



BEST STEEL LOGISTICS LIMITED

ANNUAL REPORT

2016-17



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Caution regarding forward looking statements

Certain statement in this annual report concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. We have tried wherever possible to identify such statement by using words such as 'anticipate', 'estimate', 'expect', 'project', intend, 'plan', 'believe' and words of similar substance in concern with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the **BEST STEEL LOGISTICS LIMITED** will be held on Wednesday, September 27, 2017 at 1:00 P.M. at IMA-East Delhi Building, 35-X, Institutional Area, Karkardooma, Delhi-110092 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Saket Agarwal (DIN: 00203084) who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of Statutory Auditors of the Company and their remuneration fixed at thirty third Annual General Meeting of the Company held on 29th September, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the first proviso to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications(s) or re-enactment thereof for the time being in force) appointment of M/s. VAPS & Company, Chartered Accountants (Firm Registration No. 03612N) be and is hereby ratified as the Statutory Auditors of the Company, from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may mutually determined between the Board of Directors and the said Auditors of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for appointment of **Mrs. Gunjan Agarwal as Non-Executive Director of the Company**:

"RESOLVED THAT Mrs. Gunjan Agarwal (DIN: 00202902), who was appointed as an Additional Director of the Company with effect from January 18, 2017 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company."

**By Order of the Board
For Best Steel Logistics Limited**

Ghaziabad
May 23, 2017
Regd. Office: L-506,
Agrasen Apartment, Plot No. 66
I.P. extension, Delhi-110092
CIN: L74900DL1983PLC014972
Telephone No.: +91-120-6401829
Website: www.beststeel.co.in
Email: info@beststeel.co.in

**Surbhi Arora
Company Secretary**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself. Such a proxy need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the meeting. Blank Proxy form is annexed. Proxies submitted on



behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The statement to pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under item No. 4 set out above to be transacted at the meeting is annexed hereto and forms part of this Notice.
3. The detail of Director seeking re-appointment, in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] and the Companies Act, 2013 (including Secretarial Standard-2) is given in the Corporate Governance Report and also annexed hereto and forms part of this Notice.
4. Route map of the venue of the Meeting (including prominent land mark) is annexed to the Notice.
5. Bigshare Services Private Limited (Bigshare), 1st floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-40059, Maharashtra, Phone No. +91-22-6263 8200; Fax No. +91-22-6263 8299; e-mail: investor@bigshareonline.com; Website: www.bigshareonline.com; Contact Person: Mr. K S Lakshminarayana Upadhyaya, General Manager is the Registrar and Share Transfer Agent (RTA) of the Company. However, keeping in view the convenience of the Members, documents relating to shares will continue to be accepted by Bigshare at (i) 4E/8, first floor, Jhandewalan Extension, New Delhi-110055, Ph.: 011-23522373; by the Company at (ii) Registered Office of the Company; and also (iii) Corporate Office of the Company at Shop No. 29, Sudesh Square, Plot No. 92, Prakash Industrial Estate, Sahibabad, Ghaziabad-201005.
6. Corporate Members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
7. The Register of Members and Share Transfer Books will remain closed from September 23, 2017 to September 27, 2017 (both days inclusive).
8. Relevant documents referred to in the Notice and statutory registers are open for inspection at the Registered Office and/ or Corporate Office of the Company on all working days, between 14:00 - 16:00 hrs. up to the date of the AGM and shall also be available for inspection at the AGM.
9. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank mandates, nominations, power of attorney, change in address and e-mail address etc., to their respective Depository Participants. Changes intimated to the Depository Participants will be automatically reflected in the Company's record which will help the Company and RTA to provide efficient and better services. Members holding shares in physical mode are also requested to intimate such changes to the RTA under the signatures of first/ joint holder(s). Members holding shares in physical mode or in multiple folios are again requested to convert their shares in dematerialized form/ for consolidation.
10. Members desirous of obtaining any information/ clarification(s), intending to raise any query concerning the financial statements and operations of the Company, are requested to forward the same at least 7 days prior to the date of the meeting to the Company Secretary at the Registered/ Corporate Office of the Company, so that the same may be attended to appropriately.
11. In terms of the provisions of the Companies Act, 2013, notice of the AGM may be served on the Members through electronic means. Members who have registered their e-mail IDs

with depositories or with the Company are being sent this Notice along with attendance slip and proxy form by e-mail and the Members who have not registered their e-mail IDs will receive the Notice through post/courier.

