

Information
Memorandum
Of
Manaksia Steels Limited

INFORMATION MEMORANDUM

Dated : 16.03.2015

MANAKSIA STEELS LIMITED

Our Company was incorporated on June 07, 2001 in the State of Meghalaya, under the Companies Act, 1956 as a public limited company. The company shifted its registered office from the State of Meghalaya to the State of West Bengal through the order of Hon'ble Company Law Board, Kolkata Bench vide their order dated July 28, 2009. The said certificate of Registration of Company Law Board order for Change in State was registered with the Registrar of Companies, West Bengal on September 09, 2009. The CIN of the Company is U27101WB2001PLC138341.

Registered and Corporate Office: Bikaner Building, 8/1, Lal Bazar Street, 3rd Floor, Kolkata – 700 001, West Bengal, India.

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INFORMATION MEMORANDUM FOR LISTING OF 6,55,34,050 EQUITY SHARES OF RE. 1/- EACH ISSUED BY THE COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity-related securities involves a degree of risk and investors should not invest in the equity shares of Manaksia Steels Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Manaksia Steels Limited. For taking an investment decision, investors must rely on their own examination of our Company including the risks involved.

THE COMPANY'S ABSOLUTE RESPONSIBILITY

Manaksia Steels Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Manaksia Steels Limited is proposed to be listed on the National Stock Exchange of India Limited (NSE), the designated stock exchange and BSE Limited (BSE). Our Company has submitted this Information Memorandum with NSE and BSE and the same has been made available on our website viz. www.manaksia.com. Our Company has received in-principle approval from NSE and BSE on 23rd February 2015 and 11th March, 2015 respectively. The Information Memorandum would also be made available on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).



REGISTRAR AND SHARE TRANSFER AGENT

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TABLE OF CONTENTS

PARTICULARS	Page No.
SECTION I- GENERAL	
Definition and Abbreviations	1
Certain Conventions, Use of Market Data	5
Forward looking Statements	6
SECTION II- RISK FACTORS	7
SECTION III- INTRODUCTION	
Summary of the Industry	14
Summary of our Business	16
Summary of Financial Information	18
General Information	21
Capital Structure	25
Scheme of Arrangement	32
Statement of Tax Benefits	36
SECTION IV- ABOUT US	
Industry Overview	55
Our Business	57
History and Certain Corporate Matters	59
Our Management	62
Our Promoters & Promoters Group	74
Group Entities	77
SECTION V- FINANCIAL INFORMATION	
Audited Financial Results for the half year ended 30 th September, 2014	88
Management's Discussion and Analysis	111
SECTION VI- LEGAL & OTHER REGULATORY INFORMATION	
Outstanding Litigation and Material Development	116
Government and Other Statutory Approval	126
SECTION VII- OTHER REGULATORY AND STATUTORY DISCLOSURE	127
SECTION VIII- DISCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION	131
SECTION IX- OTHER INFORMATIONS	
Material Contracts and Documents for Inspection	182
Declaration	183



SECTION – I GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Company Related Term

Term	Description
"MAST" or "Manaksia Steels" or "the Company" or "Transferee Company" or "Resulting Company" or "our Company" or "we" or "us" or "our"	Manaksia Steels Limited
"Manaksia Limited" or "ML" or "Transferor Company" or "Demerged Company"	Manaksia Limited
MALCO	Manaksia Aluminium Company Limited
MAIL	Manaksia Industries Limited
MACMIL	Manaksia Coated Metals & Industries Limited
Promoter	As stated in section on Promoters
Promoter Group	As stated in section on Promoter Group
Group Companies	Companies as defined in the section on – Group Companies

Conventional or General Terms

Term	Description
Act/ Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)



Companies Act, 2013	The Companies Act, 2013, and the Companies Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) pursuant to the notification of the Notified Sections
AGM	Annual General Meeting
Articles/Articles of Association	Articles of Association of MAST
Appointed Date	1 st day of October, 2013
Auditors	The Statutory Auditors of the Company
Board of Directors/ Board	Board of Directors of the Company
BSE	BSE Limited
Capital or Share Capital	Share Capital of MAST
CDSL	Central Depository Services (India) Limited
Demerged Undertaking/ Steel Undertaking	Demerged Undertaking means the Steel undertaking, business, activities and operations of Manaksia Limited pertaining to the Steel Undertaking on a going concern basis and as described in detail in the Scheme.
Designated Stock Exchange ("DSE")	The designated stock exchange for the listing shall be National Stock Exchange of India Limited
Depository	A body corporate registered under SEBI (Depositories and Participant) Regulations, 1996
Depositories Act	The Depositories Act, 1956 and amendments thereto
DP/ Depository Participant	Depository Participant as defined under the Depositories Act
Effective Date	November 23, 2014 (the date on which the certified true copies of the order of the Hon'ble Calcutta High



	Court under Section 391 and 394 of the Act sanctioning the Scheme has been filed online by the Company with Registrar of Companies, West Bengal)
EGM	Extra-ordinary General Meeting
Eligible Shareholder(s)	Shall mean eligible holder(s) of Equity Shares of Manaksia Limited as on the Record Date
Equity Share(s) or Share(s)	Fully paid up equity shares of MAST having face value of Re. 1/- each unless otherwise specified in the context thereof.
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year unless otherwise stated
GOI	Government of India
HUF	Hindu Undivided Family
Industrial Policy	The Industrial Policy and guidelines issued thereunder by the Ministry of Industry, Government of India, from time to time
Indian GAAP	Generally accepted accounting principles in India
IT Act	The Income Tax Act, 1961 and amendments thereto
Memorandum/ Memorandum of Association/ MOA	Memorandum of Association of MAST
NRI(s)	Non Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Record Date	December 5, 2014
ROC	Registrar of Companies, West Bengal
Rs./Rupees/INR/Re.	Rupees, being the lawful currency for the time being of India



Scheme or Scheme of Arrangement or Scheme of Arrangement of Demerger or Demerger Scheme or Scheme of Demerger	Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 amongst Manaksia Limited and Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited and their respective shareholders
SCRR	Securities Contract Regulation (Rules), 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI (ICDR) Regulations/ SEBI Regulations	SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange(s)	Shall refer to the NSE and the BSE where the Equity Shares of MAST are to be listed
Takeover Code	The SEBI (Substantial Acquisition of shares and Takeover) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and any amendments thereto

General Industry Terms

Item	Description
MT	Metric Tonnes
MM	Millimetres
MTPA	Metric Tonnes Per Annum
TPA	Tonnes Per Annum
KGS	Kilograms



CERTAIN CONVENTIONS, USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. The financial year commences from April 1 and ended on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India

For additional definitions, please see the section titled "Definitions, Abbreviations and Industry Related Terms" of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.



Forward Looking Statements

This Information Memorandum, includes statement which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", and similar expressions or variations of such expressions, that are "forward-looking statements".

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry" and "Business".

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in the Information Memorandum, including the risks described below. These risks and uncertainties are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition and the trading price of our Equity Shares could decline. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of Equity Shares could decline, and you may lose all or part of your investment.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risks involved.

INTERNAL RISKS

1. We do not have long term contracts with customers and typically operate on the basis of purchase orders, which could negatively impact our revenues and profitability.

We do not have long term contracts with our customers and we operate on the basis of purchase orders. Our business is dependent on the decisions and actions of our customers based on factors beyond our control. Although we have cordial business relations with our customers and have received continued business from them in the past, but the above fact could adversely affect our revenues and profitability.

2. There are a number of legal proceedings in respect of steel undertaking transferred from ML as per the Scheme and failure to defend these successfully may have a significant effect on our business prospects, financial condition and results of operations.

There are a number of legal proceedings outstanding in respect of steel undertaking transferred from ML as per the Scheme. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

We can give no assurance that these legal proceedings will be decided in our favour. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may be materially and adversely affected. We can give no assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business, prospects, financial condition and results of operations.

There can be no assurance that further substantial litigation will not be brought against us in the future. If we fail to successfully defend these or other claims, our business, prospects, financial condition and results of operations could be adversely affected and the same cannot be quantified.



The following table quantifies the amount of contingent liability pertaining to each group of outstanding litigations as on 16th March, 2015:

Litigations	Amount	Rs. In Lacs
Service Tax cases	7.00	

For further details please refer to the Chapter - OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT of the Information Memorandum.

3. Our business is dependent on our manufacturing facilities. The loss of or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.

We currently conduct our operations from 2 manufacturing facilities in India. Our facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. The operations of our plants can also be affected by natural disasters. Although, we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities.

4. If we are unable to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business it may materially and adversely affect our business and operations.

In order to operate our various manufacturing facilities and offices, we are required to obtain certain licenses, registrations or approvals under the applicable laws of the various states in India in which our offices are located. If we are unable to obtain the requisite licenses in a timely manner, or at all, our operations may be affected. Moreover, we may be required to obtain, maintain and renew other statutory and regulatory licenses, permits and approvals in connection with the operation of our business, which licenses, permits and approvals may expire, pursuant to their terms, from time to time. We cannot assure you that we will be successful in our ability to procure and maintain each of these licenses, permits and approvals on a timely basis or at all. Any delay or absence of receipt of such licenses, permits or approvals may expose us to regulatory actions against us or significant costs and expenses or cause us to modify or cease our operations, which may materially and adversely affect our business, financial condition and results of operations and the same cannot be quantified.

5. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of our operations.

We are subject to environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted. The costs and



management time required to comply with these requirements could be significant. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations and could include us being required to incur substantial clean up costs. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations and the same cannot be quantified.

6. Our success depends largely on our senior management and key personnel and our ability to attract and retain them.

Our performance and success depends largely on our ability to nurture and retain continued services and performance of the members of our management team and other key employees. If we fail to hire and retain sufficient numbers of qualified personnel for functions such as manufacturing and technical, finance, marketing and sales, operations and research and development, our day-to-day operations, our ability to implement strategy, operating results and financial condition could be adversely affected.

7. We have certain contingent liabilities which have not been provided for in the financial statement and our financial condition and profitability could be adversely affected if any of these contingent liabilities materialises.

Our total disputed liability (contingent liability as at 16th March, 2015) was Rs. 7.00 Lac for which provisions have not been made. If any of these contingent liabilities materialise, our profitability may be adversely affected. The details of contingent liabilities not provided in the financial statements are set out in a tabular form below:

Rs. In Lacs	
	As at 16.03.2015
Contingent Liabilities not provided for in respect of :	
Service Tax demands	7.00

8. Our property at Haldia is not registered in our name.

In respect of our unit at Haldia there is a dispute regarding enhanced lease premium amount with Haldia Development Authority (HDA), a State Government organisation, and the matter is before Hon'ble Calcutta High Court. Although full payment as per claim by HDA has been paid by us as per interim order of Hon'ble Calcutta High Court but until the matter is not resolved registration of leasehold right in the land in our favour shall remain pending.

9. We have entered into, and will continue to enter into, related party transactions.

The company has entered into transactions with the related group companies. Whilst the Company believes that all such transactions have been conducted on an "arm's length basis", there can be no assurance that the Company could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Company may enter into related party transactions in the



future. There can be no assurance that such transactions individually or in the aggregate, will not have an adverse effect on the Company's business and results of operations.

10. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and there can be no assurance that we will be able to pay dividends in the future.

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

11. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could harm our business.

We monitor our inventory levels based on our own projections of future demand. Because of the length of cycle of procurement of raw material to production, we must make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/surplus of raw material and/or products. The unavailability of raw material and/or products during periods when demand is high, may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of raw material and/or products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition..

12. Under-utilisation of capacity may adversely affect our business, results of operations and financial condition.

Use of production capacity is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, etc. It cannot be assured that we shall be able to utilize our existing manufacturing facilities to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.

13. If the Company is unable to adapt to technological changes, the Company's business could suffer.

Our Company has implemented the latest technology for our Plant. Our Company's future success will depend in part on the company's ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. Our Company cannot assure that it will successfully implement new technologies effectively or adapt the systems to emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our Company's business, financial performance and the trading price could be adversely affected.

14. We have significant working capital requirements.

Our business involves significant working capital. We meet our working capital requirements through internal accruals and debt. Any shortfall in our internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.



EXTERNAL RISK FACTORS

1. A slowdown in economic growth in India could cause our business to suffer.

Most of our operations are located in India and our business operations and performance are dependent on the overall economy, the gross domestic product ("GDP") growth rate and the economic cycle in India. The Indian economy could be adversely affected by a number of factors. Any slowdown in the Indian economy or volatility in global commodity prices, in particular oil, steel and aluminium prices, could adversely affect the Indian economy. The Indian economy could also be adversely affected by a general rise in interest rates. A slowdown in the Indian economy could adversely affect our business and results of operations.

2. Political instability and significant changes in the Government's policy on liberalisation of the Indian economy and/or in the other economic and industrial policies, statutory rules and regulations of the State and Central Governments of India relating to economic, industrial or labour affairs or the political situation in India could adversely affect our business.

The role of the Indian central and state governments in the Indian economy and their effect on producers, consumers and regulators has remained significant over the years. Since 1991, successive governments of India have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. The current Government has declared its intentions to announce policies and undertake initiatives for the economic liberalisation policies.

However, there can be no assurance in this regard. The rate of economic liberalisation could change, and laws and policies affecting our businesses, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in liberalisation and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

Further, changes in the economic and industrial policies, statutory rules and regulations of the state and central governments of India relating to economic, industrial or labour affairs, including changes in licensing regulations, labour laws, interest rates, policy relating to foreign investment, and taxation laws, or the political situation in India could adversely affect our business.

3. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the global equity markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, results of operations and financial condition. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed localized civil disturbances in recent years. It is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.



4. The steel industry is cyclical in nature and factors affecting the demand for, and production of, steel products affect our results of operations.

The steel industry is cyclical in nature, sensitive to general economic conditions and the condition of certain other industries. Historically, the international market prices for steel products have been volatile. Because most of our costs are fixed and we maintain an inventory, an increasing price environment tends to be favourable to us, while the reverse is true in a falling price environment. We may not be able to respond quickly to any sudden decrease in steel prices and any significant fluctuation in international market prices could adversely affect our business, financial condition and operating performance.

Further, over the past few years, the demand for value added steel products have fluctuated and may fluctuate in the future. Unfavourable changes in the demand for our products, due to changes in customer preferences, government policies and other factors may adversely affect the steel industry and our business and results of operations.

5. *Exchange rate fluctuations may adversely affect our financial performance.*

Exports constitute a substantial portion of our revenue. We also import substantial amount of raw materials for our manufacturing activities. We are therefore exposed to exchange rate fluctuation risks. We enter into foreign forward contracts to hedge a portion of our foreign exchange exposure in respect of our imports and exports. Adverse movements in foreign exchange rates may adversely affect our results of operations and financial conditions which cannot be quantified.

6. We are subject to various Indian taxes. Our profitability would decrease due to any adverse change in general tax policies or if additional tax benefits were reduced or withdrawn.

Taxes and other levies imposed by the central or state governments in India that affect our industry include: (i) excise duty; (ii) customs duty; (iii) income tax; (iv) value added tax; (v) turnover tax; (vi) service tax; and (vii) other new or special taxes and surcharges that may be introduced on a permanent or temporary basis from time to time.

The central and state tax schemes in India are extensive and change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

7. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.*

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have been experienced volatility frequently. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.



8. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

9. The market price of our Equity Shares may be volatile and an active trading market for our Equity Shares may not develop.

The prices at which our Equity Shares will trade after allotment as per the Scheme may be influenced by many factors, some of which are beyond our control, including volatility in the Indian and global securities markets; our results of operations and performance; the state of the Indian economy, significant developments in the Indian economic liberalization and changes in Indian laws and regulations; the history of, and the prospects for, us and the industry in which we compete; an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures; and the valuation of and general market sentiment regarding publicly traded companies that are engaged in business activities similar to ours.

We cannot assure you that an active or liquid public market for our Equity Shares will develop or be sustained if developed. You may not be able to sell your Equity Shares, as a result, you may lose all or part of your investment.

10. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.



SECTION – III INTRODUCTION

Summary of the Industry

Overview of the Indian Economy

The Republic of India, located in South Asia, is the seventh largest country in the world by area. The population of over 1.2 billion makes it the second most populous country in the world as well as the largest democracy. India's economy is the third largest by purchasing power parity (PPP) and eleventh largest by nominal gross domestic product (GDP), globally.

Due to its rapid growth, especially over the last decade, India is considered an industrialised nation.

The Indian economy continues to grow at a good pace and holds a strong position on the global map.

The country's gross domestic product (GDP) has been growing at an average rate of 8.5% for the last five years.

