Dividend payment : The Board have not recommended any Dividend on Equity Shares for the financial year ended on 31st March, 2017.

DETAILS OF UNCLAIMED & UNPAID DIVIDEND

There was no dividend declared for the financial year 2008-09, hence no unclaimed & unpaid Dividend required to be transferred to Investor Education & Protection Fund (IEPF). The Company will transfer the unclaimed & unpaid dividend for the financial year 2009-10 to the Investor Education & Protection Fund (IEPF) amounting Rs. 170,784.

The last dates for claiming of unpaid and unclaimed dividend lying in the Unpaid Dividend Account for the respective years are as follows:

YEAR	AGM DATE	LAST DATE FOR CLAIMING OF DIVIDEND	DUE DATE FOR TRANSFER TO IEPF	AMOUNT AS ON 31.03.2017 (Rs.)
2009-10	28.09.2010	27.09.2017	01.12.2017	1,70,784
2010-11	23.09.2011	22.09.2018	26.11.2018	1,23,359

FILING OF UNCLAIMED DIVIDEND WITH MINISTRY: As per the Investor Education & Protection Fund (IEPF) Rules, 2012, the detailed list of shareholders in respect of unpaid and unclaimed dividend are filed with the Ministry of Corporate Affairs ("MCA") every year within the due time period. The same has also been updated in the website of the Company for your reference.

e. Listing & Delisting :

The equity shares of your Company continues to be listed on The Calcutta Stock Exchange Ltd. (CSE), Kolkata. The Company has paid annual listing fees for the financial year 2017-18 to The Calcutta Stock Exchange (CSE).

During the year 2016-17, the Company had filed voluntary delisting application with the Calcutta Stock Exchange (CSE) to delist the Company's equity shares listed with the CSE, duly approved by the members of the Company through Postal Ballot, under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. The "In-Principle Approval" of such delisting has been received from the CSE.

The objective of the Delisting Proposal as stated by the Promoters/ Promoter Group in the requisition letter contains - (i) to obtain full ownership of AKC Steel, which will provide the Promoters/ Promoter Group with increased operational flexibility to support AKC Steel's business and (ii) to provide an exit opportunity to the Public Shareholders. The Delisting Proposal, if successful, will also result in a scenario where the Company will be in compliance with the SEBI's Circular for companies exclusively listed on de-recognised/ non-operational/ exited Stock Exchanges vide its Circular No. CIR/MRD/DSA/05/2015 dated April 17, 2015. The shareholders of the Company have approved, through Postal Ballot, to delist the shares from the CSE.

The name and address of the Stock Exchange and the Company's Stock Code are given below.

The Calcutta Stock Exchange Ltd.: 7, Lyons Range, Kolkata - 700 001.

Stock Code: 10011019

f. Market price Data

Monthly High/ Low price during the Financial Year 2016-17 at the Calcutta Stock Exchange Ltd. depicting liquidity of the Equity Shares is given hereunder:

Month	Share Price		Month	Share Price	
	High	Low		High	Low
April,2016	No Trading		October,2016	No Trading	
May,2016	—do—		November,2016	—do—	
June,2016	—do—		December,2016	—do—	
July,2016	—do—		January,2017	—do—	
August,2016	—do—		February,2017	—do—	
September,2016	—do—		March,2017	—do—	

Note: 'No Trading' in the Stock Exchange due to non-functional of trading platform of the CSE

g. Performance in comparison

No comparison to broad based indices such as BSE Sensex / CRISIL to broad based indices, Index, etc. could be drawn since there is no trading in the Calcutta Stock Exchange during the financial year.

h. Registrar and Share Transfer Agent:

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata - 700001.
Phone Nos. 91-33-2243-5029 / 5809, 2248-2248 Fax No. 91-33-2248-4787,
E-Mail – mdpldc@yahoo.com, Website : www.mdpl.in
Contact Person:- Mr. Rajagopal.

Shares Transfer System :

Share Transfer assignment has been given to the Registrars and Share Transfer Agents. The Shares Transfer Committee is empowered to approve the Share transfers. Transfer Committee Meeting is held as and when required.

The Share Transfers/ transmissions, issue of duplicate certificate etc. are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrars within 15 days.

i. **Distribution of Share as on 31st March, 2017.**

Share Limit Notional Value of (Rs.)		No of Live Accounts	Percentage	Total No. of Shares	Percentage of Total Shares
From	To				
1	5000	3483	94.8529	502126	12.0994
5001	10000	120	3.2680	90400	2.1783
10001	20000	46	1.2527	66550	1.6036
20001	30000	4	0.1089	9800	0.2361
30001	40000	Nil	N.A.	Nil	N.A.
40001	50000	1	0.0272	41550	0.1001
50001	100000	1	0.0271	8215	0.1980
100001	Above	17	0.4630	3468754	83.5844
Grand Total		3672	100.0000	4150000	100.0000

j. **Share Holding Pattern as on 31st March, 2017:**

Category	No. of Shares	Percentage of Holding
Promoters & Associates	3105254	74.8254
Mutual Funds & UTI	—	—
Banks, Financial Institutions, Insurance Companies (Central/ State Govt, Institutions, Govt. Institutions)	100	0.0024
FIs	—	—
Private Corporate Bodies	358215	8.6317
Indian Public	685731	16.5236
Trust	700	0.0169
NRIs / OCBs	—	—
Total	4150000	100.0000

k. **Dematerialisation of Shares:** 76.99 % (previous year- 76.88 %) of the total paid up equity share capital are held in dematerialized form with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. as on 31-03-2017.

Code No. allotted by NSDL and CDSL:

The Company's shares are activated for dematerialization with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL).