In order to receive faster communication and to enable the Company to serve the Members better and to promote green initiatives, the Members are requested to provide/ update their e-mail IDs with their respective Depository Participants (DPs) or e-mail at investor@bigshareonline.com to get the Annual Report and other documents/ communication on such e-mail address.

Members holding shares in physical form are also requested to intimate their e-mail addresses to the RTA/ Company by e-mailing at info@beststeel.co.in by sending a communication at the address mentioned at Note 5 above or at the Registered Office/ Corporate Office of the Company.

12. Members may also note that the Notice along with attendance slip and proxy form will also be available on the Company's website www.beststeel.co.in.
13. Pursuant to the Union Budget 2017-18 announcement, SEBI has instructed that necessary steps for linking of demat account with Aadhar be taken. Members holding shares in electronic form are therefore requested to submit a written request alongwith the self certified copy of the Aadhar Card to their Depository Participants with whom they are maintaining their demat accounts.
14. The Securities and Exchange Board of India (SEBI) has made it mandatory the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
15. Electronic copy of Notice of 35th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with attendance slip, proxy form and Road map is being sent to all the members whose email IDs registered with the Company, Depository Participant (s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 35th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with attendance slip, proxy form and Road map is being sent in the permitted mode.
16. Voting through electronic means:
 - I. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 read with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at 35th AGM by electronic means. The Members may cast their votes using an electronic system from a place other than the venue of the Meeting ('remote e-voting').
 - II. The Company has engaged the services of National Securities Depository Limited (NSDL) as the agency to provide remote e-voting facility.
 - III. The facility for voting either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their rights at the AGM.
 - IV. The Members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again and if any Member casts a vote at the AGM, then such vote will be considered invalid.
 - V. The Company has appointed Mr. Deepak Kumar Lath, Company Secretary in whole-



time Practice, Proprietor of Lath Deepak & Associates, to scrutinize the e-voting process in a fair and transparent manner. They have given their consents for such appointment.

VI. **The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 20, 2017. A person who is not a Member as on the cut-off date should treat this Notice for information only.**

VII. **A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date, i.e. Wednesday, September 20, 2017 only shall be entitled to avail the facility of remote e-voting/ voting at the AGM.**

VIII. Any person, who acquires shares and become Member of the Company after the despatch of the Notice and holds shares as on the cut-off date i.e. Wednesday, September 20, 2017 may obtain the login ID and password by sending email request to [evoting@nsdl.co.in/](mailto:evoting@nsdl.co.in) info@beststeel.co.in.

IX. The remote e-voting period will commence from Saturday, September 23, 2017 (9.00 A.M.) and end on Tuesday, September 26, 2017 (5.00 P.M.). The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.

The instructions for e-voting are as under:

A. Member whose email Ids are registered with the Company/ Depository Participant(s) will receive an email from NSDL informing them of their User Id and Password. Once the members receives the email, he or she will need to go through following steps to complete the e-voting process:

- i. Open e-mail and open PDF file viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains

your user ID and password for e-voting. Please note that the password is an initial password.

- ii. Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
- iii. Click on Shareholder - Login
- iv. Put user ID and password as initial password noted in step (i) above. Click Login.
- v. The Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- vii. Select "EVEN" of BEST STEEL LOGISTICS LIMITED
- viii. Now you are ready for e-Voting as Cast Vote page opens
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed
- xi. Once the vote on the resolution(s) is cast by a member, such member shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail fcsdeepaklath@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case of Member receive physical copy of the Notice

- i. Initial password, along with User ID and EVEN (E-voting Event Number) is provided in the table given in the Ballot Form.
- ii. Please follow all steps from S. No. (ii)-(xii) given above to cast your vote.