Steel is the barometer of economic development of a country. Steel demand in the world stems from growth and development of the sectors that are end users of steel such as manufacturing, housing, infrastructure, automobile etc. All these sectors are presently on an uptrend and will continue to be so, in the foreseeable future.

Total crude steel production for the 65 countries reporting to the World Steel Association in 2013 was estimated to be 1606 million tonnes, an increase of 3% on 2012.

The Indian scenario

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.

Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel and the largest producer of sponge iron or DRI in the world.

As per the report of the Working Group on Steel for the 12th Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country, currently at 58kgs. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10kgs per annum buoyed by development projects.

At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12



th Plan has projected that the crude steel steel capacity in the country is likely to be 104 mt by 2016-17 and has the potential to reaching higher levels if all requirements are adequately met.

The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.



Summary of Our Business

Our Company was incorporated on June 07, 2001 in the State of Meghalaya, under the Companies Act, 1956 as a public limited company. The company shifted its registered office from the State of Meghalaya to the State of West Bengal through the order of Hon'ble Company Law Board, Kolkata Bench vide their order dated July 28, 2009. The said certificate of Registration of Company Law Board order for Change in State was registered with the Registrar of Companies, West Bengal on September 09, 2009.

Our Company's current business is resultant of de-merger of Steel Undertaking of Manaksia Limited pursuant to the Scheme.

Manaksia Steels Limited is gearing itself to cater to the increasing global demands of the rural housing and infrastructure sectors.

Manaksia Steels Limited manufactures and sells value added steel products comprising of Cold rolled sheets used in interior and exterior panels of automobiles, buses and commercial vehicles, Galvanised Corrugated Sheets which find use in the housing sector and factory sheds, Galvanised Plain Sheets, used in the manufacture of containers and water tanks and pre-painted colour coated steel sheets used in the white goods and construction sectors.

Our Products

Our business can be categorized as below:

- Cold Rolled Steel Coils & Sheets - 120,000 MTPA
- Galvanised Coils & Sheets - 90,000 MTPA
- Color Coated (Prepainted) Coils & Sheets - 48,000 MTPA

A 120,000 MTPA steel cold rolling plant was set up at Haldia in 2008, as the Steel undertaking of Manaksia Limited for the manufacture of Cold Rolled Coils and Sheets which has been transferred to our Company. The plant is located at Village and P.O. Bhuyanraichak, Haldia.

A 30,000 MTPA galvanized steel plant at Bankura which was set up in 2002 as the Steel undertaking of Manaksia Limited at Plot No. 471, Birsinghapur, P.S. Barjora, Bankura 722 202 which has been transferred to our Company

A galvanized steel plant with a capacity of 60,000 MTPA was also set up at Village Bhuyanraichak, Haldia as the Steel undertaking of Manaksia Limited in February 2012 which has been transferred to our Company.



A colour coating line for the manufacture of pre-painted steel sheets was set up at Haldia in 2014 as the Steel undertaking of Manaksia Limited which has been transferred to our Company.

Electric power for both our Bankura and Haldia plants are supplied by West Bengal State Electricity Development Corporation Limited.

Both the plants have locational advantage of road, rail and nearby seaport facilities along with abundant skilled and unskilled labour.



Summury of Financial Information

Balance Sheet

Particulars	2011-12	2012-13	2013-14
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	5.00	5.00	5.00
(b) Share suspense account	-	-	655.34
(c) Reserves and surplus	(3.56)	(3.99)	13,390.28
	1.44	1.01	14,050.62
2. Non-current liabilities			
(a) Deferred tax liabilities (net)		-	862.37
(b) Long term provisions		-	57.74
			920.11
3. Current liabilities			
(a) Short term borrowings	-	-	12,807.14
(b) Trade payables	-	-	4,967.29
(c) Other current liabilities	0.07	0.07	1,040.27
(d) Short term provisions	-	-	211.74
	0.07	0.07	19,026.44
TOTAL	1.51	1.08	33,997.17
II. ASSETS			
1. Non current assets			
(a) Fixed assets			
Tangible assets	-	-	7,286.88
Capital work-in-progress	-	-	240.73
(b) Long term loans and advances	-	-	31.81
	-	-	7,559.42
2. Current assets			
(a) Inventories	-	-	13,290.64
(b) Trade receivables	-	-	7,546.53
(c) Cash and Cash equivalents	1.51	1.08	1,504.59
(d) Short term loans and advances	-	-	4,095.99
	1.51	1.08	26,437.75
TOTAL	1.51	1.08	33,997.17



Profit & Loss Account

Particulars	2011-12	2012-13	2013-14
I. Income			
Revenue from operations	-	-	21,251.38
Other income	-	-	494.28
Total revenue	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>21,745.66</u></u>
II. Expenses			
Cost of materials consumed (including trading goods)	-	-	17,058.46
Changes in Inventories of finished goods, Work-in-progress and stock-in-trade	-	-	(1,158.35)
Employee benefits expense	-	-	339.20
Finance costs	-	-	638.78
Depreciation and amortization expense	-	-	192.97
Other expenses	1.74	0.43	3,131.37
Total Expenses	<u><u>1.74</u></u>	<u><u>0.43</u></u>	<u><u>20,202.43</u></u>
III. Profit before tax	<u><u>(1.74)</u></u>	<u><u>(0.43)</u></u>	<u><u>1,543.23</u></u>
IV. Tax expenses			
Current tax	-	-	495.00
Deferred tax	-	-	(3.90)
Total tax expenses	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>491.10</u></u>
V. Profit for the year	<u><u>(1.74)</u></u>	<u><u>(0.43)</u></u>	<u><u>1,052.13</u></u>
VI. Basic and diluted Earnings per equity share of face value of Rs. 1/- each	Rs. (3.49)	Rs. (0.09)	Rs. 3.16



Cash Flow Statement			
	(Rs in Lacs)		
PARTICULARS	2011-12	2012-13	2013-14
A: CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax :	(0.10)	(0.43)	1,543.23
Adjustment for:			
Depreciation/ Amortisation	-	-	192.97
Finance Cost & Interest (Net)	-	-	635.40
Dividend from Mutual Fund	-	-	(4.00)
Dividend from Subsidiary Company			
Operating Profit before Working Capital Changes	(0.10)	(0.43)	2,367.60
Adjustment for:			
(Increase)/Decrease in Trade Receivables	-	-	549.72
(Increase)/Decrease in Other Receivables	-	-	6,326.41
(Increase)/Decrease in Inventories	-	-	(7,099.34)
Increase/(Decrease) in Trade Payables	-	-	(10,923.14)
Increase/(Decrease) in Other Payables	-	-	(550.89)
Cash Generated from Operations	(0.10)	(0.43)	(9,329.64)
Direct Taxes Paid	-	-	(322.27)
Cash Flow before Prior Period & Exceptional items	(0.10)	(0.43)	(9,651.91)
Prior Period & Exceptional Items (Net)	-	-	-
Net Cash Flow from Operating Activities	(0.10)	(0.43)	(9,651.91)
B: CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets and change in Capital work in progress (Including Capital Work in Progress and capital advances)	-	-	(128.76)
Loan Given	-	-	(600.00)
Interest Received	-	-	3.38
Dividend Received from Mutual Fund	-	-	4.00
Dividend from Subsidiary Company	-	-	-
Net Cash Flow from/(Used in) Investing Activities	-	-	(721.38)
C: CASH FLOW FROM FINANCING ACTIVITIES:			
(Repayment of)/ Proceeds from Short Term Borrowings (Net)	-	-	12,493.99
Interest etc. Paid	-	-	(624.02)
Net Cash Flow From/(Used in) Financing Activities	-	-	11,869.97
D: Net Increase/(Decrease) in Cash and Cash Equivalents	(0.10)	(0.43)	1,496.68
Cash and Cash Equivalents as at 1st April	1.61	1.51	1.08
Cash Taken over on Demerger	-	-	6.82
Cash and Cash Equivalents as at 31st March	1.51	1.08	1,504.58

Note:

Pursuant to sanctioned Scheme of Arrangement (Scheme) Steel undertaking of Manaksia Ltd. has demerger into our Company on a going-concern basis w.e.f. appointed date i.e. 1st October 2013. Hence, aforesaid figures for Year ended 31.03.2014 includes working results of the aforesaid undertaking for the period of 1st October 2013 to 31st March 2014 i.e. 6 Months, while corresponding previous year figures do not include any such working results of the aforesaid undertaking and as such these figures are not comparable.



GENERAL INFORMATION

Our Company was incorporated on June 07, 2001 in the State of Meghalaya, under the Companies Act, 1956 as a public limited company. The company shifted its registered office from the State of Meghalaya to the State of West Bengal through the order of Hon'ble Company Law Board, Kolkata Bench vide their order dated July 28, 2009. The said certificate of Registration of Company Law Board order for Change in State was registered with the Registrar of Companies, West Bengal on September 09, 2009.

Registered and Corporate Office of the Company

Manaksia Steels Limited

Bikaner Building, 8/1, Lal Bazar Street,
3rd Floor, Kolkata – 700 001

West Bengal, India.

Tel: +91 033 2231 0050

Fax: +91-33-2230 0336

Contact Person : Ajay Sharma – Company Secretary & Compliance Officer

Website : www.manaksia.com

Email : investorrelmsl@manaksia.com

Address of Registrar of Companies, West Bengal

Nizam Palace, 2nd MSO Building
2nd Floor, 234/4, A J C Bose road
Kolkata – 700 020

Board of Directors:

Sl. No.	Name of the Director	Designation	DIN
1	Ajay Kumar Chakraborty	Non Executive – Independent Director cum Chairman	00133604
2	Dr Kali Kumar Chaudhuri	Non Executive – Independent Director	00206157
2	Mrinal Kanti Pal	Non Executive Director	00867865
3	Smita Khaitan	Non Executive – Woman Independent Director	01116869
5	Suresh Kumar Agrawal	Managing Director – Non Independent Promoter Director	00520769
6	Varun Agrawal	Whole Time Director – Non Independent Promoter Director	00441271



Sl. No.	Name of the Director	Designation	DIN
7	Vineet Agrawal	Non Executive Promoter Director	00441223

Authority of Listing

The Hon'ble Calcutta High Court, vide its order dated March 24, 2014 (certified copy received by the Company on November 19, 2014), has approved the Scheme of Arrangement between Manaksia Limited and Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited and their respective shareholders for demerger and transfer of undertakings of Manaksia Limited (transferor company) into the 4 (Four) Transferee Companies viz. Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited under Sections 391 to 394 of the Companies Act, 1956. For more details relating to the scheme of arrangement and demerger please refer to the Section titled "Scheme of Arrangement" of this Information Memorandum. In accordance with the said scheme, the Equity Shares of the Company issued pursuant to the Scheme shall be listed and admitted to trading on NSE and BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of criteria of NSE and BSE and also subject to such other terms and conditions as prescribed by NSE and BSE at the time of application by the Company seeking listing. The Company has received in-principle approvals from NSE and BSE in relation to listing of equity shares issued pursuant to the Scheme of Arrangement vide their letters dated 23rd February 2015 and 11th March, 2015 respectively.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter III of SEBI (ICDR) Regulations 2009 do not become applicable. However, SEBI has vide its circular SEBI/CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to NSE and BSE for making the said Information Memorandum available to public through their websites viz. www.nseindia.com and www.bseindia.com. The Company has made the said Information Memorandum available on its website viz www.manaksia.com. The Company will publish an advertisement in the news papers containing its details in line with the details required as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.



Prohibition by SEBI

The Company, its directors, its promoter, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI Circular SEBI/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Statutory Auditors

S K Agrawal & Company, Chartered Accountants
The Chambers
Suite No.608
1865, Rajdanga Main Road
Kasba
Kolkata-700107

Bankers to the Company

State Bank of India
Commercial Branch
24, Park Street
Kolkata 700 016

Allahabad Bank
Industrial Finance Branch
17, R N Mukherjee Road
Kolkata 700001

Bank of Baroda
4, India Exchange Place
Kolkata 700001

Standard Chartered Bank
19, N. S .Road,
Kolkata 700001



Yes Bank
Stephen House, 4 B B D Bag (East)
Kolkata – 700 001

Registrar and Transfer Agents

Link Intime India Private Limited
59C, Chowringhee Road
Kolkata – 700 020
Phone No: +91 33 22890540
Fax: +91 33 22890539
Contact Person: Ms. Binita Pandey
Email: kolkata@linkintime.co.in
Website: www.linkintime.co.in



Capital Structure

Post issue and allotment of equity shares pursuant to the Composite Scheme, the share capital of our Company as at the date of this Information Memorandum is set forth below:

Share Capital	Rs.
Authorised Capital	
7,50,00,000 Equity Shares of Re. 1/- each	7,50,00,000
Issued, Subscribed and Paid-up Capital*	
5,00,000 Equity Shares of Re. 1/- each	5,00,000
Number of Equity Shares issued as per scheme of arrangement approved by the Hon'ble Calcutta High Court	
6,55,34,050 Equity Shares of Re. 1/- each	6,55,34,050
Equity Share Capital after implementation of the Scheme*	
6,55,34,050 Equity Shares of Re. 1/- each	6,55,34,050
Securities Premium Account	
Before the Composite Scheme	0.00
After the Composite Scheme	46,73,93,291
<p>* As per para 5.4 of the Scheme of Arrangement as approved by the Hon'ble Calcutta High Court upon allotment of shares by MAST to the shareholders of Manaksia Limited under this Scheme, the entire shares held by Manaksia Limited in MAST stands cancelled.</p>	

Details of Changes in Authorised Share Capital

Date	No. of Shares	Face Value (Rs.)	Authorised Capital (Rs.)	Particulars
On Incorporation	10,00,000	10/-	1,00,00,000	On Incorporation
December 03, 2012	1,00,00,000	1/-	1,00,00,000	Sub-division of Authorised Capital of the



				company from 10,00,000 equity shares of Rs. 10/- each to 1,00,00,000 equity shares of Re. 1/- each by passing of resolution at shareholders meeting
September 10, 2014	7,50,00,000	1/-	7,50,00,000	Increase of Authorised Capital by passing of resolution at shareholders meeting held on September 10, 2014

Notes to the Capital Structure:

1) Details of Capital Structure of the company since inception are as follows:

Date of Allotment	No. of shares	Cumulative No. of Shares	Face Value (Re.)	Issue Price (Re.)	Cumulative Paid-up Capital (Rs.)	Nature of allotment/ Remarks	Consideration
On incorporation	50,000	50,000	10/-	10/-	5,00,000	Subscription to the Memorandum of Association	Cash
December 03, 2012	5,00,000	5,00,000	1/-	1/-	5,00,000*	Sub-division of 50,000 equity shares of Rs. 10/- each into 5,00,000 equity shares of Re. 1/- each	Sub-division of 50,000 equity shares of Rs. 10/- each into 5,00,000 equity shares of Re. 1/- each
December 8,	6,55,34,050	6,55,34,050	1/-	1/-	6,55,34,050	Issued	Pursuant to



2014							pursuant to Scheme of Arrangement	Demerger
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*As per para 5.4 of the Scheme of Arrangement as approved by the Hon'ble Calcutta High Court upon allotment of shares by MAST to the shareholders of Manaksia Limited under this Scheme, the entire shares held by Manaksia Limited in MAST stands cancelled.

2) Promoters of the Company, their relatives and associates, and their Directors have not purchased or sold or financed, directly or indirectly, any equity shares from the date of approval of the scheme by the High Court till the date of submission of this Information Memorandum. As per para 5.4 of the Scheme of Arrangement as approved by the Hon'ble Calcutta High Court upon allotment of shares by MAST to the shareholders of Manaksia Limited under this Scheme, the entire shares held by Manaksia Limited in MAST stands cancelled.

3) Shareholding pattern of the Company before and after the Scheme of Arrangement :

• **Shareholding pattern before the scheme:**

The entire equity capital consisting of 5,00,000 equity shares is held by the constituents of Promoters and Promoters Group. In the case of shares held by individuals, the beneficial interest in shares is held by Manaksia Limited (Promoter).