Under the Depository System, the International Securities Identification Number (ISIN) of the Company's Shares is **INE169D01019**.

l. **Outstanding Instruments:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.

m. **Plant Location :** Malkapuram Post, Vishakhapatnam, Andhra Pradesh – 530 011.

n. **Machine Shop/Stockyard :** Plot No. 42, 43A, Block-D, Autonagar Yard,
Visakhapatnam: 530 012, Andhra Pradesh
Tel: (0891) 2511 595

o. **Address for Correspondence:** AKC Steel Industries Ltd., 'Lansdowne Tower', 2/1A, Sarat Bose Road,
Kolkata 700 020. Phone Nos. (033) 30514444, Fax No: (033) 2283 3322

p. **Compliance Officer:**

Mr. Bishwajit Singh, Company Secretary,
AKC Steel Industries Ltd., 'Lansdowne Towers' 4th Floor, 2/1A, Sarat Bose Road, Kolkata: 700 020,
Phone Nos. (033) 3051 4444, Fax No: (033) 2283 3322

OTHER DISCLOSURES:i) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Corporate Governance :**

The Company has complied with all the applicable mandatory requirements of the applicable Regulations of SEBI (LODR) Regulations, 2015 and has adopted the following non-mandatory requirements of the aforesaid clause :-

Reporting of Internal Auditor : The Internal Auditors reports directly to the Audit Committee.

The Company has taken cognizance of other non - mandatory requirements as set out in applicable Regulations of SEBI (LODR) Regulations, 2015 and shall consider adopting the same at an appropriate time.

ii) **Web link where policy on dealing with related party transactions :**

Policy on dealing with related party transaction is displayed at the website of the Company www.akcsteel.com

iii) **Disclosures of commodity price risks and commodity hedging activities :**

The Company is not associated with hedging activities.

iv) **Accounting Treatment in preparation of financial statement :**

The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

v) **CEO / CFO certification :**

The CEO / CFO certification as required under Regulation 17(8) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto which forms part of this report.

DISCLOSURE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS AS DETAILED ABOVE, WITH REASONS THEREOF :

There is no non-compliance of any requirement of Corporate Governance Report of sub-paras as detailed above, thus no explanations need to be given.

ANNEXURE TO THE DIRECTORS' REPORT

Certification by Wholetime Director/CEO and Chief Financial Officer of the Company

The Board of Directors,
AKC Steel Industries Ltd.,
'Lansdowne Tower', 2/1A, Sarat Bose Road,
Kolkata - 700 020.

Dear Sirs,

In terms of applicable Regulations of SEBI (LODR), Regulations, 2015 We, Ashok Kumar Bansal, Wholetime Director / CEO and R. Jagadeeswara Rao, CFO, Certify that :

1. We have reviewed financial statements and the cash flow statements for the financial year 2016-17 and to our best of knowledge, belief and information –
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading ;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of knowledge, belief and information, no transaction entered into by the Company during the financial year 2016-17 are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee :
 - i) significant changes in internal control during the financial year ;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) that we have not come across any instances of significant fraud and the involvement therein of the management or an employee having significant role in the Company's internal control system over financial reporting.
5. We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board members and Senior management personnel have affirmed compliance of Code of Conduct for the year 2016-17.

For AKC Steel Industries Ltd. For AKC Steel Industries Ltd.

Place : Kolkata
Dated : 12th August, 2017

Sd/-
Ashok Kumar Bansal
Wholetime Director
(DIN:00283193)

Sd/-
R Jagadeeswara Rao
Chief Financial Officer

ANNEXURE TO THE DIRECTORS' REPORT

Declaration for Compliance with the Code of Conduct of the Company as per Regulations 26 (3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Ashok Kumar Bansal, Wholetime Director of M/s. AKC Steel Industries Ltd. declare that as of 31st March, 2017 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company.

For AKC Steel Industries Ltd.

Place : Kolkata
Dated : 12th August, 2017

Sd/-
Ashok Kumar Bansal
Wholetime Director
(DIN:00283193)

ANNEXURE TO THE DIRECTORS' REPORT**CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To The Members AKC Steel Industries Ltd.

I have examined the Compliance of Corporate Governance by M/S. AKC Steel Industries Limited for the financial year 2016-17, as stipulated in applicable Regulations of SEBI LODR Regulations, 2015 entered into by the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governances. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place : Kolkata
Dated : 12th August, 2017

Sd/-
(SANTOSH KUMAR TIBREWALLA)
Practising Company Secretary
Membership No. : 3811
Certificate of Practice No. : 3982.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AKC STEEL INDUSTRIES LIMITED

1. Report on the financial statements:

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

ANNUAL
REPORT
2016-17

31

2. Management's responsibility for the financial statements:

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

3. Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 control 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 Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion:

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

5. Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements
 - ii) The Company did not have any long term contracts including derivative contracts;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Also refer Note – 32 to the financial statements.

Place: KOLKATA

Date: 30th May, 2017

For **H. P. Jhunjunwala & Co.**

Chartered Accountants

Sd/-

(Rajendra Jhunjunwala)

Partner

Membership No. 58429

Firm Regn. No. :- 302139E

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditors' Report of even date in respect to statutory audit of **AKC STEEL INDUSTRIES LIMITED** for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information & explanation given to us, the fixed assets of the company have been physically verified by the management and no material discrepancies between the book records and the physical inventory was noticed. In our opinion, the frequency of such verification is reasonable.
- (c) According to the information & explanation given to us and on the basis of our examination of the records, the title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals during the year.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (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 Act, with respect to the loans, investments and guarantees made.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- (vi) The Company has made an application with the Ministry of Corporate Affairs, New Delhi, for withdraw of applicability of maintenance of cost records to the company as the Manufacturing unit of the Company has declared lay off on 9th October, 2012 and was lock-out on 29th November, 2012.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally been regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues during the year by the Company with the respective authorities and no such dues were in arrears, as at 31st March, 2017 for the period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess as at 31st March, 2017 which have not been deposited on account of dispute and the forum where the dispute is pending are as under :

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax and Value Added Tax Laws	Sales Tax	1,30,713	2010-11	Sales Tax Appellate Tribunal, Hyderabad
Sales Tax and Value Added Tax Laws	Sales Tax	30,25,133	2009-11	Appellate Deputy Commissioner, Vishakhapatnam
Sales Tax and Value Added Tax Laws	Sales Tax	3,02,513	2009-11	Appellate Deputy Commissioner, Vishakhapatnam
Sales Tax and Value Added Tax Laws	Sales Tax	21,08,894	2011-12	Appellate Deputy Commissioner, Vishakhapatnam