C. Other instructions

- i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Members available at Download section of www.evoting.nsdl.com or call on toll free no. 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel Mumbai-400013 at the designated Email Id evoting@nsdl.co.in or AmitV@nsdl.co.in or call at +91-2499 4600 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at email Id: info@beststeel.co.in.
 - ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- X. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- XI. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.

- XII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses, not in the employment of the Company. The Scrutinizer shall submit a consolidated report Scrutinizers' Report of the votes cast in favour or against, if any, not later than 48 (forty eight) hours of conclusion of the meeting to the Chairman or any other person authorized by him in writing declare the result of voting forthwith.
- XIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.beststeel.co.in and on the website of NSDL immediately after the results are declared by the Chairman or any other person authorized by him. The Company shall simultaneously, forward the result to the concerned stock exchange where its equity shares are listed.

17. Members are requested:

- a. To bring Attendance Slip duly completed and signed at the meeting and not to carry briefcase or bag inside the meeting venue for security reasons;
- b. To quote their Folio No./ DP ID - Client ID and e-mail ID in all correspondence; and
- c. To please note that no gift/ gift coupon/ refreshment coupon will be distributed at the meeting.

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 4

Mrs. Gunjan Agarwal was appointed as an Additional Director w.e.f. January 18, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mrs. Gunjan



Agarwal candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board feels that presence of Mrs. Gunjan Agarwal on the Board is desirable and would be beneficial to the company and hence recommend resolution No.4 for adoption.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 except Mr. Saket Agarwal (Promoter Director) who is husband of Mrs. Gunjan Agarwal.

The Board of Directors commends resolution as set out at Item No. 4 for approval of the Shareholders as an Ordinary Resolution.

**By the Order of the Board
For BEST STEEL LOGISTICS LIMITED**

Surbhi Arora
Company Secretary

Ghaziabad
May 23, 2017

Regd. Office: L-506, Agrasen Apartments,
Plot No. 66, I.P. Extension,
Delhi-110092

CIN: L74900DL1983PLC014972

Telephone No. +91-120-6401829

Website: www.beststeel.co.in

Email: info@beststeel.co.in

**Details of Director retiring by rotation and seeking Re-appointment at the Annual General Meeting
[In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
and as per Secretarial Standard-2 (SS-2) on "General Meetings"]**

Name of Director	Mr. Saket Agarwal	Mrs. Gunjan Agarwal
Date of Birth	June 11, 1973	August 26, 1975
Age	43 years	41 years
Date of Appointment	May 28, 2016	January 18, 2017
Qualification	Arts Graduate	Post Graduate
No. of Equity shares held as on March 31, 2017	7,222,910	Nil
Expertise in specific functional areas	Extensive expertise and deep understanding of the market place with 20+ years of industry experience.	She is associated with this industry since 2005 and is having experience of more than 11 years.
Other Directorship(s)	Keshwana Ispat Private Limited	P N S Stainless Steels Private Limited
Committee(s) Positions in other Public Companies[#]	Nil	Nil
Relationships between Directors inter se	Mrs. Gunjan Agarwal (wife of Mr. Saket Agarwal)	Mr. Saket Agarwal (Husband of Mrs. Gunjan Agarwal)

[#] Pursuant to Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Membership of only Audit and Stakeholders Relationship Committee of public limited companies have been considered.