Category code (I)	Category of shareholder(II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	
(A)	<u>Shareholding of Promoter and Promoter Group</u>						
1	Indian						
(a)	Individuals/ Hindu Undivided Family	6	60	-	0.01	0.01	-
(c)	Bodies Corporate	1	499,940	-	99.99	99.99	-
	Sub-Total (A)(1)	7	500,000	-	100.00	100.00	-
2	Foreign	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	7	500,000	-	100.00	100.00	-
(B)	Public shareholding	-	-	-	-	NA	NA



	GRAND TOTAL (A)+(B)	7	500,000	-	100.000	100.000	0.00	0.00
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- Shareholding pattern after the Scheme

Category code (I)	Category of shareholder(II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C) (VII)	Number of shares	As a percentage (IX) = (VIII/IV)* 100
(A)	<u>Shareholding of Promoter and Promoter Group</u>							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	20	412,55,940	412,55,940	62.953	62.953	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks				-	-	-	-
(e)	Any Other (specify) Person acting in concern	-	-	-	-	-	-	-
	Sub-Total (A)(1)	20	412,55,940	412,55,940	62.953	62.953	-	-
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate				-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investors	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	20	412,55,940	412,55,940	62.953	62.953	-	-
(B)	<u>Public shareholding</u>				-	-	NA	NA
1	Institutions				-	-	NA	NA



(a)	Mutual Funds/ UTI							
(b)	Financial Institutions/ Banks	2	19,208	19,208	0.030	0.030	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Insurance Companies	-	-	-	-	-	-	-
(e)	FIIs	6	62,290	62,290	0.094	0.094	-	-
(f)	Qualified Foreign Investors	-	-	-	-	-	-	-
(f)	Foreign Venture Capital				-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	8	81,498	81,498	0.124	0.124	-	-
2	Non-institutions				-	-	NA	NA
(a)	Bodies Corporate	407	173,30,040	173,30,040	26.444	26.444	-	-
(b)	Individuals				-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	26,542	55,54,691	55,53,378	8.476	8.476	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	8	12,19,000	12,19,000	1.860	1.860	-	-
(c)	Any Other (Specify)	-	-	-	-	-	-	-
	1. Clearing Member	85	46,784	46,784	0.071	0.071	-	-
	2. NRIs	128	32,839	32,839	0.050	0.050	-	-
	3. NRN	35	13,258	13,258	0.020	0.020	-	-
	Sub-Total (B)(2)	27,205	241,96,612	241,95,299	36.922	36.922	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)	27,213	242,78,110	242,76,797	37.047	37.047	NA	NA
	TOTAL (A)+(B)	27,233	655,34,050	655,32,737	100.000	100.000	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				-	-	NA	NA
	1 Promoter & Promoter Group	-	-	-	-	-	-	-
	2 Public	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	27,233	655,34,050	655,32,737	100.000	100.000	0.00	0.00



4) Details of shareholding of Promoters and Promoters Group as on the date of this Information Memorandum is as under :

Name of Shareholder	Shareholding before the Scheme	No. of Shares allotted under the Scheme	Total no. of Shares	% of holding Post Scheme
Promoters and Promoters Group				
BASUDEO AGRAWAL	--	9500115	9500115	14.50
SURESH KUMAR AGRAWAL	--	9402740	9402740	14.35
MAHABIR PRASAD AGRAWAL	--	5448245	5448245	8.31
VARUN AGRAWAL	--	2766930	2766930	4.22
VINEET AGRAWAL	--	2416245	2416245	3.69
KARAN AGARWAL	--	1797185	1797185	2.74
SUNIL KUMAR AGRAWAL	--	1616060	1616060	2.47
ANIRUDHA AGRAWAL	--	1374560	1374560	2.10
SHOBHA DEVI AGRAWAL	--	1305560	1305560	1.99
CHANDRAKALA AGRAWAL	--	1244810	1244810	1.90
SUSHIL KUMAR AGRAWAL	--	852875	852875	1.30
SHAILAJA AGRAWAL	--	497810	497810	0.76
MANJU AGRAWAL	--	487125	487125	0.74
KANTA DEVI AGRAWAL	--	482060	482060	0.74
BASUDEO AGRAWAL(HUF)	--	464060	464060	0.71
MAHABIR PRASAD AGRAWAL(HUF)	--	464060	464060	0.71
SUNIL KUMAR AGRAWAL(HUF)	--	393750	393750	0.60
SUSHIL KUMAR AGRAWAL(HUF)	--	338250	338250	0.52
SURESH KUMAR AGRAWAL(HUF)	--	337500	337500	0.51
ANURADHA AGRAWAL	--	66000	66000	0.10
Total Promoter & Promoter Group	--	41255940	41255940	62.95

5) None of the Equity Shares in MAST are pledged.

6) The list of top 10 shareholders of the Company and the number of Equity Shares held by them as on the date of this Information Memorandum:



Sl. No.	Name of the Shareholders	No. of shares	% of Issued Capital
1	BASUDEO AGRAWAL	9500115	14.4965
2	SURESH KUMAR AGRAWAL	9402740	14.3479
3	MAHABIR PRASAD AGRAWAL	5448245	8.3136
4	ACCOLADE TRADERS PVT.LTD.	3264875	4.9820
5	VARUN AGRAWAL	2766930	4.2221
6	VINEET AGRAWAL	2416245	3.6870
7	KALITARA GLASS MOULDING WORKS PVT. LTD.	1913658	2.9201
8	ATTRACTIVE VINIMAY PRIVATE LIMITED	1816250	2.7715
9	KARAN AGRAWAL	1797185	2.7424
10	SUNIL KUMAR AGRAWAL	1616060	2.4660

7) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

8) The Company, its directors, its promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.

9) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Court till listing of the Equity Shares at the designated stock exchange allotted as per the Scheme.

10) There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.



Scheme of Arrangement

Rationale as provided in the Scheme:

The Transferor Company is a multi-activity company and such activities and business are being carried on by it directly and through its subsidiaries in following undertakings:-

- I. Aluminium Undertaking having factories and establishments in the districts of Purba Medinipur and Bankura, both in the State of West Bengal and warehouses in the States of Andhra Pradesh, Kerala and Karnataka.
- II. Steel Undertaking having factories and establishments in the Districts of Purba Medinipur and Bankura, both in the State of West Bengal.
- III. Coated Metal Undertaking having factories and establishments in the district of Kutch in the State of Gujarat.
- IV. Mosquito Coil Undertaking having factories and establishments at the district of Raisen in the State of Madhya Pradesh, in the District of Medak in the State of Andhra Pradesh, in the district of Kamrup in the State of Assam and in the District of Bankura in the State of West Bengal
- V. Packaging Undertaking having factories and establishments at various locations in the States of West Bengal, Andhra Pradesh, Madhya Pradesh and also at Silvassa in the U. T. of Dadra & Nagar Haveli and Regional Offices at Mumbai, Bangalore, Chennai and New Delhi.
- VI. Residual Undertaking wherein the Transferor Company carries on its remaining business and activities.

The Transferor Company with such diversified business and multi-activities has not been able to fully exploit the potential and business opportunities of all such business and for fully exploiting the potential and vast opportunities of growth of all such business, it has been felt that the Aluminium Undertaking, Steel Undertaking, Coated Metal & Mosquito Coil Undertakings and Packaging Undertaking be demerged into separate companies so that each company is able to focus and concentrate and fully exploit the vast opportunities for growth and development of such business and, at the same time, enable the Transferor Company to focus and concentrate in its remaining business for its proper growth and development.

With that end in view, the Transferor Company has formed MALCO, MAST, MACMIL and MAIL initially as its wholly owned subsidiaries for demerging Aluminium Undertaking in MALCO, Steel Undertaking in MAST, Coated Metal undertaking and Mosquito Coil Undertaking in MACMIL and Packaging Undertaking in MAIL and, consequent upon demerger, each of the Resulting Companies shall issue shares to the shareholders of the Transferor Company in the same proportion so that every



shareholder of the Transferor Company, by virtue of his shareholding in the Transferor Company, is issued and allotted, shares in each of the Resulting Company without any further application.

Details of the Scheme:

The salient features of the Scheme are as follows:

- (a) Demerger of four Undertakings of the Transferor Company to the four Transferee Companies shall take place with effect from the Appointed Date i.e. 1st day of October 2013 or such other date as may be approved by the Hon'ble High Court.
- (b) Such demerger shall become effective from the Effective Date. The Effective Date has been defined in Clause 1.16 of the Scheme to mean the last date of compliance of the following:-
 - (i) The order of the Hon'ble High Court sanctioning the Scheme and transfer and vesting of assets and liabilities under Sections 391 to 394 of the Act is filed in the office of the Registrar of Companies, West Bengal by the Transferor Company and all the four Transferee Companies ;
 - (ii) The Transferor Company registering the order and the minutes of the Hon'ble High Court confirming reduction in Share Premium Reserve of the Transferor Company with the Registrar of Companies, West Bengal ;
- (c) Upon the Scheme becoming effective, the Demerged Undertakings shall be demerged and transferred to the concerned Transferee Company in accordance with Section 2(19AA) of the Income Tax Act, 1961 as going concerns but subject to all charges, liens, mortgages, lispendens and consequently rights of the creditors of the Transferor Company are not in any way affected or prejudiced by the Scheme.
- (d) Such demerger shall be carried out in accordance with the provisions contained in Section 2(19AA) of the Income Tax Act, 1961.
- (e) All employees of the Transferor Company relating to Demerged Undertakings shall become the employees of the concerned Transferee Company without interruption in service and on terms no less favourable to them than those applicable as employees of the Transferor Company and consequently the rights of the employees of the Transferor Company are not be prejudiced in any manner.
- (f) After the Scheme becomes effective and in consideration of demerger, each of the four Transferee Companies shall issue and allot shares to the every shareholder of the Transferor Company on the Record Date one equity share of Re. 1/- fully paid up for every one equity share of nominal value of Rs.2/- fully paid up held by him in the Transferor Company.



- (g) Simultaneously upon allotment of shares by the Transferee Companies to the shareholders of the Transferor Company, the entire shares held by the Transferor Company in the Transferee Company shall stand cancelled and consequently on the date of issue and allotment of shares the shareholding pattern of the Transferor Company and the four Transferee Companies shall be identical.
- (h) The Scheme contains suitable provisions for issue of new shares in dematerialised form or physical form.
- (i) The shares of the Transferor Company being listed at National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") (herein after referred to as Stock Exchanges), the Transferee Companies shall file applications before the said two Stock Exchanges for listing of the new shares to be issued and allotted by them under the Scheme.
- (j) Subsequent to listing of the new shares of the four Transferee Companies, the promoters shall mutually exchange the Promoters' holding in the Transferor Company and the Transferee Companies so that the entire promoters' shareholding in the Transferor Company and the Transferee Companies are owned and held by the promoters group running and managing the Transferor Company and the concerned Transferee Company in the manner stated below and mentioned in Clause 6.3 of the Scheme and such transfers between the promoters inter se do not in any way prejudice or affect the rights of the public shareholders of the Transferor Company.

Promoters Group.	Entire Promoters Shareholding to be owned and held in the undermentioned companies.
(a) Jointly by MP Agrawal Group, BD Agrawal Group and SK Agrawal Group	Transferor Company
(b) Jointly by M P Agrawal Group and B D Agrawal Group.	MALCO
(c) S K Agrawal Group	MAST
(d) M P Agrawal Group	MACMIL
(e) B K Agrawal Group	MAIL
(k) The demerger does not involve reduction in share capital of the Transferor Company. However, the demerger involves reduction in the Securities Premium Reserve of the Transferor Company and, accordingly, the Transferor Company shall take appropriate step for such reduction under Sections 100 to 103 read with Section 78 of the Act.	



Approvals with respect to the Scheme of Arrangement

The Hon'ble Calcutta High Court vide its Order dated March 24, 2014 has sanctioned the Scheme of Arrangement has approved the Scheme of Arrangement between Manaksia Limited and Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited and their respective shareholders for demerger and transfer of undertakings of Manaksia Limited (transferor company) into the 4 (Four) Transferee Companies viz. Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited under Sections 391 to 394 of the Companies Act, 1956. In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations shall be listed and admitted to trading on the NSE and BSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.



STATEMENT OF TAX BENEFITS

To

The Board of Directors
Manaksia Steels Limited
8/1 Lalbazar Street
Kolkata-700001.

Dear Sirs,

Statement of Possible Tax Benefits available to Manaksia Steels Limited ('the Company') and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the I T Act, 1961 (as amended by Finance Act, 2013) presently in force in India and to the shareholders of the Company under the I T Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the Conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company is currently availing any of these tax benefits or will avail these tax benefits in future.
- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable have been/would be met.



S. K. Agrawal & Company
CHARTERED ACCOUNTANTS

The Chambers, Suite Nos – 606 – 608
1865, Rajdanga Main Rd, East Kolkata Township
Kolkata – 700107

Phone - 40089902/03/04
Email- sandeep@skagrawal.co.in

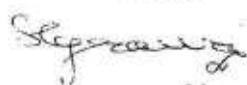
- The authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This report is issued on the request of the Company and is intended solely for information and for the inclusion in the Information Memorandum being filed by the Company in connection with the listing of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without or prior written consent

For, S. K. Agrawal & Co.

Firm Registration Number. 306033E
Chartered Accountants



Sandeep Agrawal

Partner

Membership No. 58553

Place: Kolkata

Date: December 15, 2014



**ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO
MANAKSIA STEELS LIMITED ('the COMPANY') AND ITS SHAREHOLDERS UNDER
THE I T ACT, 1961 (HEREINAFTER REFERRED TO AS THE IT ACT):**

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the tax laws. Hence, the ability of the Company or its shareholders to avail the tax benefits is dependent upon fulfilling such conditions as may be prescribed under the relevant sections of the IT Act.

I. BENEFITS AVAILABLE TO THE COMPANY

1. Subject to compliance with certain conditions laid down in section 32 of the I T Act, the Company will be entitled to a deduction for depreciation:

- a) In respect of buildings, machinery, plant or furniture being tangible assets (at the rates prescribed under Income Tax Rules, 1962 ('the Rules'));
- b) In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31st day of March, 1998 (at the rates prescribed under the Rules);
- c) In respect of new plant or machinery which has been acquired and installed after 31st March, 2005 by a tax payer engaged in the business of manufacture or production of any article or thing, additional depreciation @ 20% of the actual cost of such new plant or machinery will be allowed as deduction.

2. As per Section 32AC(1) of the I T Act where an assessee, being a company,—

- (a) is engaged in the business of manufacture of an article or thing and
- (b) invests a sum of more than Rs. 100 crore in new assets (plant or machinery) as specified in Section 32AC, during the period beginning from 1st April, 2013 and ending on 31st March, 2015, then, the assessee shall be allowed—
 - (i) for assessment year 2014-15, a deduction of 15% of aggregate amount of actual cost of new assets acquired and installed during the financial year 2013-14, if the cost of such assets exceeds Rs. 100 crore;
 - (ii) for assessment year 2015-16, a deduction of 15% of aggregate amount of actual cost of new assets, acquired and installed during the period beginning on 1st April, 2013 and ending on 31st March, 2015, as reduced by the deduction allowed, if any, for assessment year 2014-15.

3. As per Section 32AC(1A) of the I T Act where an assessee, being a company,—

- (a) is engaged in the business of manufacture of an article or thing and
- (b) invests a sum of more than Rs. 25 crore in new assets (plant or machinery) as specified in Section 32AC, during the period beginning from 1st April, 2014 and ending on 31st March, 2017, then, the assessee shall be allowed—



(i) a deduction of 15% of aggregate amount of actual cost of new assets acquired and installed during the relevant financial year, if the cost of such assets exceeds Rs. 25 crore.

However u/s Section 32AC there is a restriction on the transfer of plant or machinery for a period of 5 years. However, this restriction shall not apply in a case of amalgamation or demerger but shall continue to apply to the amalgamated company or resulting company, as the case may be.

4. Subject to compliance with certain conditions laid down in section 35(1)(iv) of the IT Act, the Company is entitled to claim as deduction the whole of capital expenditure, other than the expenditure incurred on the acquisition of any land, incurred on scientific research related to the business of the Company.

5. As per Section 35(1) of the I T Act, the Company is eligible for a deduction of the entire amount of the revenue incurred on scientific research related to the business of the Company, in the year in which such expenditure is incurred. Where the assessee does not himself carry on scientific research but makes contributions to other institutions for this purpose, a weighted deduction is allowed of:-

A) one and one-fourth times of payment if;

- a) the payment is made to an approved company registered in India and having its main object of scientific research and development to be used for scientific research, or
- b) the payment is made to an approved and notified research association which has as its object the undertaking of research in social science or statistical research related or unrelated to the business of the assessee, or
- c) the payment is made to an approved and notified university, college or other institution to be used for research in social science or statistical research related or unrelated to the business of the assessee.