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax and Value Added Tax Laws	Sales Tax	62,972	2015-16	Commercial Tax Department, Integrated Check Post, BV Palem, Thada
Vishakhapatnam Mandel Revenue	Non Agricultural Tax	3,41,185	2007-08	Andhra Pradesh High Court

- (viii) Based on our audit procedures and on the basis of information and explanation given by the management, the Company has not defaulted in repayment of dues of loans or borrowing to financial institution, banks or government during the year.
- (ix) On the basis of records of the Company examined by us, the Company has not raised money by way of initial public offer or further public offer including debt instruments or term loan during the year and hence reporting under clause (ix) of the order is not applicable.
- (x) During the course of our examination of the records of the Company and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor we have been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid 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 Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) is not required.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: KOLKATA

Date: 30th May, 2017

For **H. P. Jhunjunwala & Co.**

Chartered Accountants

Sd/-

(Rajendra Jhunjunwala)

Partner

Membership No. 58429

Firm Regn. No. :- 302139E

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **AKC STEEL INDUSTRIES LIMITED** for the year ended 31st March 2017, we report that:

We have audited the internal financial controls over financial reporting of **AKC STEEL INDUSTRIES LIMITED** (“the Company”) as of 31st March 2017 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:

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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

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

OPINION:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential

Place: KOLKATA

Date: 30th May, 2017

For **H. P. Jhunjunwala & Co.**

Chartered Accountants

Sd/-

(Rajendra Jhunjunwala)

Partner

Membership No. 58429

Firm Regn. No. :- 302139E

BALANCE SHEET as at 31 March, 2017

Particulars	Note	As at 31 March, 2017 Amount (₹)	As at 31 March, 2016 Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	41,500.00	41,500,000
(b) Reserves and surplus	3	14,296,913	13,799,633
		55,796,913	55,299,633
Non- Current Liabilities			
(a) Long term borrowings	4	67,221,007	82,241,528
Current liabilities			
(a) Trade Paybles	5	58,472,793	54,734,504
(b) Other Current Liabilities	6	1,968,433	2,320,588
(c) Short-term provisions	7	1,105,254	1,121,722
		61,546,480	58,176,814
TOTAL		184,564,400	195,717,975
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	100,605,983	104,703,340
(ii) Capital WIP		38,851,102	36,066,793
(b) Deferred tax asset (Net)	9	4,787,583	4,656,451
		144,244,669	145,426,584
Current assets			
(a) Inventories	10	13,589,792	16,857,522
(b) Trade receivables	11	2,900,834	8,194,812
(c) Cash and cash equivalents	12	1,245,899	683,595
(d) Short-term loans and advances	13	18,718,015	21,468,897
(e) Other current assets	14	3,865,190	3,086,565
		40,319,731	50,291,390
TOTAL		184,564,400	195,717,975

Significant Accounting policies 1

The accompanying notes are an integral part of the financial statements

In terms of our Report attached

For **H. P. Jhunjunwala & Co.**

Chartered Accountants

Sd/-

(Rajendra Jhunjunwala)

Partner

Membership No. 58429

Firm Regn. No. :- 302139E

Kolkata, 30th May, 2017

On behalf of the Board

For AKC Steel Industries Ltd.

Sd/-

Ashok Kumar Bansal-Whole Time Director (DIN-00283193)

Manav Bansal-Director (DIN-00103024)

R. Jagadeeswara Rao-CFO

Bishwajit Singh-Company Secretary

PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note	For the year ended 31 March, 2017 Amount (₹)	For the year ended 31 March, 2016 Amount (₹)
INCOME			
Revenue from operations (gross)	15	46,400,845	298,652,865
Less: Excise duty		230,467	333,721
Revenue from operations (net)		46,170,378	298,319,144
Other income	16	9,782,634	6,577,684
Total revenue		55,953,012	304,896,827
EXPENSES			
(a) Purchases of Stock in Trade	17	31,122,180	276,974,577
(b) Changes in inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	18	2,009,530	780,000
(c) Employee benefits expense	19	3,480,414	3,297,013
(d) Finance costs	20	5,742,865	7,574,138
(e) Depreciation and amortisation expense	8	4,745,875	4,472,554
(f) Other expenses	21	8,556,119	12,888,092
Total expenses		55,656,983	305,986,374
Profit/ (Loss) before tax		296,028	(1,089,547)
Tax expense:			
(a) Current Tax	22	(328,050)	-
(b) Deferred tax	23	131,131	175,344
(c) Provision for Gratuity		398,170	(148,635)
Profit/(Loss) for the year		497,279	(1,062,838)
Basic and Diluted Earnings per Equity share (Nominal value Rs.10/- each , fully paid up)	24	0.12	(0.26)

Significant Accounting policies 1

The accompanying notes are an integral part of the financial statements

In terms of our Report attached

For **H. P. Jhunjunwala & Co.**

Chartered Accountants

Sd/-

(Rajendra Jhunjunwala)

Partner

Membership No. 58429

Firm Regn. No. :- 302139E

Kolkata, 30th May, 2017

On behalf of the Board
For **AKC Steel Industries Ltd.**

Sd/-

Ashok Kumar Bansal-Whole Time Director (DIN-00283193)

Manav Bansal-Director (DIN-00103024)