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Saket Agarwal
Chairman

Ms. Gunjan Agarwal
Director

Mr. Bharat Bhushn Sahny
Non-Executive Independent Director

Mr. Rajeev Kohli
Non-Executive Independent Director

COMPANY SECRETARY

Ms. Surbhi Arora

AUDITORS

Statutory Auditor

M/s VAPS & Co.
Chartered Accountants

Secretarial Auditor

M/s Anjali Yadav & Associates
Company Secretaries

Internal Auditor

M/s Sushil Bansal & Company
Chartered Accountants

BANKERS

Punjab National Bank
Yes Bank Limited
IDFC Bank Limited

REGISTERED OFFICE

L-506, Plot No. 66,
Agrasen Apartment, I.P. Extension
Delhi-110092
Tel. No. +91-120-6401829
Website: www.beststeel.co.in
CIN: L74900DL1983PLC014972

CORPORATE OFFICE

Shop No. 29, Sudesh Square, Plot No. 92
Prakash Industrial Estate,
Sahibabad, Ghaziabad-201005

REGISTRAR & SHARES TRANSFER AGENTS

Bigshare Services private Limited
4E/8, First Floor, Jhandewalan Extension,
New Delhi-110055
Tel. No. +91-11 2352 2373
Fax No. +91-11 2352 2373
Email: bssdelhi@bigshareonline.com

WAREHOUSES CUM DEPOT

- Ghaziabad
- Bangalore
- Faridabad
- Hyderabad

Management Discussion and Analysis Report

Company Overview

Best Steel Logistics Limited provides the custom fit and cost effective warehousing solutions to fulfil the demands of growing steel industry and also engages in trading of steel and related products by way of purchasing the goods from domestic & overseas market and selling it in the domestic market to designated customers. The Company approaches towards penetrating trading business with large steel manufacturers.

Best steel offers comprehensive and tailor-made Warehouse Management, Distribution and inventory management services of steel and steel products. The Company owned/leased 4 (four) strategically located warehouses spread across a total of 373,000 square feet of area across Pan-India.

Indian Economy

According to the CSO (Central Statistical Organization) estimates, the Indian economy have grown at 7.1% in FY17, by passing the risk of slowdown due to demonetization. However, this growth rate would still be lower compared with the impressive 7.9% growth recorded in FY16. The GDP growth of FY17 is supported by the agricultural sector growth of 4.4% as compared to 0.8% growth recorded in FY16, subdued growth recorded for industry of 5.8% as compared to 8.2% in FY16 and service sector growth of 7.9% as compared to 9.8% recorded in FY16. In the FY17, the Gross Fixed Capital Formation (GFCF) recorded a decline to 26.9% of GDP as against 29.2% of GDP recorded in FY16. Lower private sector spending led to low capacity utilisation which in turn hampered the overall investment in the economy. Also private sector investment in infra has not yet picked up. The Indian economy is expected to embark on a higher economic growth trajectory in FY18 owing to many proactive measures taken by the government, complimented by favourable economic conditions expected to prevail during the course of the year.

Emergence of India as one of the fastest growing economies after China resulted in higher FDI inflows and a number of multi-national companies setting up their facilities to meet the rapidly growing Indian consumer demand and take advantage of cheap labor, thereby, giving a boost to the Indian manufacturing sector, but, was much lesser than the growth of services industry. This has also resulted in development of backend infrastructure which consists of logistics segment with warehousing forming an integral part of this segment. The logistics industry is one of the largest industries in India as the logistics framework development accounts for more than 13 per cent of the GDP as compared to less than 8 per cent spent by the other developing countries. Indian logistics market has witnessed buoyant growth and is expected to grow at a CAGR of 12 per cent by 2020 driven by the growth in the manufacturing, retail, FMCG and e-commerce sectors. The current logistics industry is worth over US\$300 billion. This growth is also based on the implementation of GST which will enable logistics companies to setup larger warehouses as per the region's requirement and then easily transport from these warehouses to the different manufacturing plants, retail outlets, wholesale outlets, etc.

Most of the logistics companies are integrating IT and technology by investing in automation in their day to day activities to bring efficiencies in their operations and meet the increasing customer demands. The industry as a whole has moved from being just service provider to the position where they provide end to end supply chain solutions to their customers. The logistics market in India is largely unorganized as several local or domestic transporters with a very small Fleet size accounted for more than 65 per cent of the total fleet size for road transport in