B) one and three-fourth times of payment if;

- a) the payment is made to an approved and notified research association which has as its object the undertaking of scientific research to be used for scientific research related or unrelated to the business of the assessee ; or
- b) the payment is made to an approved and notified university, college or institution to be used for scientific research related or unrelated to the business of the assessee; or

6. As per Section 35 (2AB) of the IT Act, Company is eligible for a weighted deduction of a sum equal to two times of the expenditure incurred on approved in-house research and development facility, if it satisfies the following conditions:

- c) the tax payer is a Company;
- d) it is engaged in the business of manufacture or production of an article or thing except those specified in the Eleventh Schedule of the Act;



- e) it incurs any expenditure on scientific research and such expenditure is of capital nature (other than land or building) or revenue nature
- f) the above deduction is allowed up to March 31, 2017 on in-house research and development facility;
- g) the research and development facility is approved by the prescribed authority;
- h) the Company has entered into an agreement with the prescribed authority for cooperation in such research and development facility and for audit of the accounts maintained for that facility.

7. Under the provisions of section 35AC of the IT Act, the Company shall be entitled to deduction of 100% for payment of any sum to a public sector company or to a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme or for any expenditure directly made by it on the eligible project or scheme subject to fulfillment of prescribed conditions.

8. Under the provisions of section 35CCA of the IT Act, the Company shall be entitled to deduction of 100% for payment of any sum to an association or institution which has as its object the undertaking of any programme of rural development or training of persons for implementing such programmes approved by the prescribed authority or to a rural development fund or to the National Urban Poverty Eradication Fund set up and notified by the Central Government in this behalf subject to fulfillment of the prescribed conditions.

9. As per Section 35CCD of the IT Act, the Company is eligible for a weighted deduction of one and one-half in respect of expenditure incurred (not being expenditure in the nature of cost of any land or building) on any skill development project notified by the Board in accordance with the guidelines as may be prescribed.

10. As per section 35DD of the IT Act, the Company is eligible for the expenditure incurred wholly and exclusively for the purpose of amalgamation and demerger of an undertaking an amount equal to one-fifth of such expenditure for each of the successive five previous years.

11. As per Section 35DDA of the IT Act, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to one-fifth of the amount so paid for that previous year, and the balance shall be deducted in equal installments for each of the four immediately succeeding previous years subject to conditions specified in that section.

12. The Company is eligible for amortization of preliminary expenses being the expenditure on public issue of shares under section 35D of the IT Act, subject to the fulfillment of the prescribed conditions and limits specified in the section. The said deduction is an amount equal to one-fifth of the said expenditure for each of the five successive previous years beginning from the year in which the business commences.

13. As per Section 80G of the IT Act, the Company will be eligible for deduction of an amount as specified in the Section in respect of donations to certain funds, charitable institutions, etc.



14. As per Section 80GGB of the IT Act, the Company will be eligible for deduction of any sum contributed by it to any political party or an electoral trust.

15. As per Section 72 of the IT Act loss under the head 'Profit and Gains from Business or Profession', it can be set- off against other income and the excess loss after set-off can be carried forward for set-off - against business income of the next eight Assessment Years.

16. As per the provisions of Section 72A of the IT Act, the Company is entitled to carry forward and set off of accumulated loss and unabsorbed depreciation allowance under amalgamation or demerger subject to fulfillment of certain conditions.

17. Minimum Alternate Tax ('MAT') is the tax payable by a company under section 115JB of the IT Act. MAT is payable by a company when the income-tax payable on the total income as computed under the IT Act is less than 18.5% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the method specified under section 115JB of the Act. MAT credit arises in the year in which the Company is required to pay tax under section 115JB of the IT Act (in case the same is higher than the tax under normal provisions of the IT Act). MAT credit is the difference between tax computed under section 115JB of the IT Act and the tax computed as per the normal provisions of the IT Act. MAT credit can be carried forward for 10 years immediately succeeding the assessment year in which the relevant MAT credit arises. The MAT credit can be utilized in the year in which the tax payable under the normal provisions of the IT Act is higher than the tax payable under section 115JB of the IT Act. The utilisation of the same is available to the extent of the difference between the tax payable under the normal provisions of the IT Act and the tax payable under section 115JB of the IT Act.

18. As per Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115(O) of the Act is exempt from tax. However as per section 94(7), the losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to record date and sold within three months from record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

19. The domestic company is required to pay Dividend Distribution Tax ("DDT") at the rate of 15% (plus applicable surcharge and education cess) after grossing up on distributed profits. As per section 115-O (1A) of the IT Act, while computing the DDT payable by a domestic company on dividend, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company if:

- (i) where such subsidiary company is a domestic company, the subsidiary has paid DDT on such dividend.
- (ii) where such subsidiary company is a foreign company, the tax is payable by the company under section 115BBD on such dividend.



20. Capital gains

(i) Computation and taxability of capital gains

Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding.

All capital assets, being shares held in a company listed on recognised stock exchange or any other security listed in a recognized stock exchange in India or unit of equity oriented mutual fund of the Unit Trust of India or a unit equity oriented mutual fund specified under section 10(23D) of the IT Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets. Capital assets other than Long term capital assets are considered as Short term capital assets.

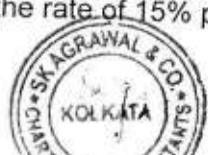
Capital gains arising from the transfer of capital assets which are considered as long – term capital assets are termed as Long term capital gains ('LTCG'). Capital gains arising from the transfer of capital assets which are considered as short – term capital assets are termed as Short term capital gains ('STCG').

LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the IT Act is exempt from tax as per provisions of Section 10(38) of the IT Act, provided the transaction of sale of such shares or units is chargeable to securities transaction tax (STT) and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.

As per provisions of Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of Acquisition/ improvement('COA/I') and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital Gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed cost of acquisition / improvement computed by applying the cost inflation index as prescribed from time to time.

As per provisions of Section 112 of the IT Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or zero coupon bonds exceed 10% of the LTCG (without indexation benefit),the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

As per provisions of Section 111A of the IT Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided



the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

STCG arising on sale of equity shares or units of equity oriented mutual fund where such transaction is not chargeable to STT is taxable at the rate of 30%.

As per provisions of Section 71 read with Section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per provisions of Section 71 read with Section 74 of the IT Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

Under Section 54EC of the IT Act, capital gains arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer in certain notified bonds redeemable after three years and issued by –:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year and subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

21. Securities Transaction Tax ('STT')

As per provisions of Section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income.



computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

22. As per provisions of Section 10(35) of the IT Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the IT Act (other than income arising from transfer of such units) is exempt from tax.

23. The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% or 10% of the Income tax where the taxable income of a domestic company exceeds Rs 10,000,000 or Rs. 100,000,000 respectively. Further, education cess and secondary and higher education cess at the rate of 2% and 1% respectively of the Income-tax is payable by all categories of taxpayers.

II. BENEFITS AVAILABLE TO THE COMPANY AND PROSPECTIVE RESIDENT SHAREHOLDERS OTHER THAN DOMESTIC COMPANIES

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-O of the IT Act, as per the provisions of section 10(34) of the IT Act.

2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

3. INCOME FROM CAPITAL GAINS

(i) Computation and taxability of capital gains

Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding.

All capital assets, being shares held in a company listed on recognised stock exchange or any other security listed in a recognized stock exchange in India or unit of equity oriented



mutual fund of the Unit Trust of India or a unit equity oriented mutual fund specified under section 10(23D) of the IT Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets. Capital assets other than Long term capital assets are considered as Short term capital assets.

Capital gains arising from the transfer of capital assets which are considered as long – term capital assets are termed as Long term capital gains ('LTCG'). Capital gains arising from the transfer of capital assets which are considered as short – term capital assets are termed as Short term capital gains ('STCG').

LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the IT Act is exempt from tax as per provisions of Section 10(38) of the IT Act, provided the transaction of sale of such shares or units is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

As per provisions of Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of Acquisition/ improvement('COA/I') and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital Gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed cost of acquisition / improvement computed by applying the cost inflation index as prescribed from time to time.

As per provisions of Section 112 of the IT Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

As per provisions of Section 111A of the IT Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

STCG arising on sale of equity shares or units of equity oriented mutual fund where such transaction is not chargeable to STT is taxable at the rate of 30%.

As per provisions of Section 71 read with Section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.



As per provisions of Section 71 read with Section 74 of the IT Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

Under Section 54EC of the IT Act, capital gains arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer in certain notified bonds redeemable after three years and issued by –:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year and subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

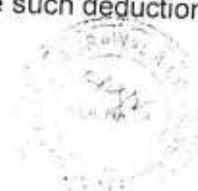
Subject to the conditions specified under the Provisions of section 54F of the IT Act, long-term capital gains (which are not exempt from tax under section 10(38) of the IT Act) arising to an individual or a HUF on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

4. Securities Transaction Tax ('STT')

As per provisions of Section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction



is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

5. Under section 36(1)(xv) of the IT. Act, the STT paid in respect of taxable securities transactions entered into in the course of business is allowable as deduction if income is computed under the head 'Profits or Gains of Business or Profession'

III. BENEFITS AVAILABLE TO CORPORATE RESIDENT SHAREHOLDERS (DOMESTIC COMPANIES)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-O of the IT Act, as per the provisions of section 10(34) of the IT Act.

2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale /transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

3. INCOME FROM CAPITAL GAINS

Capital gains

(i) Computation and taxability of capital gains

Capital assets are to be categorized into short - term capital assets and long – term capital assets based on their nature and the period of holding.

All capital assets, being shares held in a company listed on recognised stock exchange or any other security listed in a recognized stock exchange in India or unit of equity oriented mutual fund of the Unit Trust of India or a unit equity oriented mutual fund specified under section 10(23D) of the IT Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets. Capital assets other than Long term capital assets are considered as Short term capital assets.

Capital gains arising from the transfer of capital assets which are considered as long – term capital assets are termed as Long term capital gains ('LTCG'). Capital gains arising from the



transfer of capital assets which are considered as short – term capital assets are termed as Short term capital gains ('STCG').

LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) of the IT Act is exempt from tax as per provisions of Section 10(38) of the IT Act, provided the transaction of sale of such shares or units is chargeable to securities transaction tax (STT) and subject to conditions specified in that section. However such LTCG shall be taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.

As per provisions of Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of Acquisition/ improvement('COA/I') and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital Gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed cost of acquisition / improvement computed by applying the cost inflation index as prescribed from time to time.

As per provisions of Section 112 of the IT Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

As per provisions of Section 111A of the IT Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

STCG arising on sale of equity shares or units of equity oriented mutual fund where such transaction is not chargeable to STT is taxable at the rate of 30%.

As per provisions of Section 71 read with Section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per provisions of Section 71 read with Section 74 of the IT Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax



Under Section 54EC of the IT Act, capital gains arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer in certain notified bonds redeemable after three years and issued by :-

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000 per assessee during any financial year and subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

4. Securities Transaction Tax ('STT')

As per provisions of Section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

IV. BENEFITS AVAILABLE TO MUTUAL FUNDS

1. Provisions of section 10(23D) of the IT Act exempt the Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, from income tax on their income.

V. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS') DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company /Individual), if the



same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.

2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer, it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of units) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

3. INCOME FROM CAPITAL GAINS

Provisions of section 115AD of the IT Act, provides for taxing income of FII's arising from securities [other than income by way of dividends referred to in section 115(0) of the IT Act] at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities (other than units referred to in section 115AB of the Act)	20
Long Term capital gains	10
Short term capital gains (other than short term capital gain referred to in section 111A of the Act)	30
Short term capital gains (referred to in section 111A of the Act)	15

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under section 48 of the IT Act are not available to the FII's.

Provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity share in the Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.

Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act, as per section 90(2) of the Act; to the extent they are more beneficial to the FII.

Provisions of section 10(38) of the IT Act, exempt from tax the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered on a recognized stock exchange of India and is liable to securities transaction tax.



Provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of the transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period prescribed to remain eligible for the exemption is 3 years.

4. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125 percent of the value payable by both buyer and seller (tax rate of 0.1 % is made applicable with effect from 01.07.2012). (The non-delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller).

VI. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

1. Provisions of section 10(23FB) of the IT Act, exempts any income of Venture Capital companies/Funds (set up to raise funds for investment in venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, subject to conditions specified therein.

VII. BENEFITS AVAILABLE TO NON-RESIDENTS / NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-O of the IT Act, as per the provisions of section 10(34) of the IT Act.

2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer than it will result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.



3. INCOME FROM CAPITAL GAINS

In terms of first proviso to section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefit will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of shares.

Provisions of section 10(38) of the IT Act, exempt the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered into on a recognized stock exchange of India and has been liable to securities transaction tax.

The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on indexed long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.

The provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity share in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short term capital gains arising from transfer of shares in a company other than those covered by Section 111A of the IT Act would be subject to tax as calculated under the normal provisions of the IT Act.

The provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the non-resident would prevail over the provisions of the IT Act, as per section 90(2) of the IT Act; to the extent they are more beneficial to the non-resident.

The provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period in the prescribed investments to remain eligible for the exemption is 3 years.

Subject to the conditions specified under the Provisions of section 54F of the IT Act, long-term capital gains (which are not exempt from tax under section 10(38) of the IT Act) arising



to an individual or a HUF on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

2.8 Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. An individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

Under section 115E of the IT Act, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a non-resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

Under section 115F of the IT Act, long-term capital gains [in cases not covered by section 10(38) of the IT Act] arising to a non-resident Indian from transfer of shares of the company, subscribed in convertible foreign exchange (in case not covered under Section 115E of the IT Act), shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/saving certificates referred to in section 10(4B) within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/saving certificates are transferred or converted into money within 3 years from the date of their acquisition.

Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to furnish his return of income under Section 139(1) if his income chargeable under the IT Act consists of only investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII- B of the IT Act.

Under section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957



1. Investment in shares of companies are excluded from the definition of the term "asset" as given under section 2(ea) of the Wealth Tax act, 1957, and hence the shares held by the shareholders would not be liable to Wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT TAX ACT

1. Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998.
2. However, as per section 56(2)(vii){c) of the IT Act, any individual or a HUF receives any shares or securities without consideration, the aggregate value of which exceeds Rs 50,000, than the whole of the aggregate fair market value of such shares and securities shall be chargeable to income-tax under the head "Income from other sources". However, if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000, than the aggregate fair market value of such property as exceeds such consideration. However, this section will not be applicable if the shares and securities are received from any relative or on the occasion of marriage of the individual or under will or by way of inheritance etc.
3. However, as per section 56(2)(viiia) of the IT Act, any company not being a company in which the public are substantially interested receives on or after 1 June 2010, any property being the shares of a company in which the public are substantially interested without consideration, the aggregate value of which exceeds Rs 50,000, than the whole of the aggregate fair market value of such shares and securities shall be chargeable to income- tax under the head "Income from other sources". However, if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000, than the aggregate fair market value of such property as exceeds such consideration.

Notes:

1. The above Statement of Possible Direct Tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
2. The above Statement of Possible Direct Tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect of the specific tax implications arising out of their participation in the issue.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation avoidance Agreement, if any, between India and the country in which the non-resident is resident.



SECTION IV – ABOUT US

INDUSTRY OVERVIEW

The information set forth in this section is based on publicly available information, which has not been independently verified by our Company or any of their respective affiliates and advisors. None of us, or any other person connected with the Placement has verified this information. Industry sources and publications generally state that the report has been published for general information purposes and that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Several reports also expressly disclaim legal responsibility and liability of the person/organisation preparing the report for any loss or damage resulting from the contents of such reports. Accordingly, we do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

Summary of the Industry

Overview of the Indian Economy

The Republic of India, located in South Asia, is the seventh largest country in the world by area. The population of over 1.2 billion makes it the second most populous country in the world as well as the largest democracy. India's economy is the third largest by purchasing power parity (PPP) and eleventh largest by nominal gross domestic product (GDP), globally.

Due to its rapid growth, especially over the last decade, India is considered an industrialised nation.

The Indian economy continues to grow at a good pace and holds a strong position on the global map.

The country's gross domestic product (GDP) has been growing at an average rate of 8.5% for the last five years.

Steel is the barometer of economic development of a country. Steel demand in the world stems from growth and development of the sectors that are end users of steel such as manufacturing, housing, infrastructure, automobile etc. All these sectors are presently on an uptrend and will continue to be so, in the foreseeable future.

Total crude steel production for the 65 countries reporting to the World Steel Association in 2013 was estimated to be 1606 million tonnes, an increase of 3% on 2012.



The Indian scenario

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.

Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel and the largest producer of sponge iron or DRI in the world.

As per the report of the Working Group on Steel for the 12th Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country, currently at 58 kgs. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kgs per annum buoyed by development projects.

At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12th Plan has projected that the crude steel capacity in the country is likely to be 104 mt by 2016-17 and has the potential to reaching higher levels if all requirements are adequately met.

The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.



