

BENGAL STEEL INDUSTRIES LIMITED

BOARD OF DIRECTORS

V. N. AGARWAL
PRAKASH AGARWAL
K. K. GANERIWALA
G. K. AGARWAL

COMPANY SECRETARY

RANU DEY

AUDITORS

J. N. BANERJEE & CO.
Chartered Accountants
KOLKATA - 700 001

BANKERS

UNITED BANK OF INDIA

REGISTERED OFFICE

TRINITY PLAZA, 3rd FLOOR
84/1A, TOPSIA ROAD (SOUTH)
KOLKATA – 700 046

BENGAL STEEL INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

The Directors of the Company have pleasure in presenting their Annual Report together with the Audited Accounts for the Financial year ended 31st March, 2015.

COMPANY PERFORMANCE:

	2014 - 2015 (₹)	2013 - 2014 (₹)
FINANCIAL RESULTS		
Total Revenue	10,320,688	4,800,000
Profit before Depreciation	11,674,688	826,394
Less : Depreciation	137,536	160,215
Net Profit before Tax	11,537,152	666,179
Less : Provision for Taxation	2,150,000	32,000
Net Profit after Tax	9,387,152	634,179
Add : Balance Brought forward	39,325,474	38,691,295
Balance Carried Forward to Balance Sheet	48,712,626	39,325,474

In the light of challenging business conditions, the working results of your Company during Financial year ended on 31st March, 2015 was satisfactory.

DIVIDEND

The Directors have considered to plough back the profit in business for better financial strength and as such they have not recommended any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by the Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report for the year under review is appended below:

A. BUSINESS

The Company is engaged in the business of Investment, Finance, Steel Fabrication and Allied Services. The manufacturing unit is located at Kolkata. Arrangements are in hand to diversify its line of business for the future growth and prosperity.

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

Your Directors sincerely feel that operations of your Company in the business of Investment, Finance and Other services will start showing signs of improvement. Steps are in hand to achieve further improvements in its business.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Your Company's objective is to effect continuous improvement in its business. However, the main causes of concern of your company in the years to come are i) Reduction in the industrial growth rate, ii) Uncertain Government policy in use.

D. INTERNAL CONTROL SYSTEM

The Company has Internal control procedures commensurate with the nature of its business and size of its operations. The objectives of these procedures are to ensure efficient use and protection of Company's resources,

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accuracy in financial reports and due compliance of applicable statutes and Company's norms, policies and procedures.

The Internal Audit Report, the progress in implementation of recommendations contained in such reports and the adequacy of Internal Control Systems are reviewed by the Audit Committee of the Board in its periodical meetings.

E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial Relations were cordial during the year under review. At all levels, employees of the Company are fully committed to the growth of the Company and there was no loss of work due to any Industrial relation problem during the year.

CORPORATE GOVERNANCE

The Company has always followed the principles of good Corporate Governance through professionalism, accountability, transparency and integrity in its functioning and conduct of business with due respect to laws and regulations. Necessary measures have been adopted to comply with the requirements of the Listing Agreements with Stock Exchanges. A separate Report on Corporate Governance as prescribed by the Listing Agreement forms part of the Annual Report 2014-15 along with the Auditors' Certificate on its compliance in **Annexure A**.

DIRECTORS

Mr. K. K. Ganeriwala, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His Brief Resume is attached to the Notice of the ensuing Annual General Meeting.

The Board of Directors of the Company at their meeting held on 31st March, 2015 appointed Mrs. Ritu Agarwal as Additional Director of the Company to hold office only upto the date of next Annual General Meeting of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013.

Mrs. Ritu Agarwal, not being a retiring Director in terms of Section 152 of the Companies Act, 2013, her name has been proposed by a member for appointment of a Director under section 160 of the Companies Act, 2013.

NUMBER OF BOARD MEETINGS HELD

During the Financial year 2014-15, Five (5) Board Meetings were held on 30th May, 2014, 14th August, 2014, 12th November, 2014, 20th January, 2015 and 31st March, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013 your Board of Directors confirms that:-

- (a) in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts of the Company have been prepared on a "going concern" basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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BOARD EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking inputs on various aspects of Board/Committee Governance and considered and discussed in details the inputs received from the Directors.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in strategic planning and fulfillment of their obligations including but not limited to their participation in the Board/Committee Meetings.