R. Jagadeeswara Rao-CFO

Bishwajit Singh-Company Secretary

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		296,028		(1,089,547)
<i>Adjustments for:</i>				
Depreciation and amortisation	4,745,875		4,472,554	
(Profit)/Loss on sale of Fixed assets	-		(829,493)	
Provision for Gratuity	-		(148,635)	
Finance costs	5,742,865	10,488,740	7,574,138	11,068,564
Operating profit / (loss) before working capital changes		10,784,769		9,979,017
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	3,267,730		1,971,755	
Trade receivables	5,293,978		29,659,585	
Short-term loans and advances	2,750,882		7,429,929	
Other current assets	(778,625)		(949,738)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	3,738,289		2,190,945	
Other current liabilities	(352,155)		(5,460,198)	
Short-term provisions	(16,468)		72,561	
		13,903,631		34,914,838
Cash generated from operations		24,688,399		44,893,855
Net income tax (paid) / refunds		70,120		-
Net cash flow from / (used in) operating activities (A)		24,758,519		44,893,855
B. Cash flow from investing activities				
Capital expenditure on fixed assets		(1,616,379)		(12,545,199)
Capital WIP		(2,784,309)		(6,542,691)
Proceeds from sale of fixed assets		967,860		1,829,660
Net cash flow from / (used in) investing activities (B)		(3,432,828)		(17,258,230)
C. Cash flow from financing activities				
Repayment of short-term borrowings			(6,350,246)	
Repayment of long-term borrowings	(15,020,521)		(17,260,288)	
Finance cost	(5,742,865)		(7,574,138)	
Net cash flow from / (used in) financing activities (C)		(20,763,386)		(31,184,673)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(20,763,386)		(31,184,673)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		562,305		(3,549,047)
Cash and cash equivalents at the beginning of the year		683,595		4,232,642
Cash and cash equivalents at the end of the year		1,245,900		683,595

Notes:

- (i) The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard (AS - 3) "Cash Flow Statement"
- (ii) Cash and Cash Equivalent (Refer Note - 12 of the Financial Statements)
- (iii) Previous year's figures have been regrouped/ rearranged, wherever considered necessary. This is the Cash flow referred to in our Auditor's Report of even date.

For **H. P. Jhunjunwala & Co.**

Chartered Accountants

Sd/-

(Rajendra Jhunjunwala)

Partner

Membership No. 58429

Firm Regn. No. :- 302139E

Kolkata, 30th May, 2017

On behalf of the Board
For AKC Steel Industries Ltd.

Sd/-

Ashok Kumar Bansal-Whole Time Director (DIN-00283193)**Manav Bansal-Director** (DIN-00103024)**R. Jagadeeswara Rao-CFO****Bishwajit Singh-Company Secretary**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

1 **SIGNIFICANT ACCOUNTING POLICIES:**

1.1 **Basis of accounting and preparation of financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133, of the Companies Act, 2013 (The Act), read with rule 7 of the Companies (Accounts) Rules, 2014. All assets & liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Companies Act, 2013. The accounting policies adopted in the preparation of these financial statements are consistent with those applied in previous year.

1.2 **Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. Raw materials are valued at purchase price excluding sales tax and central excise. Cost of stores is determined on FIFO basis. Cost of finished goods include the cost of materials consumed, labour and manufacturing overhead.

1.3 **Revaluation Reserve**

Revaluation Reserve was created in the accounting year 1986-87 by writing-up of asset with the corresponding given to Revaluation Reserve Account. As stated under para-26, depreciation is adjusted to revaluation reserve account. As the manufacturing unit at Malkapuram, Visakhapatnam has declared lay-off and was lock-out on 29th December, 2012, depreciation on plant & machinery and Factory shed & Building has not been charged since then. As a result, depreciation is at adjusted to revaluation reserve account.

1.4 **Tangible Fixed Assets**

Tangible Fixed Assets are stated at cost of acquisition/construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost of asset comprises its purchase price and any other attributable cost incurred for bringing the asset to its working condition for its intended use. Expenditure incurred on replacement/modification to fixed asset is capitalized only when such expenditure results in increase in the economic life of such asset.

1.5 **Depreciation**

Depreciation is provided on a pro-rata basis on written down value method at the rates arrived based on the useful lives of assets specified in Part C of Schedule II of the Companies Act, 2013.

1.6 **Revenue recognition**

Revenue from sale of products:

Revenue from sale of products are recognised on despatch of goods to customers which corresponds to transfer of significant risk and rewards of ownership and are net of sales tax. Revenues from services are recognised when such services are rendered as per contract terms.

1.7 **Employee benefits**

a) **Short term**

Short term Employee benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognised as expense in the period in which employee services are rendered as per the company's scheme based on expected obligations.

b) **Post-employment**

(i) Contribution towards Provident funds are recognized as expense in the Statement of Profit & Loss in the period in which the related employee services are rendered. The Provident Fund contributions are made to Government administered Provident Fund towards which the company has no further obligations beyond its monthly contribution.

(ii) Cost of Gratuity is determined using the Project Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

1.8 **Taxes on Income :**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is a virtual certainty with respect to the reversal of the same in future years.

1.9 **Borrowing cost :**

Borrowing cost is recognised as an expense to the extent, the same has been incurred for the year, unless such cost is directly attributable to the acquisition, construction or production of a qualifying assets and capitalised as part of the cost of that assets as prescribed by the Accounting Standard -16, Borrowing Cost, issued by The Institute of Chartered Accountants of India.

2.0 Segment Reporting

The Company has only one line of product viz rolled product and is managed organisationally as a single unit. The company has stopped its production activity at Malkapuram, Visakhapatnam on and from 9th October, 2012. Since then it is carrying on trading activities. Therefore, no separate segment is identifiable as required by AS - 17 - Segment Reporting.

2.1 Earning per share

Basic earning per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.2 Impairment of Assets

In pursuance of Accounting Standard - 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India, the management has reviewed its carrying cost of assets with value in use (determined based on future earnings)/ net selling price (determined based on valuation). Based on such review, the management is of the view that in the current financial year no provision in respect of impairment of assets is considered necessary.

2.3 Discontinuing Operation

The company has abandoned the manufacturing of rolled products entirely from 30th September 2012 onwards. However it will still carry on its trading activity.

The company's board of directors has both approved a detailed, formal plan for the discontinuance of manufacturing activities and also made an announcement of this plan.

The manufacturing unit at Malkapuram, Visakhapatnam has declared lay-off on 9th October, 2012 and was lock-out on 29th November, 2012.

