

# **MAHABIR METALLEX LIMITED**

(Formerly known as Apollo Fittings Private Limited)

## **ANNUAL REPORT FOR FINANCIAL YEAR 2014-15**

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## NOTICE

NOTICE is hereby given that the 12<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 28<sup>th</sup> day of September, 2015 at 11.30 A.M. at A-3, NDSE, Part – I, New Delhi-110049 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and Profit & Loss Account for the period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint Mr. Manoj Gupta who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint auditors and fix their remuneration, and to pass, with or without modification the following resolution as an ordinary resolution.

“Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time, M/s VAPS & Co., Chartered Accountants (Firm Registration No.003612N), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company (subject to ratification of their appointment of their appointment at every AGM), at such remuneration plus service tax, out of pocket expenses and living expenses, etc, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### **SPECIAL BUSINESS**

4. **To consider, and if thought fit, to pass the following resolution with or without modification as an Special Resolution for Mortgage the assets of the Company:**

“**RESOLVED THAT** pursuant to the provisions of section 180 (1) (a) and other provisions, if any, of the Companies Act 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the company, where so ever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of the company together with the powers to takeover the managements of the business and concern of the company, in certain events, to or in favour of banks, financial institutions any other lenders to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest and other charges payable by the company in respect of such borrowings, provided however that the total amount so borrowed and remaining outstanding at any particular time which will be secured by such charge/mortgage shall not exceed Rs. 100 crores.”

**By Order of the Board  
For Mahabir Metallex Limited**

**(Anju Gupta)  
Managing Director**

**Place:** New Delhi

**Date:** 03.09.2015

**Notes:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. Such a proxy need not be a member of the Company. A person can act as a proxy on behalf of the member(s).**  
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 commencement of the meeting. A Proxy form is enclosed. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. As per the provision of Section 91 of the Companies Act, 2013. The Register of Members and Share Transfer Books will remain closed from September 14, 2015 to September 18, 2015 (both days inclusive).
3. The Explanatory statement to pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business listed on Item No. 4 is annexed hereto.
4. Brief resume of all Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 52 of the Listing Agreement with the BSE Limited, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrars and Transfer Agents, M/s. Bigshare Services Private Limited Private Limited.
8. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.
9. 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.
10. The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent through e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with M/s. Bigshare Services Private Limited.
11. The Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by National Securities Depository Limited (NSDL).

- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The process & manner for e-voting are as under:**

- a. The voting period begins on 24<sup>th</sup> September, 2015 (9:00 AM) and ends on 26<sup>th</sup> September, 2015 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- b. The shareholders should log on to the e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c. The instructions and other information for e-voting are as under:
  - Open email and open PDF file with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - Click on "Shareholder – Login".
  - Put user ID and password as initial password/PIN noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - Password change menu appears. Change the password/PIN 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.
  - Home page of "e-voting" opens. Click on e-Voting: Active Voting Cycles.
  - Select "EVEN" of **MAHABIR METALLEX LIMITED**.
  - Now you are ready for e-voting as "Cast Vote" page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Once you have voted on the resolution, you will not be allowed to change /modify your vote.
  - 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 to [vipin\\_1960@hotmail.com](mailto:vipin_1960@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

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.

**Please note that:**

- 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.
- Your login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

- It is strongly recommended that you do not share your password with any other person and take utmost care to keep it confidential.
12. The Voting Rights of the Members 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. 21<sup>st</sup> September, 2015.
  13. 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 only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
  14. Mr. Vipin Aggarwal, Practicing Chartered Accountant (Membership No. 082498) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  15. The Chairman shall, at the Annual General Meeting, 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.
  16. 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 two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
  17. The Results along with the Scrutinizer’s Report shall be placed on the Company’s website [www.mahabirmetallex.com](http://www.mahabirmetallex.com) and on the website of NSDL immediately after declaration of results and communicated to the Stock Exchanges.
  18. All documents referred to in the Accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (9.00 AM to 5.00 PM) on all working days, upto and including the date of the Annual General Meeting of the Company.
  19. Corporate members are requested to send in advance, duly certified copy of the Board resolution /power of attorney authorising their representative to attend the Annual General Meeting.

**BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED IN CLAUSE 52 OF THE LISTING AGREEMENT**

<b>Name of Director</b>	Mr. Manoj Gupta
<b>Date of Birth</b>	31.07.1965
<b>DIN</b>	00076234
<b>Nationality</b>	Indian
<b>Date of Appointment on the Board</b>	14.07.2010
<b>Expertise in specific functional areas</b>	Management and Trading
<b>Qualification</b>	Graduate
<b>No. of Equity shares held in the Company</b>	1668800
<b>Experience</b>	25 years of experience in steel sector and in construction and real estate
<b>Directorship in other Companies</b>	Potential Investments and Finance Limited
<b>Membership/Chairmanship of Committee(s) of other Companies</b>	<b><u>Potential Investments and Finance Limited</u></b> <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> </ul>

**By the Order of the Board**  
**Mahabir Metallex Limited**

**Place: New Delhi**  
**Date: 03.09.2015**

**Anju Gupta**  
**Managing Director**

### **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of Companies Act, 2013)

#### **ITEM No. 4**

Through the proposed resolution it is sought to grant authority to the Board of Directors to secure the borrowings, if required, by creating charge/mortgage on the assets of the Company. Since it is not practical to seek general meeting's approval every time a loan is sanctioned, it is proposed to obtain a blanket approval to secure the properties for the loans sanctioned within the limits of Rs. 100 Crores. Even though section 180 (1) (a) refers to sale, lease or disposal of the whole or substantially whole of the undertaking of the Company, creating mortgage or charge on the assets give a right to the lender to take possession of or own the said properties in certain events, such creation of charge/mortgage in way constitutes sale or disposal of the undertaking of the Company. Therefore a resolution under Section 180 (1) (a) is required for this purpose.

It is recommended that the resolution be passed as special resolution. None of the directors is interested or concerned in the resolution.

**By the Order of the Board  
Mahabir Metallex Limited**

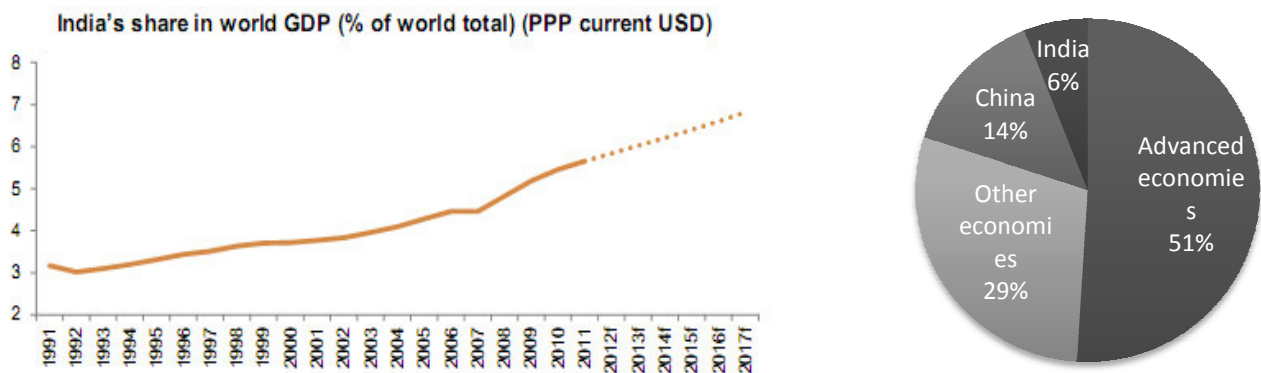
**Place: New Delhi  
Date: 03.09.2015**

**Anju Gupta  
Managing Director**

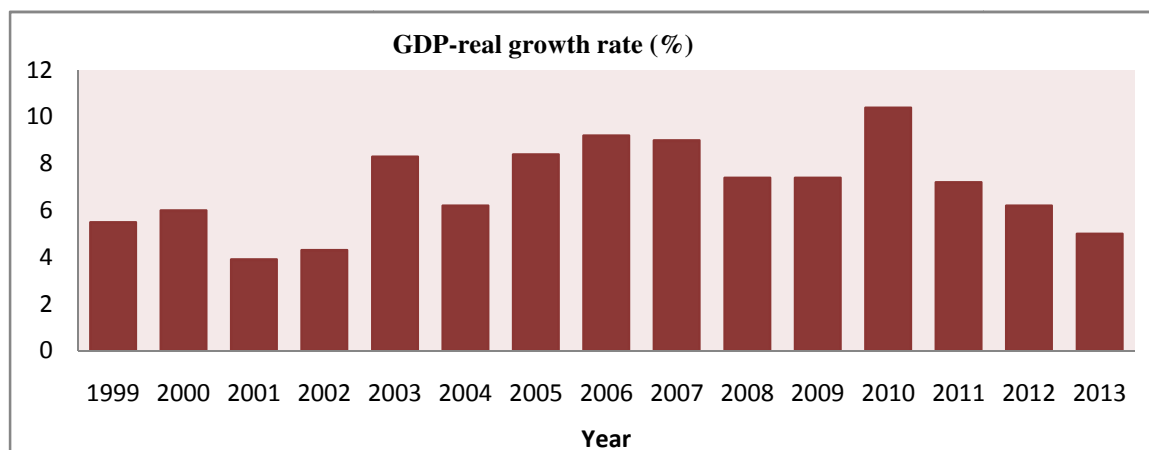
# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Overview of Indian Economy:

India, the world's largest democracy in terms of population (1,220 million people) had a GDP on a purchasing power parity basis of approximately INR 58 trillion in June 2013. This makes it the fourth largest economy in the world after the United States of America, European Union and China. The outlook for India's medium-term growth is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy.