INDEPENDENT DIRECTORS DECLARATION:

The Independent Directors meet the criteria of being Independent (as prescribed in The Companies Act, 2013 and Clause 49 of the Listing Agreements) and an Independency Certificate from them have been obtained.

AUDITORS

M/s. J. N. Banerjee & Co., Chartered Accountants, Statutory Auditors hold office till the conclusion of this AGM. They have expressed their willingness to continue as such and are eligible for re-appointment.

COMMENTS ON AUDITORS OBSERVATIONS

As regards the observations made by the Statutory Auditor's in their Report your Directors are of the opinion that:

- i) Value of Land & Building could not be segregated in absence of adequate details and without incurring huge expenses.
- ii) As per Management opinion, there is no impairment loss, due to discontinuation of operation and disposal of fixed assets of ingot plant.
- iii) In the opinion of the Management, diminution in market value of investments held at costs are temporary in nature.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013, the extract of Annual Return in form MGT-9 pursuant to Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure B**, as part of this Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment of and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by a Company Secretary in whole time Practice is annexed herewith as Annexure C, as part of this Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company with its Related Parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with Related Parties are disclosed in the Notes to the Financial Statements.

VIGIL MECHANISM

In terms of Section 177(9) & (10) of The Companies Act, 2013, a Vigil Mechanism of Directors and Employees has been established, details of which are given in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures in terms of section 197(12) of the Companies Act, 2013 and the rules made thereunder, are not applicable to the company.

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of The Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable to the company.

CODE OF CONDUCT

The Company has formulated Code of Conduct in compliance to the requirements of Clause 49 of the Listing Agreements with Stock Exchanges. This code of conduct applies to Board Members and Senior Management Personnel of your Company. Confirmations towards adherence to the code during the financial year 2014-15 have been obtained from all Board Members and Senior Management Personnel in terms of the requirements of Clause 49 of the Listing Agreement and a declaration relating to compliance to this code during the year by all Board Members and Senior Management Personnel has been given by the Director of the Company which accompanies this report.

ACKNOWLEDGEMENTS

Your Directors would like to thank shareholders, bankers and all other business associates for the continuous support given by them to the Company and their confidence in its management.

FOR AND ON BEHALF OF THE BOARD

V. N. AGARWAL
G. K. AGARWAL
DIRECTORS

Place: Kolkata
Date: 29th May, 2015

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ANNEXURE “A”

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of Listing Agreement with Stock Exchanges)

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance practices stem from culture and mind set of the organization. As stakeholders across the country evidence keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.

The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. It aims to constantly review its systems and procedures at all levels to achieve the highest level of Corporate Governance in the overall interest of all the Shareholders.

In terms of Clause 49 of the Listing Agreements with the Stock Exchanges, the details of compliances made by the Company for the year ended 31st March, 2015 are as follows:

2) BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that long term interests of the shareholders are being served.

The Board of Directors of your Company comprises of Non-Executive and Independent Directors. As on 31st March 2015, the Board consists of Five Directors out of which one is Non-Executive Independent Directors. Directors are persons with experience and expertise in Business, Industry, Finance and Law.

The Composition of the Board and the category of Directors as on 31.03.2015 are as follows:-

Sl. No.	Category	No. of Directors	% of Total No. of Directors
1.	Non-Executive Director & Promoter	3	60.00
2.	Non-Executive & Independent Director	1	20.00
3.	Non-Executive Director	1	20.00
	TOTAL	5	100.00

The further details relating to the Composition of the Board as on 31.03.2015 are as follows :

Sl. No.	Name of the Board Members	Category	No. of other Directorships (including all Indian Companies)	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committees of which he/she is a Chairperson
1.	Mr. V. N. Agarwal DIN:00408731	Non - Executive Director & Promoter	10	4	1
2.	Mr. Prakash Agarwal DIN:00249468	Non - Executive Director & Promoter	12	5	—
4.	Mrs. Ritu Agarwal DIN:00006509	Non - Executive & Director & Promoter	5	—	—
3.	Mr. K.K. Ganeriwala DIN:00408722	Non - Executive Independent Director	11	9	5
4.	Mr. G.K. Agarwal DIN:00752191	Non - Executive Director	7	—	—

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Mr. Prakash Agarwal is the son of Mr. V. N. Agarwal and husband of Mrs. Ritu Agarwal.