2.4 Cenvat and Excise Duty

The purchase cost of raw materials, furnace oil, stores, oxygen and fixed assets are shown as net of excise duty. Similarly, sales figure (in value) are shown as net of excise duty. The debit balance (remain unutilized) in Cenvat Credit receivable Account is shown on the asset side under Para 14 under the head Loans and advance. Valuation of closing stock of finished goods does not include amount of excise duty payable on such finished goods. excise duty will be paid at the time of despatch of such finished goods.

2.5 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to this year's classification.

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
2 SHARE CAPITAL AUTHORISED				
Equity shares of Rs. 10/- each with voting rights	4,500,000	45,000,000	4,500,000	45,000,000
Issued, Subscribed & Fully Paid up				
Equity shares of Rs. 10/- each with voting rights	4,150,000	41,500,000	4,150,000	41,500,000
2.1 Reconciliation of Shares outstanding at the beginning and at the end of the reporting period				
Equity shares with voting rights				
At the beginning of the year	4,150,000	41,500,000	4,150,000	41,500,000
Issued during the year	-	-		
Balance at the end of the year	4,150,000	41,500,000	4,150,000	41,500,000

2.2 Details of Shareholder holding more than 5% share in the Company

Name of Shareholders	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Concast Steels & Alloys limited	1,200,100	28.92%	1,200,100	28.92%
Beekay Steel Industries Limited	1,160,000	27.95%	1,160,000	27.95%
Kamlesh Mercantile Credit Pvt. Ltd.	240,000	5.78%	240,000	5.78%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
As at 31st MARCH, 2017

3 RESERVE S AND SURPLUS	As at 31 March, 2017 Amount (₹)	As at 31 March, 2016 Amount (₹)
Fixed Assets Revaluation Reserve		
Opening Balance	884,405	884,405
Less: Utilise for set off against Depreciation	-	-
Balance at the end of the Year	884,405	884,405
Surplus in the Statement of Profit and Loss		
Opening balance	12,915,228	13,978,066
Add: Profit / (Loss) for the year	497,279	(1,062,838)
Balance at the end of the Year	13,412,510	12,915,228
Total Reserve and Surplus	14,296,913	13,799,633
4 LONG TERM BORROWINGS		
From other parties		
Secured		
YES Bank Ltd.	19,255,768	31,375,521
Unsecured		
From Bodies Corporate	47,965,239	50,866,007
Total	67,221,007	82,241,528
Secured Loan of Rs. 1,92,55,768 (Rs. 3,13,75,521/-) from Yes Bank Ltd secured against Equitable Mortgage of Office space of Emerald Suppliers (P) Ltd., and personal Guarantee of two directors.		
5 TRADE PAYABLES		
Trade Payable	58,472,793	54,734,504
Total	58,472,793	54,734,504
6 SHORT TERM PROVISIONS		
Provision for Income Tax	364,550	36,500
Provision for Gratuity	490,546	868,545
Provision for Leave Pay	41,039	7,558
Gratuity Reserve Fund	209,119	209,119
Total	1,105,254	1,121,722
7 OTHER CURRENT LIABILITIES		
Advance From Customers	26,010	437,372
Other Payables	1,167,726	1,095,723
Statutory dues (including TDS.)	480,364	493,160
Unpaid Dividend	294,333	294,333
Total	1,968,433	2,320,588

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
As at 31st MARCH, 2017

8 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	Cost as at 01.04.2016	Additions during the year	Sold/Adjus- tment during the year	Cost as at 31.03.2017	Up to 1.4.2016	For the Year	Adjusted with Retained Earning	W.Back / Sales	Up to 31.3.2017	As at 31.3.2017	As at 31.3.2016
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
LAND:	40,341,860	1,200,000	-	41,541,860	-	-	-	-	-	41,541,860	40,341,860
BUILDING:											
OFFICE BUILDING	102,703	-	-	102,703	34,418	-	-	-	34,418	68,285	68,285
AUTONAGAR YARD	386,745	-	-	386,745	178,385	10,148	-	-	188,513	198,232	208,380
LABOUR QUARTER-YARD	1,118,750	-	-	1,118,750	188,792	44,802	-	-	243,594	875,156	919,958
FACTORY SHED & BUILDING											
1) RM1	15,538,980	-	-	15,538,980	13,146,354	-	-	-	13,146,354	2,392,626	2,165,975
2) RM2	5,013,669	-	-	5,013,669	2,847,694	-	-	-	2,847,694	2,165,975	603,397
3) RM3	1,215,132	-	-	1,215,132	611,735	-	-	-	611,735	603,397	5,253,763
Autonagar Yard	9,197,270	-	-	9,197,270	3,943,507	499,108	-	-	4,442,614	4,754,656	5,666,054
Shed & Building- Machine Shop	6,965,224	-	-	6,965,224	1,293,170	538,275	-	-	1,837,445	5,127,779	2,146,080
CRANES-Factory	3,792,283	-	-	3,792,283	1,646,203	-	-	-	1,646,203	2,146,080	1,634,139
CRANE- Yard	2,852,336	-	-	2,852,336	1,216,197	-	-	-	1,513,976	1,338,360	21,252,237
RM-Plant & Machinery	116,271,735	-	1,679,705	114,592,029	95,019,498	295,779	-	881,845	94,137,653	20,454,377	2,174,761
RM-FURNACE	6,173,949	-	-	6,173,949	3,999,188	-	-	-	3,999,188	2,174,761	513,306
Generator	513,561	-	-	513,561	255	92,908	-	-	93,163	420,398	399,802
Workshop Machinery	400,000	-	-	400,000	198	72,364	-	-	72,562	327,438	3,441,018
Processing Machinery	3,442,725	-	-	3,442,725	1,707	622,824	-	-	624,531	2,818,194	115,410
Other Machinery	115,467	-	-	115,467	57	20,889	-	-	20,946	94,521	991,138
WEIGH BRIDGE	2,853,139	-	-	2,853,139	1,862,001	-	-	-	1,862,001	991,138	6,263
WEIGH MACHINE	77,891	-	-	77,891	71,628	-	-	-	71,628	6,263	12,154,736
MACHINE SHOP	20,113,510	-	-	20,113,510	7,965,774	2,200,007	-	-	10,158,781	9,954,729	1,088,951
ELECTRIC INSTALLATION (Factory)	5,518,383	-	-	5,518,383	319	130,144	-	-	130,462	1,088,951	448,936
ELECTRIC INSTALLATION (Yard)	449,255	402,379	-	851,634	4,429,432	-	-	-	4,429,432	258,054	258,054
MOTOR CAR	2,010,241	-	-	1,191,546	1,752,187	-	-	-	1,184,082	721,172	3,338
CYCLE	14,160	-	818,695	14,160	10,822	-	-	648,695	7,464	2,474	83,048
MOTOR CYCLE	252,777	-	-	252,777	169,729	-	-	-	191,230	81,210	11,686
FURNITURE & FIXTURE	935,675	-	-	935,675	894,665	21,501	-	-	875,690	60,185	19,638
FURNITURE & FIXTURE- YARD	39,176	-	-	39,176	19,538	5,084	-	-	24,622	14,554	67,606
OFFICE EQUIPMENT	1,147,424	-	-	1,147,424	1,079,818	12,237	-	-	1,092,055	55,369	56,720
OFFICE EQUIPMENT-YARD	99,623	-	-	99,623	42,903	10,266	-	-	53,170	46,453	1,917
TYPE WRITER	38,332	-	-	38,332	36,415	2,627	-	-	36,415	1,917	14,514
REFRIGERATOR	86,420	-	-	86,420	71,906	8,869	-	-	74,533	11,887	48,999
AIR-CONDITIONER	862,246	-	-	862,246	813,247	-	-	-	822,116	40,130	-
ROLLS	-	-	-	-	-	-	-	-	-	-	-
COMPUTER	4,279,543	14,000	-	4,293,543	4,198,323	55,562	-	-	4,253,885	39,658	81,220
Total	252,220,384	1,616,379	2,488,400	251,338,362	147,517,044	4,745,875	-	1,530,540	150,792,379	100,605,983	104,703,340
Previous year	256,497,936	12,545,199	16,822,752	252,220,384	158,867,074	4,472,554	-	15,822,585	147,517,044	104,703,340	97,630,862