The Indian economy's performance in FY 2013-14 and Q1 FY 2014-15 was marked by slowing growth and widening fiscal and current account gaps. The slowdown was partly rooted in external causes, while domestic causes like higher inflation, supply side constraints and policy inaction also put a drag on the economy. With GDP growth of 4.4% in Q1 FY14-15, the economy grew at its slowest quarterly pace in four years with mining, manufacturing and construction dragging growth down. Weakening of both domestic and external demand contributed further to the slowdown. Post 2008 crisis, Reserve Bank in response to the high inflation persisted with tightening till October 2011 and paused before easing in April 2012. The inflation has eased in last year though slowing growth, and widening twin deficits on the back of policy inaction along with global flight to safety amidst a deepening euro area crisis put pressures on the financial markets and the exchange rate during the year. As a result, Rupee has depreciated significantly in last one year further widening India's macro-economic problems.



The Indian economy was one of the fastest growing economies in the post-crisis period. During 2012-13, however, there was continuous deceleration of economic activity in each of the four quarters which pushed the expansion of the economy to below potential and the economic growth hit 4.4% in Q1 of FY 2013-14.



Growth slowed down due to multiple factors. One of the reasons was the persistence of inflation at a much higher level than the threshold for two successive years. Persistent and high inflation necessitated continued tightening of monetary policy. Even after reducing inflation in recent time, widening twin deficits has prevented RBI to pursue aggressive monetary easing. Recent research suggests that real interest (lending) rates explain only about one-third of GDP growth.

This suggests that non-monetary factors played a bigger role and accentuated the slowdown to beyond what was anticipated while tightening the monetary policy. Recession in the euro area and general uncertainty regarding the global economic climate chipped the external demand as well. Domestic policy uncertainties, governance and corruption issues amidst lack of political consensus on reforms led to a sharp deterioration in investment climate. Structural constraints emerged in key investment drivers in the infrastructure space – telecom, roads and power – which increased the disinflationary costs. High inflation kept aggregate demand and business confidence subdued.

#### India's robust macro-economic performance

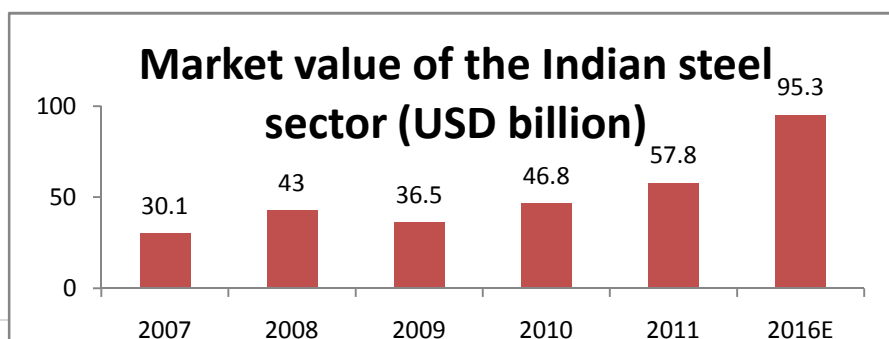
Key Parameters	2005-06	2011-12	Change
Real GDP (INR billion) <sup>1</sup>	32,542	52,220	60% higher
Real Per Capita GDP (INR) <sup>1</sup>	33,548	46,221	38% higher
Investment / GDP (%) <sup>2</sup>	35.8	37.6**	5% higher
Exports (US \$ bn) <sup>1</sup>	103	303	194% higher
General Government Gross Debt (% GDP) <sup>1</sup>	77.4	64.9**	16% lower
Workers' Remittances (US \$ bn) <sup>2</sup>	28.0 <sup>+</sup>	63.7 <sup>++</sup>	127% higher
Gross International Reserves (US \$ bn) <sup>1</sup>	151 <sup>#</sup>	294 <sup>++</sup>	94% higher
Foreign Direct Investment inflow (US \$ bn)	9.1	46.8	414% higher
Foreign Direct Investment outflow (US \$ bn)	6.1	25.8**	323% higher

(Source: "Fact Book" from Department of Economic Affairs, Ministry of Finance, Government of India, April 2013)

<sup>1</sup> Reserve Bank of India Data (as on March 2012), <sup>2</sup> IMF WEO Database April 2012, \*\*For FY 2010-11, <sup>+</sup> For Calendar Year 2006, <sup>++</sup> For Calendar Year 2011, <sup>#</sup> as on 31 March 2006, <sup>##</sup> As on 30 March 2012

#### Overview of Steel Industry:

India's economic growth is contingent upon the growth of the Indian steel industry. Consumption of steel is taken to be an indicator of economic development. While steel continues to have a stronghold in traditional sectors such as construction, housing and ground transportation, special steels are increasingly used in engineering industries such as power generation, petrochemicals and fertilisers. India occupies a central position on the global steel map, with the establishment of new state-of-the-art steel mills, acquisition of global scale capacities by players, continuous modernisation and upgradation of older plants, improving energy efficiency and backward integration into global raw material sources.