3) DETAILS OF BOARD MEETINGS AND ANNUAL GENERAL MEETING HELD AND ATTENDED BY THE DIRECTORS DURING THE FINANCIAL YEAR 2014-2015

- (i) During the Financial Year 2014-15 Five Board Meetings were held on:-

30th May, 2014, 14th August, 2014, 12th November, 2014, 20th January, 2015 and 31st March, 2015.

- (ii) Details of Attendance record of the Directors at the Board Meetings and the last Annual General Meeting are as follows:-

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 27th September, 2014
Mr. V. N. Agarwal	5	Yes
Mr. Prakash Agarwal	5	Yes
Mrs. Ritu Agarwal	—	No
Mr. K. K. Ganeriwala	5	Yes
Mr. G. K. Agarwal	5	Yes

4) BOARD MEETINGS

- i) The Company's Governance policy requires the Board to meet at least four times in a year with a time gap between any two Board Meetings not exceeding one hundred and twenty days.
- ii) In terms of Company's Corporate Governance Policy, all statutory, significant and material information (including compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances) are placed before the Board to enable it to discharge its responsibility.
- iii) The Internal Guidelines for Board Meetings facilitate the decision making process at the Meeting of the Board in an informed and efficient manner.

5) BOARD AGENDA

Meetings are governed by structured Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration of the Board.

6) BOARD PROCEDURE

- (i) The Members of the Board have been provided with the requisite information as required by Annexure X to Clause 49 of the Listing Agreements well before the Board Meetings and the same were dealt with appropriately.
- (ii) All Directors who are in various committees are within the permissible limits as stipulated in Clause 49(IIC) of the Listing Agreements. The Directors from time to time have intimated to the Company their Memberships/ Chairmanships in various Committees in other Companies.

7) POST-MEETING FOLLOW UP SYSTEM

The Governance process in the Company includes an effective post-meeting follow up, review and reporting process for action taken/pending on decision of the Board/Board Committees.

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8) VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for the Directors and Employees which enable them to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The mechanism also provides for adequate safeguards against victimization of Directors/ Employees who avail the mechanism.

This functioning of this Policy is reviewed by the Audit Committee and it is ensured that no employee is denied access to the Committee.

9) COMMITTEES OF THE BOARD

Currently there are two Board Committees- the Audit Committee, Stateholders Relationship Committee and Nomination and Remuneration Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed minutes of Board Committee Meetings are placed at the Board Meetings for the information of the Board.

i) AUDIT COMMITTEE

Audit Committee of the Board, inter alia provides re-assurance to the Board on the existence of an effective internal control environment that ensures:

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Compliance with Listing and legal requirements concerning financial statements.
- (c) Recommending to the Board the appointment/re-appointment of Statutory Auditors, fixation of their Audit Fees and approving payments made for any other services rendered by them.
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.
- (e) Reviewing with the management the performance of the Statutory Auditors and the adequacy of internal control function.
- (f) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (g) Reviewing the Internal Audit function and the progress in the implementation of recommendations contained in the Internal Audit Report.
- (h) Efficiency and effectiveness of operations.
- (i) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (j) Reliability of financial and other management information and adequacy of disclosures.
- (k) Compliance with all relevant statutes.
- (l) Approval or any subsequent modification of transactions of the Company with Related Parties.
- (m) Reviewing the functioning of Whistle Blower mechanism.