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
As at 31st MARCH, 2017

	As at 31 March, 2017 Amount (₹)	As at 31 March, 2016 Amount (₹)
9 DEFERRED TAX Asset (NET)		
Deferred tax Asset on account of		
- Depreciation	(5,980,142)	(6,216,719)
- Provision for Employee benefit	681,860	787,306
- Carry forward of business loss	10,085,865	10,085,864
Total	4,787,583	4,656,451
10 INVENTORIES (At lower of cost and net realisable value)		
i) Finished products, Wastage & Scraps	2,329,400	4,338,930
ii) Raw Materials	-	676,458
iv) Trading Goods	9,082,313	9,216,664
v) Consumable Stores	2,178,080	2,625,470
Total	13,589,792	16,857,522
11 TRADE RECEIVABLES		
Unsecured, considered good		
Debts Outstanding for more than 6 months	2,335,912	5,791,535
Other Trade receivables	564,922	2,403,277
Total	2,900,834	8,194,812
12 CASH AND CASH EQUIVALENT		
Cash in hand	291,388	213,695
Balances with banks		
In current accounts	660,179	175,567
In Unpaid Dividend Account	294,333	294,333
Total	1,245,899	683,595
13 SHORT TERM LOANS AND ADVANCES (unsecured, considered good)		
Advance to Others	3,969,352	5,155,935
Advance to Staff	44,460	114,460
Advance to Suppliers	643,513	2,092,009
Balances with government authorities		
(i) Service Tax credit receivable	726,029	726,029
(ii) Cenvat credit receivable	726,693	1,111,482
(iii) Vat Credit Receivable	9,759,694	9,184,946
Deposit	1,973,645	2,470,464
Gratuity (Under group gratuity scheme with LIC)	337,064	337,064
Prepaid expenses	537,566	276,508
Total	18,718,015	21,468,897
14 OTHER CURRENT ASSETS		
Income Tax Refundable	500,415	500,415
MAT Credit Receivable	1,183,054	1,183,054
Tax Deducted at source	2,102,558	1,331,349
Tax Collected at Source	79,163	71,747
Total	3,865,190	3,086,565

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2017**

	For the year ended 31 March, 2017 Amount (₹)	For the year ended 31 March, 2016 Amount (₹)
15 REVENUE FROM OPERATION		
Sale of products (Refer Note (i) below)	32,073,213	280,165,021
Machining Charges	14,327,632	18,487,844
Total	46,400,845	298,652,865
(i) Manufactured goods (including excise duty of Rs. 2,30,467/-)		
Non alloy Steel, Rounds/Bright, Alloy, Angles, etc	2,074,177	3,003,479
(ii) Traded goods		
Billets/Squares, Flat bars, Rounds, Squares, Steel Bars & Rods. Etc	29,999,035	277,161,542
Total - Sale of products	32,073,213	280,165,021
16 OTHER INCOME		
Dividend	957	10,864
Liabilities no longer required written back	3,367,129	-
Interest	111,671	122,216
Profit on Sale of Fixed Assets	-	829,493
Miscellaneous Income(net of expenses directly attributable to such income)	6,302,877	5,615,110
Total	9,782,634	6,577,684
17 PURCHASES OF STOCK-IN-TRADE		
Purchases	31,122,180	276,974,577
	31,122,180	276,974,577
18 CHANGES IN INVENTORY		
Inventories at the end of the year:		
Finished goods	2,329,400	4,338,930
	2,329,400	4,338,930
Inventories at the beginning of the year:		
Finished goods	4,338,930	5,118,930
	4,338,930	5,118,930
Net (increase) / decrease	2,009,530	780,000
19 EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	2,448,623	2,418,389
Contributions to provident and other funds	335,531	336,225
Staff welfare expenses	696,260	542,399
Total	3,480,414	3,297,013
20 FINANCE COST		
(a) Interest expense on:		
(i) Borrowings	2,988,410	4,798,126
(ii) Others	2,754,455	2,776,012
(iii) Car Loan	-	-
Total	5,742,865	7,574,138