Summary of Our Business

Our Company was incorporated on June 07, 2001 in the State of Meghalaya, under the Companies Act, 1956 as a public limited company. The company shifted its registered office from the State of Meghalaya to the State of West Bengal through the order of Hon'ble Company Law Board, Kolkata Bench vide their order dated July 28, 2009. The said certificate of Registration of Company Law Board order for Change in State was registered with the Registrar of Companies, West Bengal on September 09, 2009.

Our Company's current business is resultant of de-merger of Steel Undertaking of Manaksia Limited pursuant to the Scheme.

Manaksia Steels Limited is gearing itself to cater to the increasing global demands of the rural housing and infrastructure sectors.

Manaksia Steels Limited manufactures and sells value added steel products comprising of Cold rolled sheets used in interior and exterior panels of automobiles, buses and commercial vehicles, Galvanised Corrugated Sheets which find use in the housing sector and factory sheds, Galvanised Plain Sheets, used in the manufacture of containers and water tanks and pre-painted colour coated steel sheets used in the white goods and construction sectors.

Our Products

Our business can be categorized as below:

- Cold Rolled Steel Coils & Sheets - 120,000 MTPA
- Galvanised Coils & Sheets - 90,000 MTPA
- Color Coated (Prepainted) Coils & Sheets - 48,000 MTPA

A 120,000 MTPA steel cold rolling plant was set up at Haldia in 2008, as the Steel undertaking of Manaksia Limited for the manufacture of Cold Rolled Coils and Sheets which has been transferred to our Company. The plant is located at Village and P.O. Bhuyanraichak, Haldia.

A 30,000 MTPA galvanized steel plant at Bankura which was set up in 2002 as the Steel undertaking of Manaksia Limited at Plot No. 471, Birsinghapur, P.S. Barjora, Bankura 722 202 which has been transferred to our Company

A galvanized steel plant with a capacity of 60,000 MTPA was also set up at Village Bhuyanraichak, Haldia as the Steel undertaking of Manaksia Limited in February 2012 which has been transferred to our Company.

A colour coating line for the manufacture of pre-painted steel sheets was set up at Haldia in 2014 as the Steel undertaking of Manaksia Limited which has been transferred to our Company.



Electric power for both our Bankura and Haldia plants are supplied by West Bengal State Electricity Development Corporation Limited.

Both the plants have locational advantage of road, rail and nearby seaport facilities along with abundant skilled and unskilled labour.



History and Certain Corporate Matters

Corporate Profile and Brief History

Our Company was incorporated on June 07, 2001 in the State of Meghalaya, under the Companies Act, 1956 as a public limited company. The company shifted its registered office from the State of Meghalaya to the State of West Bengal through the order of Hon'ble Company Law Board, Kolkata Bench vide their order dated July 28, 2009. The said certificate of Registration of Company Law Board order for Change in State was registered with the Registrar of Companies, West Bengal on September 09, 2009.

Registered and Corporate Office of the Company

Manaksia Steels Limited

Bikaner Building, 8/1, Lal Bazar Street, 3rd Floor,
Kolkata – 700 001, West Bengal, India.

Tel: +91-33-2231 0050

Fax: +91-33-2230 0336

Contact Person : Ajay Sharma – Company Secretary & Compliance Officer

Website : www.manaksia.com

Email : investorrelmsl@manaksia.com

The objects for which our Company has been established are set out in the Memorandum of Association. The main objects are set out hereunder:

- 1) To carry on the business of manufacture of, dealers in, Exporters of , all variety of steel, special steel, carbon tool, alloy steel, mild steel, and any other kind and grades of steel, pig iron, sponge iron, ferro silicon, ferro chrome and other ferrous substances and metal of every description and grade and to carry on the execute the work of steel engineers including manufacturing and dealing in steel, billets, steel rods, steel ingots, steel sheet, steel wires, and in all kinds of steel products whether forged, rolled or drawn and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel / iron products.

2. To carry on the business of manufacturers, buyers, sellers, dealers, exporters, importers of pilfer proof caps, screw caps, R.O. caps, B.T. Caps, tear down caps, tear off caps, crown closures and other sorts of bottle caps and closures, all sorts of washers, wads for caps (i.e. cork, foil, board, rubber, PVC, synthetic compounds), aluminium sheets, caps, foils, scraps and sheet cuttings, tin sheets,scraps and cuttings, black plates, tin free steel (TFS), PCRC, cork sheets and to deal in and manufacture tin containers, aluminium containers, collapsible tubes and all sort of metallic or non-metallic containers, cans, boxes, drums, cylinders,



packagings and receptacles of all kinds and to undertake metal printing, coating, varnishing, printing, designing, enamelling, electro-plating, engraving or otherwise decorating the aforesaid products or any of such products or articles and to act as packers.

3. To carry on the business of manufacturers, buyers, sellers, dealers, exporters, importers of bags, containers, boxes, bottles, cans, drums, cylinders, packagings, receptacles, wrappers and other packing materials of tin, aluminium, alloy, metal glass, paper, board, timber plywood, card board, veneer, cloth, leather, jute, gunny, hessian, fibre, plastic, synthetic and other materials.
4. To carry on the business of manufacturing, buying, selling, exporting, importing, exchanging, altering, improving, manipulating, recovering and dealing in polymers, Resins, Plasticsols, Adhesive, Moulding Powders, Printing inks, Lacquers, Varnishes, Coatings, Plasticisers, Solvents, Additives, Pigments, Dyes, Colours, Paints, Enamels, Distemper, Polishes, Spirits and other Chemicals, Components and product of similar nature and also to undertake making of and dealing in plates, Blocks, films, bromides and other materials and machineries used in the process of all types of printing.
5. To carry on the business of manufacturers, buyers, sellers, dealers, importers and exporters of pesticides, insecticides, fungicides, weedicides and germicides, Detergent, washing, preparations, soaps, toiletries, aerosols, fresheners.
6. To carry on the business of generating synthetic fuel/ gas from the gasification of rice husk, wood, coal or any such a solid bio mass fuel for direct thermal application and / or for generation of power meant for industrial use.

Changes in Memorandum and Articles of Association since incorporation

Since our incorporation, the following changes have been made to our Memorandum and Articles of Association

Date of Shareholders Approval	Changes in Memorandum and Articles of Association of the Company
January 21, 2009	The company shifted its registered office from the State of Meghalaya to the State of West Bengal through the order of Hon'ble Company Law Board, Kolkata Bench vide their order dated July 28, 2009. The said certificate of Registration of Company Law Board order for Change in



	State was registered with the Registrar of Companies, West Bengal on September 09, 2009.
December 03, 2012	Sub-division of Authorised Capital of the company from 10,00,000 equity shares of Rs. 10/- each to 1,00,00,000 equity shares of Re. 1/- each by passing of resolution at shareholders meeting
September 10, 2014	Increase of Authorised Capital from Rs. 1 Crore to Rs. 7.50 Crores by passing of resolution at shareholders meeting held on September 10, 2014
September 10, 2014	Substitution of whole Articles of Association with new set of Articles of Association so that they are in conformity with the provisions of Companies Act, 2013 and Rules made thereunder and also in conformity with the Listing Agreement and other SEBI Rules and Regulations applicable thereto.

Shareholders Agreement

There is no agreement executed between any of our shareholders and our Company.

Strategic/Financial Partners and other Material Contracts

Our Company does not have any strategic/financial partners or has not entered any material contracts other than in ordinary course of business.

Subsidiaries of the Company

Our Company does not have any subsidiaries as on date of this Information Memorandum

Scheme of Arrangement

The Honourable Calcutta High Court vide its Order dated March 24, 2014 has sanctioned the Scheme of Arrangement has approved the Scheme of Arrangement between Manaksia Limited and Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited and their respective shareholders for demerger and transfer of undertakings of Manaksia Limited (transferor company) into the 4 (Four) Transferee Companies viz. Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited under Sections 391 to 394 of the Companies Act, 1956.



Our Management

Board of Directors

The Articles of Association provide that our Company shall not have less than 3 (Three) Directors and not more than 15 (Fifteen) Directors. The Articles of Association of our Company further state that our Company may appoint more than 15 (Fifteen) Directors in accordance with the provisions under Applicable Laws. Our Company currently has 7 (Seven) Directors on our Board of Directors out of which 3 (Three) are Independent Directors.

The following table sets forth details of the Board of Directors as of the date of filing of this Information Memorandum with the Stock Exchanges:

Sl. No.	Name	Designation	DIN	Address	Other Directorship
1.	Ajay Kumar Chakraborty	Independent Chairman	00133604	W2A-101, Wellington Estate, DLF City, Phase V, Gurgaon – 122 009	<ol style="list-style-type: none"> 1. Lakshmi Precision Screws Ltd. 2. Shreyans Industries Ltd. 3. Manaksia Ltd. 4. Manaksia Aluminium Company Ltd. 5. Manaksia Coated Metals & Industries Ltd. 6. Manaksia Industries Ltd.
2.	Dr Kali Kumar Chaudhuri	Independent Director	00206157	40, Jubilee Park, 1 st Floor, Flat 1B, Kolkata – 700 033	<ol style="list-style-type: none"> 1. Sharda Plywood Industries Ltd. 2. Manaksia Ltd. 3. Manaksia Coated Metals & Industries Ltd. 4. Manaksia Aluminium Company Ltd. 5. Manaksia Industries Ltd.
3.	Mrinal Kanti Pal	Non-Executive Director	00867865	168, Rajdanga Gold Park, Flat-7, Kolkata - 700 107	<ol style="list-style-type: none"> 1. M R Technical Services Pvt. Ltd. 2. Manaksia Aluminium Company Ltd.
4.	Smita Khaitan	Independent Woman Director	01116869	Flat-5, UB,31/41, Binova Bhave Road, Kolkata-700038	<ol style="list-style-type: none"> 1. Manaksia Ltd. 2. Manaksia Coated Metals & Industries Ltd. 3. Manaksia Aluminium Company Ltd. 4. Manaksia Industries Ltd.
5.	Suresh Kumar Agrawal	Managing Director	00520769	391, S N Roy Road, Kolkata - 700 038	<ol style="list-style-type: none"> 1. Manaksia Ltd. 2. Manaksia Overseas Ltd. 3. Seaview Tradecomm Pvt. Ltd. 4. Rainbow Manufacturing Co. Pvt. Ltd.
6.	Varun Agrawal	Whole- Time Director	00441271	391, S N Roy Road, Kolkata - 700 038	<ol style="list-style-type: none"> 1. Krishna Devlo Consultancy Pvt. Ltd. 2. Fixopan Management Pvt. Ltd. 3. Crest Steel & Alloys Pvt. Ltd. 4. Sampark Rolling Stocks & Containers Pvt. Ltd. 5. Manaksia Ferro Industries Ltd. 6. Rainbow Manufacturing Co. Pvt. Ltd. 7. Seaview Tradecomm Pvt. Ltd.
7.	Vineet Agrawal	Non-Executive Director	00441223	391, S N Roy Road, Kolkata - 700 038	<ol style="list-style-type: none"> 1. Manaksia Ltd. 2. Mark Steels Ltd. 3. Maxell Securities Ltd. 4. Manaksia Ferro Industries Ltd. 5. Agrim Steel Industries Ltd. 6. Anuradha Trexim Pvt. Ltd. 7. Krishna Devlo Consultancy Pvt. Ltd. 8. Manaksia Overseas Ltd. 9. Manaksia Aluminium Company Ltd. 10. Seaview Tradecomm Pvt. Ltd. 11. Titanic Manufacturing Company Pvt. Ltd.



Brief Profile of Directors

Ajay Kumar Chakraborty

Ajay Kumar Chakraborty, 69, Independent Director of our Company, is a Post Graduate in Commerce, Company Secretary, Cost Accountant and a Law Graduate. He has vast experience in the fields of finance, banking, treasury, legal, secretarial, personnel and administration, government statutory audit, direct and indirect taxes. He worked as the Company Secretary and Chief Law Officer of BHEL for six years. He was the Head of Finance of BHEL for five years and has also served in the capacity of the Executive Director of BHEL before superannuating in April 2005.

Dr. K.K. Chaudhuri

Dr. K. K. Chaudhuri, 69, Independent Director of our Company, has a Master degree in Science and is a Doctorate in Anthropology from the Calcutta University. He was the professor and dean of the MBA programme at the Indian Institute of Social Welfare and Business Management under Calcutta University for fifteen (15) years. He has worked as a senior faculty member in the Indian Institute of Port Management, Calcutta and as a research fellow and research assistant in the Indian Institute of Management, Calcutta. He has coordinated various projects of the World Bank and the Asian Development Bank. He has organised in-company training in corporates like ONGC, Indian Oil Corporation, Steel Authority of India Limited, NALCO, National Thermal Power Corporation, Damodar Valley Corporation, Calcutta Electricity Supply Corporation, West Bengal State Electricity Board, Air Port Authority of India, Hindustan Lever Limited, Indian Rayon Limited, Hindustan Motors Limited and Reckitt & Coleman.

Ms. Smita Khaitan

Ms. Smita Khaitan, 65, Independent Director of our Company, holds a Bachelor of Law degree from the Calcutta University. She worked as an associate with M/s Rajesh Khaitan & Co., Advocates & Solicitors from 1976 to 2003 before branching out on her own since 2004. During her legal career she has represented clients before the Supreme Court of India, High Court of Calcutta and various district courts. She has also dealt in real estate transactions.

Suresh Kumar Agrawal

Suresh Kumar Agrawal, aged 61 years, a Chemical Engineer from Punjab University is the Managing Director of our Company and responsible for the its overall management.

He has vast experience and knowledge in all facets of business and management, particularly in manufacturing and technical services, marketing and international business.

He pioneered in-house development of various production inputs utilised in the manufacture of packaging products and introduced technical servicing of such products. He also has expertise in marketing function as well as international operations.

Varun Agrawal

Varun Agrawal, aged 32 years, a commerce Graduate from Calcutta University is a Whole time Director of our company. He assists the Managing Director in the day to day management and is responsible for the Marketing functions of the Company



He has experience in the marketing of value added aluminium and steel products of that Company.

Vineet Agrawal

Vineet Agrawal, aged 38 years, a commerce graduate is a Non Executive Director of our company. He assists the Managing Director in the day to day management and is responsible for the Marketing functions of the Company.

He has expertise in marketing of value added steel and aluminium products.

Mrinal Kanti Pal

Mrinal Kanti Pal, aged 61 years, a Chemical Engineer from NIT, Durgapur is a Non Executive Director of our Company.

Starting his career with Greaves Cotton & Co. Ltd, he was for some time involved in independent engineering consultancy assignments. He has handled liaison and purchase operations for Aluminium and Steel Divisions.

Details of current and past directorships

None of our Directors hold current and/ or past directorship(s) for a period of five years in listed companies whose shares have been or were suspended from being traded on the NSE or the BSE or in listed companies who have been / were delisted from stock exchanges.

Relationship between the Directors

Name of Director	Name of other Director	Nature of Relationship
Suresh Kumar Agrawal	Varun Kumar Agrawal	Son
Varun Kumar Agrawal	Suresh Kumar Agrawal	Father

Borrowing Powers of the Board

Pursuant to the approval of the Shareholders by Special Resolution at the Annual General Meeting held on September 10, 2014, the Board of Directors of our Company is authorised to borrow any sum of money to the extent of Rs. 1000.00 crores over and above the aggregate of the paid up share capital and free reserves for the time being.



Remuneration of our Directors

Remuneration of our Whole Time Directors

a) Suresh Kumar Agrawal

He was unanimously appointed as Managing Director by the Board of Directors with effect from November 23, 2014 for a period of 3 years, subject to shareholders' approval and other applicable approvals, if any. His appointment is in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013. He shall not be entitled to any remuneration. He shall not be entitled to any sitting fee for attending meetings of the Board and/ or Committees thereof. The appointment may be terminated by either party by giving 3(three) months' notice of such termination or salary in lieu thereof or by mutual consent. The terms and conditions of appointment including remuneration of the Managing Director may be altered and varied from time to time during his tenure of appointment by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and subject to the same being in accordance and within the limits specified in Schedule V and other applicable provisions of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof as may be applicable at the relevant time.

b) Varun Agrawal

The shareholders of the Company at the Extraordinary General Meeting held on 17th November, 2014 has approved the terms of appointment including remuneration of Mr. Varun Agrawal as a "Whole-time Director" of the Company for a period of 3 years with effect from 17th November 2014 subject to other applicable approvals, if any and pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013. The total remuneration payable to him as approved by the shareholders of the Company is as under:

1. For his services hereunder, Mr Varun Agrawal shall be entitled to receive a remuneration not exceeding Rs. 2,50,000/- per month as may be mutually decided between Mr. Varun Agrawal and the Board of Directors of the Company. The annual increment will be as decided by the Board of Directors.
2. Minimum Remuneration: Where in any financial year during the currency of the tenure as Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay to the Director, remuneration by way of salary,



benefits, perquisites allowances, etc as Minimum remuneration subject to the limits specified in Section II of Part II of Schedule V to the Companies Act, 2013.