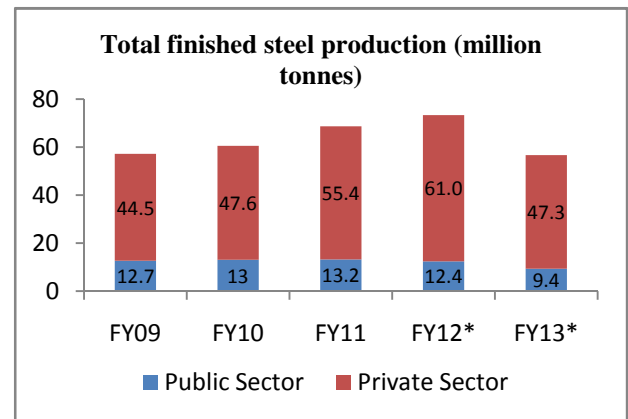
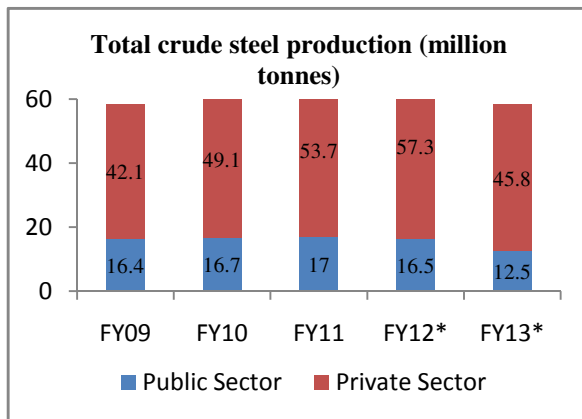


India has become the world's fourth-largest producer of crude steel as against the eighth position in 2003. The country is slated to become the second-largest steel producer by 2015 as large public and private sector players strengthen steel production capacity in view of the rising demand.

The total market value of the steel sector in India stood at US\$ 57.8 billion in 2011 and is expected to touch US\$ 95.3 billion by 2016.

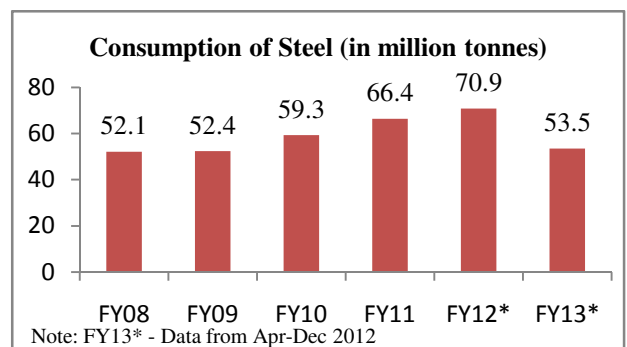
### Production of Steel

Total crude steel production rose at a CAGR of 10 per cent over FY09–12 to 73.8 MT; production in the first nine months of FY13 was 58.3 MT. Finished steel production stood at 73.4 MT in FY12, recording a CAGR of 10 per cent during FY09–12; analysts expect production figures to improve rapidly over the next five years with the Ministry of Steel forecasting production levels at 115.3 MT by FY17.



### Consumption of Steel

Steel consumption is expected to grow at an average rate of 6.8 per cent to reach 104 MT by 2017 driven by rising infrastructure development and growing demand for automobiles. The infrastructure sector is India's largest steel consumer, accounting for 63 per cent of total consumption in FY11. Attracted by the growth potential of the Indian steel industry, several global steel players have been planning to enter the market. The Government of India (GOI) has allowed 100 per cent foreign direct investment (FDI) in the sector through automatic route in order to attract foreign investments.



### Demand Supply Gap leading to rise in Imports:

Steel industry is heavily dependent on raw material and bulk movement. For every tonne of steel produced about four tonnes of raw materials requires to be transported. Indian steel industry is facing difficulties and delays caused due to inadequate infrastructure for transportation and handling bulk materials. Most of the steel plant does not have proper connectivity through rail network to mines and ports. Bulk handling facility at majority of the ports, mines and steel plants are of low capacity causing delays in loading & unloading. In most