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2017**

	For the year ended 31 March, 2017 Amount (₹)	For the year ended 31 March, 2016 Amount (₹)
21 OTHER EXPENSES		
Power and fuel	1,309,979	1,619,405
Stores Consumption	1,134,096	2,969,465
Rent	353,707	356,407
Repairs and maintenance	358,101	2,266,327
Insurance	189,166	214,648
Rates & Taxes	473,055	477,878
Director's Remuneration	370,895	591,660
Telephone & Mobile Expenses	116,173	131,733
Travelling & Conveyance	83,275	139,246
Coolie & Cartage	108,625	215,251
Printing & Stationery	104,275	112,627
Freight & Forwarding	67,148	76,684
Vehicle Maintenance	280,946	204,181
Legal & Professional	277,023	409,923
Security Service Charges	727,384	722,586
Miscellaneous Expenses	688,259	444,834
Machine Shop Expenses	1,856,462	1,847,230
Payment to Auditors		
- Audit Fees	57,550	64,250
- Reimbursement of Expenses	-	23,757
Total	8,556,119	12,888,092
22 Current Tax		
Income for the Year		
Current Tax	(328,050)	-
Adjustment/(Credits) related to Previous years - Net Current Tax	-	-
Total	328,050	-
23 Deferred Tax		
Deferred Tax for the Year	131,131	175,344
Adjustment/(Credits) related to Previous years - Net	-	-
Total	131,131	175,344
24 Earning Per Share		
Profit after Tax	497,279	(1,062,838)
Weighted average no. of shares	4,150,000	4,150,000
Basic & Diluted Earning per Share	0.12	(0.26)
25 Related Party Disclosure		
25.1 Related Party and their relationship		
Enterprise under common control with whom transaction has taken place during the year		
Beekay Steel Industries Ltd		
Key Management personnel and their Relatives		
Sri Ashok Bansal		
Sri Manav Bansal		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2017**

25.2 Transaction with Related Parties

Nature of Transaction	Transaction for the year ended 31st March,		Outstanding Balance at Year End	
	2017 Amount (₹)	2016 Amount (₹)	2017 Amount (₹)	2016 Amount (₹)
A) Enterprise under common control				
Sundry Debtors	-	-	6,063,307	61,608,448
<u>Current Liabilities</u>				
Creditors as at 31st March	-	-	61,308,839	114,037,821
Sales (Goods)	30,064,653	257,763,402	-	-
Sales (Capital Goods)	378,300	-	-	-
Purchase (Goods)	30,387,783	289,035,902	-	-
Purchase (Service, stores, spares & Capital goods)	38,378	-	-	-
Conversion/Machining charges received	5,751,036	3,095,200	-	-
Rent received	72,000	72,000	-	-
B) Key Management Personnel				
Remuneration	331,395	551,160	-	-

26. Fixed Assets were revalued during the accounting year 1986-87. Rs. NIL (Previous Year Rs. NIL) was determined as pro rata depreciation on such revaluation which has been charged to Revaluation Reserve account. Details are as follows:-

Surplus on revaluation transferred to Revaluation reserve Account		7,059,232
Factory, Shed & Building		14,387,704
Plant & Machinery		21,446,936
Less:		
Depreciation upto 31.03.2016	20,562,531	-
Depreciation for the year	-	20,562,531
Balance as on 31st March, 2017		884,405

27. Under the Micro, Small and Medium Enterprise development Act, 2006 certain disclosure are required to be made relating to Micro, small and Medium enterprise. The company has not received any intimation from suppliers regarding their status under Micro, Small and medium enterprise development act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act have not been given.
28. Expenditure/ Earning in Foreign currency NIL
29. In the opinion of the board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least to the amount at which they are stated.
30. Balance of certain creditors, debtors, loans and advances given are subject to confirmation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2017**

31. RETIREMENT BENEFITS

(Accounting Standard - 15 - Revised) issued by the Institute of Chartered Accountant of India, Contribution to Provident fund are accounted for on accrual basis and payment thereof are made to appropriate authorities. Liabilities in respect of gratuity and leave encashment have been calculated on actuarial basis considering the number of year of service put in by the employees, age of employees, no. of employees etc.

The actuarial valuation of the retirement benefits (Gratuity) and Leave encashment as on 31-03-2017 are shown below:-

Amount (₹)

The amount recognised in the balance sheet are as under :

Present value of Defined benefit obligation	490,546	904,037	41,039	7,558
Fair value of Plan Asset	Nil	Nil	Nil	Nil
Net asset / (liability) recognised in the Balance Sheet	(490,546)	(904,037)	(41,039)	(7,558)

Changes in Present value of obligation

Present Value of obligation at the beginning of the year.	904,037	777,552	7,558	25,990
Current Service Cost	43,969	40,630	30,197	26,881
Interest Cost	71,419	59,265	597	1,414
Actuarial (Gains)/ Losses	(528,879)	62,082	2,687	(31,016)
Benefits Paid	-	(35,492)	-	(15,711)
Present Value of obligation at the end of the year	490,546	904,037	41,039	7,558

Changes in Fair value of Plan Assets

Fair Value of Plan Assets at the beginning of the year.	Nil	Nil	Nil	Nil
Expected Return	Nil	Nil	Nil	Nil
Actual Company Contributions	Nil	Nil	Nil	15,711
Employee Contributions	Nil	Nil	Nil	Nil
Actuarial Gain/ (Loss) on Plan Assets	Nil	Nil	Nil	Nil
Benefits Paid	Nil	Nil	Nil	(15,711)
Fair Value of Plan Assets at the end of the year.	Nil	Nil	Nil	Nil