3. Mr Varun Agrawal shall not be entitled to any sitting fee for attending meetings of the Board and/ or Committees thereof. His office shall be liable to determination by retirement of Directors by rotation.
4. The appointment may be terminated by either party by giving 3(three) months' notice of such termination or salary in lieu thereof or by mutual consent.
5. The terms and conditions of appointment including remuneration of the whole time Director may be altered and varied from time to time during his tenure of appointment by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and subject to the same being in accordance and within the limits specified in Schedule V and other applicable provisions of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof as may be applicable at the relevant time.

Remuneration of our Non-executive and Independent Directors

Our Company pays to each of its Non-executive and Independent Directors, sitting fees of Rs. 1,000/- for every meeting of its Board, and every committees of the Board as authorised by Board resolution dated November 23, 2014.

Shareholding of Directors in our Company

Sl. No.	Name of the Director	Number of Equity Shares held	% of total shares of the Company
1	Ajay Kumar Chakraborty	0	0
2	Dr Kali Kumar Chaudhuri	0	0
3	Mrinal Kanti Pal	396	0.00
4	Smita Khaitan	0	0
5	Suresh Kumar Agrawal	9402740	14.35
6	Varun Agrawal	2766930	4.22
7	Vineet Agrawal	2416245	3.69



The Articles of Association of our Company do not require the Directors of our Company to hold any qualification shares.

Interest of Directors

All the Directors may be deemed to be interested only to the extent of sitting fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of reimbursement of expenses payable to them under the Articles.

The Directors may also be regarded as interested in the shares held and subscribed by and allotted/transferred to the companies, firms and trusts, in which they are interested as directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Further, the Directors are interested to the extent of equity shares that they are holding and are allotted to them pursuant to the Scheme, and also to the extent of any dividend payable to them and other distributions in respect of the equity shares.

Except as stated otherwise in this Information Memorandum, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the Information Memorandum in which the Directors are directly or indirectly interested.



Changes in the Board of Directors since incorporation of our Company

Name of Directors	Date of appointment	Date of cessation	Reason (Appointment/Resignation)
Mahabir Prasad Agrawal	07.06.2001	17.01.2013	Resignation
Sunil Kumar Agrawal	07.06.2001	17.01.2013	Resignation
Basant Kumar Agrawal	07.06.2001	17.01.2013	Resignation
Weston Nonghuloo	07.06.2001	31.08.2009	Resignation
Ajay Kumar Chakraborty	09.01.2013	--	Appointment
Dr Kali Kumar Chaudhuri	17.11.2014	--	Appointment
Mrinal Kanti Pal	27.12.2012	--	Appointment
Smita Khaitan	17.11.2014	--	Appointment
Suresh Kumar Agrawal	27.12.2012	--	Appointment
Varun Agrawal	17.11.2014	--	Appointment
Vineet Agrawal	17.11.2014	--	Appointment

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

To comply with the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges, our Company has appointed independent directors to its Board. The Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee are also constituted and their details are as follows:

a) Audit Committee

The Audit Committee was constituted vide a resolution passed by the Board at its meeting held on November 23, 2014. The Audit Committee presently comprises of the following members:



Name of the Director	Designation	Nature of Directorship
Ajay Kumar Chakraborty	Chairman	Independent Director
Smita Khaitan	Member	Independent Director
K K Chaudhuri	Member	Independent Director
Suresh Kumar Agrawal	Member	Managing Director

Ajay Sharma, the Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Companies Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with revised clause 49 of the Listing Agreement, the terms of reference of the Audit Committee comply with the requirements of revised clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The terms of reference of the Audit Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial information and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minute in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.



b) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a meeting of our Board of Directors held on November 23, 2014. The Stakeholders' Relationship Committee presently comprises of the following members:

Name of the Director	Designation	Nature of Directorship
K K Chaudhuri	Chairman	Independent Director
Suresh Kumar Agrawal	Member	Managing Director
Varun Agrawal	Member	Whole Time Director

Ajay Sharma, the Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference:

The terms of reference of our Stakeholders' Relationship Committee are given below:

1. Redressal of shareholder and investor complaints like transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends, interests etc;
2. Reference to statutory and regulatory authorities regarding investor grievances;
3. To ensure proper and timely attendance and redressal of investor queries and grievances;
4. Oversee the performance of Registrar and Transfer Agent;
5. To approve the request for transfer, transmission, etc. of shares;
6. To approve the dematerialization of shares and rematerialisation of shares, splitting and consolidation of Equity Shares and other securities issued by our Company
7. Review of cases for refusal of transfer / transmission of shares and/or any other securities as may be issued by the Company from time to time , if any;
8. To review from time to time overall working of the secretarial department of our Company
9. relating to the shares of our Company and functioning of the share transfer agent and other related matters.
10. To consider and approve issue of duplicate / split / consolidated share certificates;
11. Issue of duplicate certificates and new certificates on split/consolidation/renewal



etc.;

12. such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by the committee.

c) Remuneration & Nomination Committee

The Remuneration & Nomination Committee was constituted by a meeting of our Board of Directors held on November 23, 2014. The Stakeholders' Relationship Committee presently comprises of the following members:

Name of the Director	Designation	Nature of Directorship
Ajay Kumar Chakraborty	Chairman	Independent Director
Smita Khaitan	Member	Independent Director
K K Chaudhuri	Member	Independent Director
Vineet Agrawal	Member	Non-Executive Director

Ajay Sharma, the Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference:

The terms of reference of the Remuneration & Nomination Committee comply with the requirements of section 178 of the Companies Act, 2013 and the Companies Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with revised clause 49 of the Listing Agreement. The terms of reference of our Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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 company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Key Management Personnel's (KMPs) and their Profile

Apart from Suresh Kumar Agrawal, Managing Director the following are Key Managerial



Personnel of the Company:

Ajay Sharma is a qualified Company Secretary from Institute of Company Secretaries of India. He is appointed as Company Secretary and Compliance Officer of the Company. His key expertise is in Secretarial compliances of the Company related to Stock Exchanges, RBI, SEBI and other statutory authorities as required for a listed company.

Rajesh Singhania, aged 47 years, is a qualified Chartered Accountant from Institute of Chartered Accountants of India. He is appointed as Chief Financial Officer (CFO) of the Company. His key expertise is in Finance Control, Operational Analysis, Accounts, MIS, Statutory and Internal Audit and General Administration.

Shareholding of KMPs

Name of the KMP	Number of Equity Shares held	% of Total Capital
Ajay Sharma	20	0.00
Rajesh Singhania	2	0.00

Employees

Pursuant to the Scheme, employees of Manaksia Limited related to the Demerged Undertaking have been transferred to our Company.



Our Promoters & Promoters Group

The Company is listed by way of the de-merger of Coated Metal Undertaking & Mosquito Coated Undertaking of Manaksia Limited. Manaksia Limited is listed on the NSE and the BSE. The name of the Promoters of our Company are given below:

Suresh Kumar Agrawal

Suresh Kumar Agrawal, aged 61 years, a Chemical Engineer from Punjab University is the Managing Director of our Company and responsible for the its overall management.

He has vast experience and knowledge in all facets of business and management, particularly in manufacturing and technical services, marketing and international business.

He pioneered in-house development of various production inputs utilised in the manufacture of packaging products and introduced technical servicing of such products. He also has expertise in marketing function as well as international operations.

For further details, see chapter titled “Our Management” in this Information Memorandum.

Varun Agrawal

Varun Agrawal, aged 32 years, a commerce Graduate from Calcutta University is a Whole time Director of our company. He assists the Managing Director in the day to day management and is responsible for the Marketing functions of the Company

He has experience in the marketing of value added aluminium and steel products of that Company.

For further details, see chapter titled “Our Management” in this Information Memorandum.

Vineet Agrawal

Vineet Agrawal, aged 38 years, a commerce graduate is a Non Executive Director of our company. He assists the Managing Director in the day to day management and is responsible for the Marketing functions of the Company.

He has expertise in marketing of value added steel and aluminium products.

For further details, see chapter titled “Our Management” in this Information Memorandum.



Promoters Group

Promoters Group Individuals

The following natural persons (being the immediate relatives of our Promoter) form part of our Promoters Group:

Relationship - Relatives	SURESH KUMAR AGRAWAL	VARUN AGRAWAL	VINEET AGRAWAL
FATHER	Late Jamuna Prasad Agrawal	Sri Suresh Kumar Agrawal	Sri Basudeo Agrawal
MOTHER	Smt Badami Agrawal	Smt Chandrakala Agrawal	Smt Shobha Devi Agrawal
BROTHER	Sri Mahabir Prasad Agrawal Sri Basudeo Agrawal	NA	NA
SISTER	Smt Rukmani Devi Jhunjhunwala Smt Sumitra Devi Agarwalla	Smt Shalini Bansal Smt Vishakha Poddar	Smt Ritu Agarwalla Smt Neha Jajodia
SPOUSE	Smt Chandrakala Agrawal	Smt Payal Agrawal	Smt Anuradha Agrawal
CHILDREN	Smt Shalini Bansal Sri Varun Agrawal Smt Vishakha Poddar	Miss Naisha Agrawal	Master Aryavarta Agrawal
SPOUSE FATHER	Late Mohan Lal Ladsaria	Sri Sajjan Bhajanka	Sri Vijay Ganga Prasad Saraogi
SPOUSE MOTHER	Late Dharmi Devi Ladsaria	Smt Santosh Bhajanka	Smt Kavita Vijay Saraogi
SPOUSE BROTHER	Sri Dinesh Ladsaria Sri Niraj Ladsaria	Sri Keshav Bhajanka	Sri Rohit Saraogi
SPOUSE SISTER	Smt Manju Singhania	Smt Shradha Agarwal Smt Sonu Kajaria	Smt Rachana Agarwal

Promoters Group Companies and Entities

The companies that form part of our Promoters Group are as follows:

S. No.	Name
1	Manaksia Limited
2	Manaksia Steels Limited
3	Manaksia Industries Limited
4	Manaksia Coated Metals & Industries Limited



5	AGR Capital Markets Limited
6	Maxell Securities Limited
7	Godson Exports Private Limited
8	Vinayak Enclave & Developer Private Limited
9	Fixopan Management Private Limited
10	Krishna Devlo Consultancy Private Limited
11	Shree Sanyogita Commercial Private Limited
12	Agrim Steel Industries Limited
13	Crest Steel & Alloys Private Limited
14	Sweka Caps Private Limited
15	Purvanchal Packaging Private Limited
16	Rainbow Manufacturing Co Private Limited
17	Seaview Tradecomm Private Limited
18	Purushottam Barter Private Limited
19	Anuradha Trexim Private Limited
20	Athena Minerals And Steel Private Limited
21	Manaksia Cements Private Limited
22	SSM Advance Materials Private Limited
23	SSQ Exports Private Limited
24	Mark Steels Limited
25	Manaksia Ferro Industries Limited
26	Manaksia Overseas Limited
27	MINL Limited
28	Dynatech Industries Ghana Limited
29	Jebba Paper Mills Limited

The Hindu Undivided Family(HUF) that form part of our Promoters Group are as follows:

Sl. No.	Name
1	MAHABIR PRASAD AGRAWAL (HUF)
2	SUNIL KUMAR AGRAWAL(HUF)
3	SUSHIL KUMAR AGRAWAL(HUF)
4	SURESH KUMAR AGRAWAL(HUF)
5	BASUDEO AGRAWAL (HUF)

Interest of Promoters/ Promoters Group

Our aforementioned Promoters are interested to the extent of sitting fees, remuneration, (if any) and reimbursement of expenses payable to them.

Moreover, certain Promoters Group are also on the Board of Directors of our certain Promoters Group Companies (aforementioned) and may deemed to be interested to the extent of their shareholding in our Company, for which they are entitled to receive the dividend declared and other distributions in respect of Equity Shares, if any, by our Company, or payments made by our Company, if any, to these Promoters Group or may deemed to be interested to the extent of being Directors in the said Promoters Group/Companies.



Group Entities

Unless otherwise stated none of the companies forming part of the Group Entities is a sick company under the meaning of SICA and none of them are under winding up or had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of this Information Memorandum.

The Group Entities are as follows:

Companies

S. No.	Name
1	Manaksia Limited
2	Manaksia Steels Limited
3	Manaksia Industries Limited
4	Manaksia Coated Metals & Industries Limited
5	AGR Capital Markets Limited
6	Maxell Securities Limited
7	Godson Exports Private Limited
8	Vinayak Enclave & Developer Private Limited
9	Fixopan Management Private Limited
10	Krishna Devlo Consultancy Private Limited
11	Shree Sanyogita Commercial Private Limited
12	Agrim Steel Industries Limited
13	Crest Steel & Alloys Private Limited
14	Sweka Caps Private Limited
15	Purvanchal Packaging Private Limited
16	Rainbow Manufacturing Co Private Limited
17	Seaview Tradecomm Private Limited
18	Purushottam Barter Private Limited
19	Anuradha Trexim Private Limited
20	Athena Minerals And Steel Private Limited
21	Manaksia Cements Private Limited
22	SSM Advance Materials Private Limited
23	SSQ Exports Private Limited
24	Mark Steels Limited
25	Manaksia Ferro Industries Limited
26	Manaksia Overseas Limited
27	MINL Limited
28	Dynatech Industries Ghana Limited
29	Jebba Paper Mills Limited

Hindu Undivided Family (HUF)

Sl. No.	Name
1	MAHABIR PRASAD AGRAWAL (HUF)
2	SUNIL KUMAR AGRAWAL(HUF)
3	SUSHIL KUMAR AGRAWAL(HUF)
4	SURESH KUMAR AGRAWAL(HUF)



The details of Top 5 Group Entities are as follows:

1. MINL Limited

MINL Limited incorporated in Nigeria is engaged in the manufacturing Aluminium and Steel value added products, packaging products.

Shareholding pattern

The shareholding pattern as on the date of the Information Memorandum:

Name of the Shareholder	Number of Equity Shares of Naira 1 each	% of issues capital
Manaksia Limited	907897869	100.00

Board of Directors:

The board of directors as on the date of the Information Memorandum

SI No.	Name of the Director	Designation
1	Mr. Shirish R. Mehta	Director
2	Mr. Binod Kumar Agrawal	Director
3	Mr. M.K.A. Shobiye	Director

Financial Performance

The financial performance as on the date of the Information Memorandum

Particulars	2012	2013	INR (Lacs) 2014
Sales and other income	1,12,990.03	1,12,579.79	1,06,270.51
Profit/ (Loss) after tax	13,801.91	10,681.34	13,157.00
Equity capital	3,056.86	3,056.86	3,056.86
Reserves and Surplus	54,193.32	64,874.65	78,031.65
Earnings/ (Loss) per share	1.52	1.18	1.45
Net Asset Value per share (Rs.)	6.31	7.48	8.93

Note: The amounts represented above have been calculated based on the conversion rate of Rs.1 for Naira 2.97 as on December 1, 2014.

2. Dynatech Industries Ghana limited

Dynatech Industries Ghana Limited incorporated in Ghana is engaged in business of Aluminium and Steel value added products.



Shareholding pattern

The shareholding pattern as on the date of the Information Memorandum:

Name of the Shareholder	Number of Equity Shares of Cedi 10000 each	% of issues capital
Manaksia Limited	843961	100.00

Board of Directors:

The board of directors as on the date of the Information Memorandum

Sl No.	Name of the Director	Designation
1	Mr. Shirish R. Mehta	Director
2	Mr. Lalit Kumar Newar	Director
3	Mr. Amit Jaiprakash Agarwal	Director

Financial Performance

The financial performance as on the date of the Information Memorandum

Particulars	2012	2013	INR (Lacs) 2014
Sales and other income	10,470.40	10,644.23	7,718.67
Profit/ (Loss) after tax	(104.37)	237.69	(679.88)
Equity capital	162.83	162.83	162.83
Reserves and Surplus	50.35	202.96	(476.92)
Earnings/ (Loss) per share	(12.37)	28.16	(80.56)
Net Asset Value per share (Rs.)	25.26	43.34	(37.22)

Note: The amounts represented above have been calculated based on the conversion rate of Rs.1 for Gh¢ 0.0518 as on December 1, 2014.

3. Manaksia Aluminium Company Limited

Manaksia Aluminium Company Limited incorporated in India is engaged in Manufacturing of Aluminium Sheets.