The Composition of the Audit Committee as on 31.03.2015 is as follows:-

Name of the Director	Chairman/Member	Category
Mr. K. K. Ganeriwala	Chairman	Non-Executive & Independent
Mr. V. N. Agarwal	Member	Non-Executive & Promoter
Mr. G. K. Agarwal	Member	Non-Executive

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During the Financial Year 2014-2015 Four Audit Committee Meetings were held and the Attendance of the Members at the said Meetings is given below:-

Name of the Director	No. of meetings attended
Mr. K. K. Ganeriwala	4
Mr. V. N. Agarwal	4
Mr. G. K. Agarwal	4

ii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of Shareholders/ Investor grievances relating to transfer of shares, non-receipt of Balance Sheet etc.

The said Committee consists of Mr. K. K. Ganeriwala and Mr. Prakash Agarwal of which Mr. K. K. Ganeriwala is the Chairman.

Ms. Ranu Dey, Company Secretary acts as the Compliance Officer of the Company.

During the year ended 31st March 2015, no complaints/queries were received and no complaint/query was pending to be resolved as on 31st March, 2015.

There were no transfer of shares pending for registration as on 31st March 2015 and all transfers, if any, had been effected within a period of 15 days from the date of their lodgement.

iii) **NOMINATION AND REMUNERATION COMMITTEE**

The terms of reference of Nomination and Remuneration Committee involves:-

- Formulation of criteria for determining qualifications, positive attributes and independence of Director.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Composition of the Remuneration Committee as on 31.03.2015 is as follows:-

Name of the Director	Chairman/ Member
Mr. K. K. Ganeriwala	Chairman
Mr. V. N. Agarwal	Member
Mr. G. K. Agarwal	Member

The Criteria for performance evaluation of Independent Directors is given below:-

- Updated on skills, knowledge, familiarity with the Company, its business and the external environment in which it operates.
- Participates in development of strategies.
- Committed to the fulfillment of Directors obligations and fiduciary responsibilities.
- Quality of analysis and judgment related to progress, opportunities and need for changes.
- Contributes adequately to address the top management issues.
- Considers adequately before approving any Related Party Transactions
- Acts within authority and assists in protecting the legitimate interests of Company, Shareholders and its employees.
- Ensures that vigil mechanism has been properly implemented and monitored.
- Reports concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

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- (j) Does not disclose confidential information, commercial secrets, technologies, unpublished price sensitive information unless such disclosure is approved by the Board or required by law.

Apart from Sitting Fees, no other remuneration is paid/payable to the Non-Executive Directors. Sitting fees paid to the Non-Executive Directors for the financial year ended 31st March 2015 were as follows:-

Name of the Director	Sitting Fees paid
Mr. V. N. Agarwal	Rs. 4,000/-
Mr. Prakash Agarwal	Rs. 4,000/-
Mr. K. K. Ganeriwala	Rs. 4,000/-
Mr. G. K. Agarwal	Rs. 4,000/-

10) GENERAL MEETINGS

- i) Details of Annual General Meeting (AGM) held in the last three years are as under :

Financial Year	Location	Date	Time
2013 - 2014	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	27th September, 2014	11 a.m.
2012 - 2013		26th July, 2013	11 a.m.
2011 - 2012		31st August, 2012	11 a.m.

- ii) Whether any Special Resolutions were passed in the previous Three AGMs : No
- (iii) Whether Special Resolutions were put through Postal Ballot last year : No
- (iv) Are Special Resolutions proposed to be put through Postal Ballot this year : No
- (v) Procedure to be followed for Postal Ballot (if applicable) : In accordance with the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder.

11) DISCLOSURES

- i) There are no materially significant transactions with the Related Parties that may have potential conflict with the interests of the Company at large, except as disclosed in the Notes to the Financial Statements.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets, during the last three years.
- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.
- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this Report.

12) MEANS OF COMMUNICATIONS

- (i) **Quarterly Results:-** Quarterly Results were announced within a period of 45 days from the end of the relevant Quarter (except the last quarter) and were published in The Financial Express (English) and The Dainik Statesmen/Ekdin (Bengali) Newspapers. In place of the results for the last quarter, the Company opted to submit the Audited Financial results for the entire financial year.