The Financial assumptions employed for the actuarial calculations are as follows :-

Discount Rate are per annum compounded	7.50%	7.90%	7.50%	7.90%
Rate of increase salaries.	5.00%	5.00%	5.00%	5.00%
Rate of return on Plan Assets	-	-	-	-
Expected Average remaining working lives of employees (years)	10	11	10	11
Withdrawal Rates	Varying between 2% per annum and 1% per annum depending duration and age of the employees		Varying between 2% per annum and 1% per annum depending duration and age of the employees	
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

32. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below :-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	54,000	363,216	417,216
(+) Permitted receipts	-	125,000	125,000
(-) Permitted payments	-	152,910	152,910
(-) Amount deposited in Banks	54,000	-	54,000
Closing cash in hand as on 30.12.2016	-	335,306	335,306

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2017**

32. DETAILS OF CONTINGENT LIABILITY

Sl. No	Particulars	Financial Year	Forum	Amount	Case No./ Remarks
1	Non Agricultural Land Tax	2007-08	Honorable High Court of Andhra Pradesh	3,41,185/-	Visakhapatnam Mandel Revenue Office has levied Rs. 3,41,185/- (previous Year Rs. 3,41,185/-) up to Financial Year 2007-08 as Non-Agricultural Land Tax on Factory Land. The Company paid Rs. 2,66,765/- (Previous Year Rs. 2,66,765/-) and filed an appeal which is pending before Hon'ble High Court of Andhra Pradesh.
2	Arbitration award	01.04.1983 to 01.04.1995	Honorable High Court of Andhra Pradesh	15,22,347/-	The company has received arbitration award to pay Rs. 15,22,347/- (Previous Year Rs. 15,22,347/-) being enhanced lease rent for the period from 01.04.1983 to 01.04.1995 levied by Visakhapatnam Port Trust. The company has filed an appeal before the Hon'ble High Court of Andhra Pradesh challenging the said arbitration award. If the judgement goes in favour of Visakhapatnam Port Trust, the company is liable to pay Rs. 15,22,347/- (Previous Year Rs. 15,22,347/-) along with interest @ 18% p.a.
3	Electricity	Sep 1991 to Feb 1992	Honorable High Court of Andhra Pradesh	25,17,925/-	EPDC OF AP LTD (APSEB), Visakhapatnam issued demand notice towards charge for short billing during the period Sep, 1991 to Feb 1992 amounted to Rs. 25,17,925/- (Previous Year Rs. 25,17,925/-). The Company has paid Rs. 12,00,000/- (Previous Year Rs. 12,00,000/-) and filed an appeal before the Honorable High Court of Andhra Pradesh. In the facts and circumstances of the case, the High Court categorically stated that the dispute has to be decided by the electrical inspector within a period of 8 weeks only from the date of receipt of the original order of the high court dated 17.11.2001. The copy of the order was obtained from Andhra Pradesh High Court with a request to direct the APSEB (APEPDC) to pay the amount held by them with interest.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2017**

DETAILS OF CONTINGENT LIABILITY CONTINUES :

Sl. No	Particulars	Financial Year	Forum	Amount	Case No./ Remarks
4	Sales Tax	2010-11	Sales Tax Appellate Tribunal, Hyderabad	1,30,713/-	While the goods are in Transit from RINL to Beekay Special Steel on A/c sales of the unit on 24.02.11, the Deputy Commercial Tax officer, Dwarka nagar circle verified the documents relating to sales and came to conclusion that materials transporting to customer with our valid documents were not proper and levied VAT 4% (Rs.1,30,713/-) and one time penalty equal to VAT amount of Rs. 130713/-. The unit has taken Rs. 1,30,713 as input credit and on penalty of Rs. 1,30,713/- the unit has gone for appeal before the Appellate Tribunal, Visakhapatnam on 24.08.2011.
5	Sales Tax	01/2009 to 03/2011	Appellate Deputy Commissioner (CT) Visakhapatnam	30,25,133/-	The Commercial tax Officer, Visakhapatnam issued a demand notice to the company for payment of 30,25,133/- towards input credit excess taken on sales to SEZ units and conversion job work for others. The company has paid Rs.14,29,207/- UNDER PROTEST upto 31.03.2015, and the disputed tax is in appeals before the appellate tribunal (CT), Visakhapatnam.
6	Sales Tax	01/2009 to 03/2011	Appellate Deputy Commissioner (CT) Visakhapatnam	3,02,513/-	The Commercial tax Officer, Visakhapatnam issued a demand notice to the company toward penalty on input credit excess taken on Rs. 30,25,133/-. The company has gone for appeals before the Appellate deputy Commissioner, Visakhapatnam
7	Sales Tax	04/2011 to 07/2012	Appellate Deputy Commissioner (CT) Visakhapatnam	21,08,894/-	The cross audit conducted by CTO, suryabagh circle, Visakhapatnam for the period from April 2011 to July 2012 and issue a demand notice to the company against sales to SEZ units & on conversion job work. The company has paid Rs.10,87,719/- UNDER PROTEST upto 31.03.2015, and the disputed tax is in appeals before the appellate tribunal (CT), Visakhapatnam.
8	Sales Tax	2015-16	Commercial Tax Department, Integrated Check Post, BV Palern, Thada	62,972/-	While the goods are in Transit to the customers the assessing authorities of Integrated Check Post, BV Palern, Thada, Andhra Pradesh, had objected the waybill issued by the company due to some technical reasons on 25.03.2016. and passed order towards penalty and compound fee equal to tax liability. The Company has received the order on 30.03.2016 and filing an appeal before additional deputy commission (CT), Visakhapatnam in the month of May 2016

intentionally kept blank

intentionally kept blank

BOOK POST



AKC STEEL INDUSTRIES LTD
Lansdowne Towers, 4th Floor,
2/1A, Sarat Bose Road, Kolkata: 700 020
Tel No. : 033-3051 4444
Fax : 033-2283 3322
E-mail : contact@akcsteel.com
URL : www.akcsteel.com