Shareholding Pattern

The shareholding pattern as on date of Information Memorandum is as follows:



Category code (I)	Category of shareholder(II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C) (VII)	Number of shares	As a percentage (IX) = (VIII/IV)* 100
(A)	<u>Shareholding of Promoter and Promoter Group</u>							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	20	412,55,940	412,55,940	62.953	62.953	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks				-	-	-	-
(e)	Any Other (specify) Person acting in concern	-	-	-	-	-	-	-
	Sub-Total (A)(1)	20	412,55,940	412,55,940	62.953	62.953	-	-
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate			-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investors	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	20	412,55,940	412,55,940	62.953	62.953	-	-
(B)	<u>Public shareholding</u>				-	-	NA	NA
1	Institutions				-	-	NA	NA
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	2	19,208	19,208	0.030	0.030	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-



(d)	Insurance Companies	-	-	-	-	-	-	-
(e)	FIIs	6	62,290	62,290	0.094	0.094	-	-
(f)	Qualified Foreign Investors	-	-	-	-	-	-	-
(f)	Foreign Venture Capital	-	-	-	-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	8	81,498	81,498	0.124	0.124	-	-
2	Non-institutions				-	-	NA	NA
(a)	Bodies Corporate	407	173,30,040	173,30,040	26.444	26.444	-	-
(b)	Individuals				-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	26,542	55,54,691	55,53,378	8.476	8.476	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	8	12,19,000	12,19,000	1.860	1.860	-	-
(c)	Any Other (Specify)	-	-	-	-	-	-	-
	1. Clearing Member	85	46,784	46,784	0.071	0.071	-	-
	2. NRIs	128	32,839	32,839	0.050	0.050	-	-
	3. NRN	35	13,258	13,258	0.020	0.020	-	-
	Sub-Total (B)(2)	27,205	241,96,612	241,95,299	36.922	36.922	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)	27,213	242,78,110	242,76,797	37.047	37.047	NA	NA
	TOTAL (A)+(B)	27,233	655,34,050	655,32,737	100.000	100.000	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				-	-	NA	NA
	1 Promoter & Promoter Group	-	-	-	-	-	-	-
	2 Public	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	27,233	655,34,050	655,32,737	100.000	100.000	0.00	0.00

Board of Directors:

The Board of Directors as on the date of the Information Memorandum



Sl No.	Name of the Director	Designation
1	Ajay Kumar Chakraborty	Independent Chairman
2	Anirudha Agrawal	Non-Executive Director
3	Basudeo Agrawal	Non-Executive Director
4	Dr Kali Kumar Chaudhuri	Independent Director
5	Mrinal Kanti Pal	Non-Executive Director
6	Smita Khaitan	Independent Director
7	Sunil Kumar Agrawal	Managing Director
8	Vineet Agrawal	Whole time Director

Financial Performance

The financial performance as on the date of the Information Memorandum

Particulars Fiscal	(Rs. in Lacs)		
	FY 2012	FY 2013	FY 2014
Sales and other income			16,826.16
Profit/ (Loss) after tax	(2.19)	(0.28)	100.70
Equity capital	5.00	5.00	660.34
Reserves and Surplus	(2.19)	(2.47)	8,121.45
Earnings/ (Loss) per share (Rs.)	(4.38)	(0.06)	0.30
Net Asset Value per share (Rs.)	0.56	0.51	13.41

4. Manaksia Coated Metals & Industries Limited

Manaksia Coated Metals & Industries Limited was incorporated on 25th March, 2010 is carrying on the business of Colour Coated Sheets and Mosquito Coils.

Shareholding Pattern

The shareholding pattern as on date of Information Memorandum is as follows:

Category code (I)	Category of shareholder(II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C) (VII)	Number of shares	As a percentage (IX) = (VIII/IV)* 100



(A)	<u>Shareholding of Promoter and Promoter Group</u>						
1	Indian						
(a)	Individuals/ Hindu Undivided Family	20	412,55,940	412,55,940	62.953	62.953	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Other (specify) Person acting in concern	-	-	-	-	-	-
	Sub-Total (A)(1)	20	412,55,940	412,55,940	62.953	62.953	-
2	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investors	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	20	412,55,940	412,55,940	62.953	62.953	-
(B)	<u>Public shareholding</u>					-	NA NA
1	Institutions				-	-	NA NA
(a)	Mutual Funds/ UTI	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	2	19,208	19,208	0.030	0.030	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-
(d)	Insurance Companies	-	-	-	-	-	-
(e)	FIIs	6	62,290	62,290	0.094	0.094	-
(f)	Qualified Foreign Investors	-	-	-	-	-	-
(f)	Foreign Venture Capital	-	-	-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (B)(1)	8	81,498	81,498	0.124	0.124	-



2	Non-institutions					-	NA	NA
(a)	Bodies Corporate	407	173,30,040	173,30,040	26.444	26.444	-	-
(b)	Individuals				-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	26,542	55,54,691	55,53,378	8.476	8.476	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	8	12,19,000	12,19,000	1.860	1.860	-	-
(c)	Any Other (Specify)	-	-	-	-	-	-	-
	1. Clearing Member	85	46,784	46,784	0.071	0.071	-	-
	2. NRIs	128	32,839	32,839	0.050	0.050	-	-
	3. NRN	35	13,258	13,258	0.020	0.020	-	-
	Sub-Total (B)(2)	27,205	241,96,612	241,95,299	36.922	36.922	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	27,213	242,78,110	242,76,797	37.047	37.047	NA	NA
	TOTAL (A)+(B)	27,233	655,34,050	655,32,737	100.000	100.000	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				-	NA	NA	
	1 Promoter & Promoter Group	-	-	-	-	-	-	-
	2 Public	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	27,233	655,34,050	655,32,737	100.000	100.000	0.00	0.00

Board of Directors:

The Board of Directors as on the date of the Information Memorandum

Sl No.	Name of the Director	Designation
1	Ajay Kumar Chakraborty	Independent Chairman
2	Sushil Kumar Agrawal	Managing Director
3	Karan Agrawal	Wholetime Director
4	Aniruddha Agrawal	Wholetime Director
5	Srinivas Kumar Venkata Nanduri	Wholetime Director
6	Sunil Kumar Agrawal	Non Executive Director
7	Smita Khaitan	Independent Director
8	Kali Kumar Chaudhuri	Independent Director



Financial Performance

The financial performance as on the date of the Information Memorandum

Particulars	2012	2013	(Rs. in Lacs)
2014			
Sales and other income			16,826.16
Profit/ (Loss) after tax	(2.19)	(0.28)	100.70
Equity capital	5.00	5.00	660.34
Reserves and Surplus	(2.19)	(2.47)	8,121.45
Earnings/ (Loss) per share (Rs.)	(4.38)	(0.06)	0.30
Net Asset Value per share (Rs.)	0.56	0.51	13.41

5. Jebba Paper Mills Limited

Jebba Paper Mills Limited incorporated in Nigeria is engaged in Manufacturing of Paper.

Shareholding pattern

The shareholding pattern as on the date of the Information Memorandum:

Name of the Shareholder	Number of Equity Shares of Naira 1 each	% of issues capital
MINL Limited	2,00,00,000	100.00



Board of Directors:

The board of directors as on the date of the Information Memorandum

SI No.	Name of the Director	Designation
1	Mr. Shirish R. Mehta	Director
2	Mr. A N Jha	Director

Financial Performance

The financial performance as on the date of the Information Memorandum

Particulars	2012	2013	INR (Lacs) 2014
Sales and other income	9,726.61	11,042.35	14,140.92
Profit/ (Loss) after tax	2,437.13	2,717.19	3,261.33
Equity capital	67.34	67.34	67.34
Reserves and Surplus (excluding	5,268.25	7,985.44	11,246.77
Earnings/ (Loss) per share	12.19	13.59	16.31
Net Asset Value per share (Rs.)	26.68	40.26	56.57

Note: The amounts represented above have been calculated based on the conversion rate of Rs.1 for Niara 2.97 as on December 1, 2014.



SECTION V – FINANCIAL INFORMATION



S. K. AGRAWAL & CO.

Chartered Accountants

Suite 606-08, The Chambers,
(Opposite Gitanjali Stadium)
1865, Rajdanga Main Road,
Kolkata-700107, West Bengal

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Manaksia Steels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Manaksia Steels Limited** ("the Company") which comprise the Balance Sheet as at September 30, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the half-year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

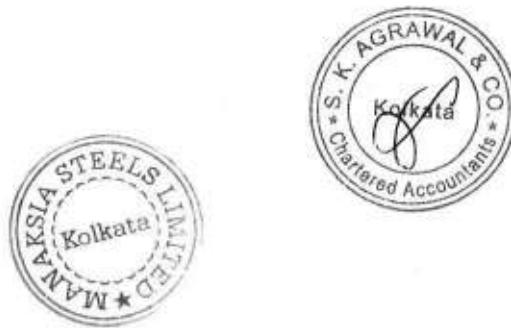
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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.

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.



S. K. AGRAWAL & CO.

Chartered Accountants

Suite 606-08, The Chambers,
(Opposite Gitanjali Stadium)
1865, Rajdanga Main Road,
Kolkata-700107, West Bengal

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 audit opinion on the financial statements.

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:

- i) In the case of the Balance Sheet, of the State of affairs of the Company as at September 30, 2014
- ii) In the case of the Statement of Profit and Loss, of the Profit for the half-year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the half-year ended on that date.

Limitation

This report is addressed to the Board of Directors of the Company and has been prepared only for the purpose of inclusion in the Information Memorandum for submission to the stock exchanges, prepared in connection with the proposed listing of equity shares of the Company.

For, **S. K. AGRAWAL & COMPANY**

Chartered Accountants

Registration No- 306033E



Hemant Lakhotia
Hemant Kumar Lakhotia

Partner

Membership No: 068851

Kolkata

7 January, 2015



MANAKSIA STEELS LIMITED

Balance Sheet

	Notes	As at	
		September 30, 2014 Rs. in Lacs	March 31, 2014 Rs. in Lacs
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	2	5.00	5.00
(b) Share suspense account	2A	655.34	655.34
(c) Reserves and surplus	3	<u>13,989.90</u>	<u>13,390.28</u>
		<u>14,650.24</u>	<u>14,050.62</u>
2. Non-current liabilities			
(b) Deferred tax liabilities (net)	4	810.52	862.37
(c) Long term provisions	5	<u>68.59</u>	<u>57.74</u>
		<u>879.11</u>	<u>920.11</u>
3. Current liabilities			
(a) Short term borrowings	6	1,774.95	12,807.14
(b) Trade payables	7	7,037.22	4,967.29
(c) Other current liabilities	8	624.01	1,040.27
(d) Short term provisions	9	<u>569.49</u>	<u>211.74</u>
		<u>10,005.67</u>	<u>19,026.44</u>
TOTAL		<u>25,535.02</u>	<u>33,997.17</u>
II. ASSETS			
1. Non current assets			
(a) Fixed assets	10		
Tangible assets		6,820.14	7,286.88
Capital work-in-progress		354.34	240.73
(b) Long term loans and advances	11	<u>32.06</u>	<u>31.81</u>
		<u>7,206.54</u>	<u>7,559.42</u>
2. Current assets			
(a) Inventories	12	8,858.54	13,290.64
(b) Trade receivables	13	5,208.86	7,546.53
(c) Cash and Cash equivalents	14	64.93	1,504.59
(d) Short term loans and advances	15	<u>4,196.15</u>	<u>4,095.99</u>
		<u>18,328.48</u>	<u>26,437.75</u>
TOTAL		<u>25,535.02</u>	<u>33,997.17</u>

Significant Accounting Policies

1

See accompanying Notes to the Financial Statements

2-31

The notes referred to above form an integral part of the financial statements

As per our Report attached of even date

For S K Agrawal & Company

Chartered Accountants

Firm Regn. No. 306033E

Hemant Lakhotia
Hemant Kumar Lakhotia
(Partner)

Membership No. 068851

Kolkata

7th day of January, 2015



For and on Behalf of the Board of Directors

Suresh Kumar Agrawal
Suresh Kumar Agrawal
(Managing Director)

Mrinal Kanti Pal

Mrinal Kanti Pal
(Director)



MANAKSIA STEELS LIMITED
Statement of Profit And Loss

	Notes	For the half year ended September 30, 2014		For the year ended March 31, 2014 Rs.in Lacs
		Rs.in Lacs		
I. Income				
Revenue from operations	16	21,527.21		21,251.38
Other Income	17	478.08		494.28
Total Revenue		22,005.29		21,745.66
II. Expenses				
Cost of materials consumed (including trading goods)	18	15,774.63		17,058.46
Changes in Inventories of finished goods, Work-in-progress and stock-in-trade	19	954.14		(1,158.35)
Employee benefits expense	20	316.31		339.20
Finance costs	21	185.93		638.78
Depreciation and amortization expense	10	432.06		192.97
Other expenses	22	3,399.42		3,131.37
Total Expenses		21,062.49		20,202.43
III. Profit before tax		942.80		1,543.23
IV. Tax expenses				
Current tax		365.14		495.00
Deferred tax		(51.86)		(3.90)
Total tax expenses		313.28		491.10
V. Profit/(loss) for the period		629.52		1,052.13
VI. Basic and diluted Earnings per equity share of face value of Rs. 1/- each	24	Rs. 0.95		Rs. 3.16

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1

2-31

The notes referred to above form an integral part of the financial statements

As per our Report attached of even date
For S K Agrawal & Company

Chartered Accountants

Firm Regn. No. 306033E

Hemant Lakhotia
Hemant Kumar Lakhotia
(Partner)
Membership No. 068851
Kolkata
7th day of January, 2015



For and on Behalf of the Board of Directors

S. K. Agrawal
Suresh Kumar Agrawal
(Managing Director)

Mrinal Kanti Pal
Mrinal Kanti Pal
(Director)



MANAKSIA STEELS LIMITED

Cash Flow Statement for the Half Year Ended 30th September, 2014

(Rs in Lacs)

PARTICULARS	30th September, 2014	31st March 2014
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax :	942.80	1,543.23
Adjustment for:		
Depreciation/ Amortisation	432.06	192.97
Finance Cost & Interest (Net)	136.04	635.40
Loss on Fixed Assets Sold / Discarded (Net)	2.85	(4.00)
Prior Period & Exceptional Items (Net)	(3.95)	-
Dividend from Mutual Fund	(6.41)	-
Dividend from Subsidiary Company	-	-
Operating Profit before Working Capital Changes	1,503.39	2,367.60
Adjustment for:		
(Increase)/Decrease in Trade Receivables	2,337.67	549.72
(Increase)/Decrease in Other Receivables	799.59	6,326.41
(Increase)/Decrease in Inventories	4,432.10	(7,099.34)
Increase/(Decrease) in Trade Payables	2,069.93	(10,923.14)
Increase/(Decrease) in Other Payables	(398.17)	(550.89)
Cash Generated from Operations	10,744.51	(9,329.64)
Direct Taxes Paid	-	(322.27)
Cash Flow before Prior Period & Exceptional items	10,744.51	(9,651.91)
Prior Period & Exceptional Items (Net)	3.95	-
Net Cash Flow from Operating Activities	10,748.46	(9,651.91)
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets and change in Capital work in progress	(113.61)	(128.76)
(Including Capital Work in Progress and capital advances)		
Sale of Fixed Assets	1.97	-
Loan (Given) / Repayment	600.00	(600.00)
Interest Received	30.78	3.38
Dividend Received from Mutual Fund	6.41	4.00
Net Cash Flow from/(Used in) Investing Activities	525.55	(721.38)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
(Repayment of)/ Proceeds from Short Term Borrowings (Net)	(12,532.19)	12,493.99
Interest etc. Paid	(181.47)	(624.02)
Net Cash Flow From/(Used in) Financing Activities	(12,713.66)	11,869.97
D: Net Increase/(Decrease) in Cash and Cash Equivalents	(1,439.65)	1,496.68
Cash and Cash Equivalents as at 1st April	1,504.58	1.08
Cash Taken over on Demerger	-	6.82
Cash and Cash Equivalents as at	64.93	1,504.58

Note: Previous year's figures have been rearranged and regrouped wherever necessary.

As per our Report attached of even date

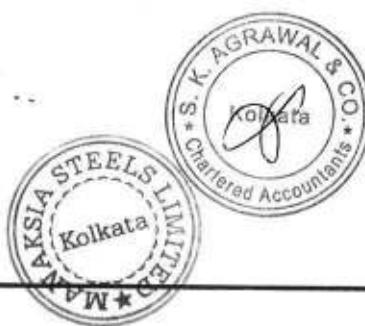
For S K Agrawal & Company

Chartered Accountants

Firm Regn. No. 306033E

*Hemant Lakhotia*Hemant Kumar Lakhotia
(Partner)Membership No. 068851
Kolkata

7th day of January, 2015

For and on Behalf of the
Board of Directors*S. K. Agrawal*Suresh Kumar Agrawal
(Managing Director)*Mrinal Kanti Pal*Mrinal Kanti Pal
(Director)

MANAKSIA STEELS LIMITED

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

(Annexed to and forming part of the financial statements for the half year ended 30th September, 2014)

I) Basis of preparation of Financial Statement

The financial statements are prepared under the Historical cost convention method, using the accrual system of accounting in accordance with the Generally Accepted Accounting Principles in India including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

II) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon transfer of title and rendering of services to the customers.

- Sales include trade sales.
- Gross Sales include applicable taxes unless separately charged and are net of discount.
- Sales are recognised on dispatch except consignment sales which are recognised on receipt of statement of accounts from the agent.

III) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of CENVAT/VAT), taxes, borrowing costs directly attributable to acquisition, incidental expenses and erection/ commissioning etc., upto the date, the asset is ready for its intended use.

IV) Depreciation

- Depreciation on all Fixed Assets is provided as per Schedule II of Companies Act, 2013 under Straight Line Method over estimated useful lives for each category of assets as under:
 - Factory Building : 30 years
 - Plant and Machinery : 10 to 20 years
 - Electrical Installation and Equipments : 10 Years
 - Furniture and Fixture : 10 Years
 - Office Equipment : 5 Years
 - Motor Vehicles : 8 Years
 - Computers : 3 Years
- Depreciation includes amortisation of leasehold land over the period of lease.
- The residual value of assets has been considered as five percent of the original cost of the assets as per Schedule II of the Act.
- Depreciation is provided on pro-rata basis on additions and deletions of Fixed Assets during the year except for assets costing Rs.5000/- or less on which 100% Depreciation is provided. Depreciation on individual items of plant and machinery costing Rs. 5000/- or less is being provided at normal applicable rates, whenever aggregate cost of such items constitute more than 10% of the total cost of plant and machinery.
- In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- Software costs are amortized using the Straight Line Method over estimated useful life of 3 years.



MANAKSIA STEELS LIMITED

V) Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factor. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and value in use of the assets. The estimated cash flows considered for determining the value in use, are discounted to the present value at weighted average cost of capital.

VI) Foreign currency transaction

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

VII) Investments

Long term Investments are stated at Cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition. Current investments are carried at lower of cost or fair value of each investment. Short term Investments in liquid fund scheme of mutual funds have been stated at their NAV on year end date or purchase price whichever is less.

VIII) Inventories

Inventories are valued as follows:

- a) Raw materials, finished goods, Stock in trade, Work in process, Packing materials and stores & spares are valued at lower of cost and net realisable value. Closing stock has been valued on Weighted Average basis.
- b) Saleable scraps, whose cost is not identifiable, are valued at estimated realisable value.



MANAKSIA STEELS LIMITED

IX) Research & Development

Research and development expenditure of revenue nature are charged to Statement of Profit and Loss Account, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

X) Employee Benefits

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss Account/Project Development Expenditure Account.

XI) Earning Per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XII) Excise Duty and Custom Duty

Excise duty on finished goods stock lying at factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods as on the Balance Sheet date. Custom duty on imported material in transit / lying in bonded warehouse is accounted for at the time, the same are released from Customs/ Bonded warehouse.

XIII) Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains/losses on settlement and provision for losses for cash flow hedges and restatement on Balance Sheet date are recognised in the Statement of Profit and Loss Account, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

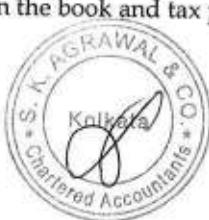
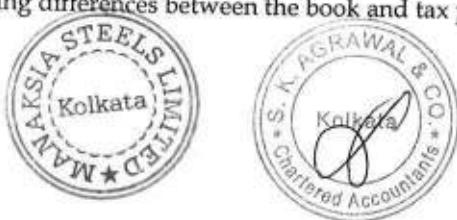
XIV) Borrowing Costs

Borrowing Costs relating to acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

XV) Taxation

Tax expenses comprises of 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, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for



MANAKSIA STEELS LIMITED

using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

XVI) Segment Reporting

Identification of segments

As the Company's business activity falls within a single primary business segment, viz. "Metals", the disclosure requirements of Accounting Standard-17 "Segment Reporting", notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts)Rules, 2014 are not applicable. The analysis of geographical segments is based on the areas in which the customers of the company are located.

XVII) Prior Period Expenses/Income

Material items of prior period expenses/income are disclosed separately.

XVIII) Provision, Contingent Liabilities and Contingent Assets

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



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the half year ended September 30, 2014

	As At September 30, 2014 Rs. in Lacs	As At March 31, 2014 Rs. in Lacs
2. Share Capital		
a) Authorised:		
10,000,000 (10,000,000) Equity Shares of Rs. 1/- each	100.00 100.00	100.00 100.00
b) Issued, Subscribed and fully paid-up Shares:		
5,00,000(5,00,000) Equity Shares of Rs. 1/- each fully paid up (Refer Note No. 29.3)	5.00 5.00	5.00 5.00
c) Details of shareholders holding more than 5% shares in the Company		
Name of Shareholders	As at September 30, 2014 No. of shares	As at March 31, 2014 No. of shares
Manaksia Limited - Holding Company	500,000	500,000
d) Reconciliation of the shares outstanding is set out below:		
Equity Shares	2014-15 No. of shares	2013-14 No. of shares
At the beginning of the period	500,000	500,000
Outstanding at the end of the period	500,000	500,000
e) Terms/rights attached to each class of shares		
Equity Shares:		
The Company has only one class of equity shares having a par value of Rs.1/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
2A. Share Suspense Account		
65,534,050 (65,534,050) Equity Shares of Rs. 1/- each fully paid up, to be issued pursuant to the Scheme of Arrangement (Refer Note No. 29.3)	655.34	655.34
3. Reserves and surplus	655.34	655.34
A. Securities Premium		
As per last Balance Sheet	4,673.93	-
Add: Addition during the period (Refer Note No. 29.4)	-	4,673.93
Balance as at the end of the period	4,673.93	4,673.93
B. General Reserve		
As per last Balance Sheet	7,668.21	-
Add: Addition during the period (Refer Note No. 29.4)	-	7,668.21
Less : Depreciation (Refer Note No. 26)	29.90	-
Balance as at the end of the period	7,638.31	7,668.21
C. Surplus in the statement of profit and loss		
As per last Balance Sheet	1,048.14	(3.99)
Add : Profit for the period	629.52	1,052.13
Balance as at the end of the period	1,677.66	1,048.14
	13,989.90	13,390.28
4. Deferred tax liabilities (net)		
a) Deferred Tax Liability		
Timing difference in depreciable assets	833.12	884.97
b) Deferred Tax Assets		
Expenses allowable against taxable income in future years	(22.60)	(22.60)
Net Deferred tax Liability	810.52	862.37



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the half year ended September 30, 2014 (Continued)

	As at September 30, 2014 Rs. in Lacs	As at March 31, 2014 Rs. in Lacs
5. Long term provisions		
Provision for Employee Benefits (Refer Note 30)		
Total	68.59	57.74
	<u>68.59</u>	<u>57.74</u>
6. Short term borrowings		
Secured		
a) Loans repayable on Demand		
From Banks		
Foreign Currency Loan	619.40	600.20
Rupee Loan	<u>1,130.09</u>	<u>635.35</u>
b) Buyers Credit	19.21	11,567.34
Unsecured Advance repayable on demand		
From a Related Party (Refer Note No 27)	6.25	4.25
Total	<u>6.25</u>	<u>4.25</u>
	<u>1,774.95</u>	<u>12,807.14</u>
Note:		
The Company's Working Capital facilities are secured by First Charge on the current assets of the Company ranking pari passu with the respective Working Capital Bankers.		
The amount is further secured on second charge basis on fixed assets of the Company ranking pari passu with the respective Working Capital Bankers.		
7. Trade payables		
Micro, Small and Medium Enterprises*		
Others		
Total	7,037.22	4,965.01
	<u>7,037.22</u>	<u>4,967.29</u>

Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

8. Other current liabilities

Interest accrued but not due on borrowings	0.13	14.76
Other Payables *	623.88	1,025.51
Total	<u>624.01</u>	<u>1,040.27</u>

* Other Payables include Statutory Dues, Advances from Customers & Overdrawn Balances from banks.

9. Short term provisions

Provision for Employee Benefits (Refer Note 30)	20.20	22.35
Provision for Income Tax	537.87	172.73
Others *	11.42	16.66
Total	<u>569.49</u>	<u>211.74</u>

* Indicates Liabilities for excise duty on closing stock of Finished Goods.



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the half year ended September 30, 2014
 10. FIXED ASSETS

Particulars	GROSS BLOCK			Depreciation / Amortisation			Rs. in Lacs							
	As at 1st April 2014	Addition	Deletions/ Adjustment	As at 30th Sep 2014	As at 1st April 2014	Deductions/ Adjustments	For the Year	Short/(Excess) Depreciation	Up to 30th Sep 2014	Provision for earlier years	As at 30th Sep 2014	As at 31st March 2014	NET BLOCK	
Tangible Assets :														
a) Land	6.20	-	-	6.20	-	-	-	-	-	-	6.20	6.20		
b) Leasehold Land*	192.50	-	-	192.50	21.39	1.07	-	22.46	170.04	171.11	170.04	171.11		
c) Building	2,659.68	-	-	2,659.68	612.75	41.39	-	654.14	2,005.54	2,046.93	2,005.54	2,046.93		
d) Plant & Equipment	5,803.87	-	-	5,803.87	1,451.53	309.67	7.25	1,768.45	4,035.42	4,352.34	4,035.42	4,352.34		
e) Electrical Installation	678.46	-	-	678.46	211.42	57.09	18.25	286.76	391.70	467.04	391.70	467.04		
f) Electric Generator	28.87	-	-	28.87	15.42	-	1.61	-	17.03	11.84	13.45	11.84	13.45	
g) Computers	22.75	-	-	22.75	15.80	-	1.21	2.62	19.63	3.12	6.95	3.12	6.95	
h) Office Equipment	9.38	-	-	9.38	0.86	-	1.09	1.24	3.19	6.19	8.52	6.19	8.52	
i) Furniture & Fixtures	34.95	-	-	34.95	11.00	-	2.96	0.26	14.22	20.73	23.95	14.22	23.95	
j) Vehicles	260.29	-	-	251.76	69.87	(3.71)	15.97	0.28	82.41	169.35	190.42	169.35	190.42	
Total Fixed Assets	9,696.95	-	-	8.53	9,688.42	2,410.04	(3.71)	432.06	29.90	2,868.29	6,820.13	7,286.91	6,820.13	7,286.91
Capital Work in Progress	240.73	113.61	-	-	354.34	-	-	-	-	-	354.34	240.73	354.34	240.73

* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2014
10. FIXED ASSETS

Particulars	GROSS BLOCK				Depreciation / Amortisation				Rs. in Lacs	
	As at 1st April 2013	Additions pursuant to the scheme of arrangement (Refer Note No. 28.2)	Deletion/ Adjustment	As at 31st Mar 2014	As at 1st April 2013	As at 1st April 2013	Depreciation/ Adjustments	For the Year	Up to 31st Mar 2014	As at 31st Mar 2014
Tangible Assets :										
a) Land										
b) Leasehold Land*										
c) Building										
d) Plant & Equipment										
e) Electrical Installation										
f) Electric Generator										
g) Computers										
h) Office Equipment										
i) Furniture & Fixtures										
j) Vehicles										
Total Fixed Assets Assets	8,795.67	901.26			9,696.93		2,217.08		192.97	2,410.05
Capital Work in Progress	1,013.23		772.50		240.73					7,286.88
										240.73

* Leasehold Land includes cost of 35 acre land at Haldia for which conveyance deed has not been executed.



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the half year ended September 30, 2014

	As At September 30, 2014 Rs. in Lacs	As At March 31, 2014 Rs. in Lacs
11. Long term loans and advances (Unsecured, considered good)		
Security Deposit	32.06	31.81
Total	<u>32.06</u>	<u>31.81</u>
12. Inventories		
At Lower of Cost or Net Realisable Value		
Raw Materials	6,216.16	9,511.21
Work-in-Process	1,990.20	2,730.15
Finished Goods	63.02	404.52
Stores & Spares	423.73	568.47
Stock in Trade	124.63	38.16
At Estimated Realisable Value		
Scraps	40.80	38.13
Total	<u>8,858.54</u>	<u>13,290.64</u>
13. Trade receivables		
Considered Good :		
Outstanding over six months	379.00	164.62
Other Debts	4,829.86	7,381.91
Total	<u>5,208.86</u>	<u>7,546.53</u>
14. Cash and cash equivalents		
Balances with Banks	56.02	0.67
Cheque in Hand	-	1,500.00
Cash in Hand	8.91	3.92
Total	<u>64.93</u>	<u>1,504.59</u>
15. Short term loans and advances (Unsecured, considered good)		
Loans and Advances to Related Party (Refer Note No 27)	-	600.00
Balances with Statutory Authorities	619.10	243.77
Others*	3,577.05	3,252.22
Total	<u>4,196.15</u>	<u>4,095.99</u>

* Includes primarily Prepaid Expenses, Advance to Creditors & Advance to Staff



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the half year ended September 30, 2014

	For the half year ended September 30, 2014 Rs.in Lacs	For the year ended March 31, 2014 Rs.in Lacs
16. Total Revenue		
Sale of products	21,471.39	21,263.36
Other Operating Income	273.77	60.35
Less : Excise Duty	21,745.16	21,323.71
Total	217.95	72.33
	21,527.21	21,251.38
17. Other Income		
Income from Current Investment :		
Tax Free Dividends From Mutual Funds	6.41	4.00
Interest Income	49.87	3.38
Exchange Fluctuation	417.82	481.02
Prior Period Items	3.95	-
Miscellaneous Income	0.03	5.88
Total	478.08	494.28
18. Cost of materials consumed		
Opening Stock / Inventories taken over pursuant to Scheme of Arrangement - (Refer Note No. 29.2)		
Add : Purchases including Procurement Expenses	9,511.21	3,648.53
Less : Closing Stock	12,479.58	22,921.14
	6,216.16	9,511.21
	15,774.63	17,058.46
19. Changes in Inventories of finished goods, Work- in-progress and stock-in-trade		
Opening Stock / Inventories taken over pursuant to Scheme of Arrangement - (Refer Note No. 29.2)		
Finished Goods	404.52	643.23
Work in Progress	2,730.15	1,347.77
Scrap	38.13	23.45
	3,172.80	2,014.45
Closing Stock		
Finished Goods	187.66	404.52
Work in Progress	1,990.20	2,730.15
Scrap	40.80	38.13
	2,218.66	3,172.80
	954.14	(1,158.35)
20. Employee benefits expense		
Salaries, Wages and Bonus	256.34	271.38
Contribution to provident & other funds (Refer Note 30)	11.50	12.04
Staff Welfare Expenses	48.47	55.78
Total	316.31	339.20



MANAKSIA STEELS LIMITED

Notes to financial statements as at and for the half year ended September 30, 2014

	For the half year ended September 30, 2014 Rs. In Lacs	For the year ended March 31, 2014 Rs. In Lacs
21. Finance costs		
Interest Expenses	157.78	432.32
Other Borrowing Cost	28.15	206.46
Total	185.93	638.78
22. Other expenses		
Consumption of Stores and Consumables		
Indigenous	84.81	418.29
Imported	96.88	21.37
Power & Fuel	764.34	657.28
Processing Charges	6.90	1.43
Clearing Charges	0.61	0.09
Carriage Inward	8.21	16.42
Repairs to:		
Building	70.25	19.34
Machinery	79.14	49.65
Others	1.26	0.78
Other Manufacturing Expenses	131.01	91.36
Rent	3.00	3.00
Insurance	6.03	10.36
Rates & Taxes	127.26	125.20
Excise Duty on Stocks *	(5.23)	(52.91)
Packing Expenses	192.18	131.39
Freight, Forwarding and Handling Expenses	1,525.43	1,382.42
Communication Expenses	7.91	8.62
Travelling & Conveyance	69.91	51.15
Donations	2.50	39.11
Commission	9.58	0.92
Loss on sale of Fixed Assets	2.85	-
Other Miscellaneous Expenses	214.59	156.10
	3,399.42	3,131.37

*Excise duty on stocks represents differential excise duty on opening and closing stock of Finished Goods.



MANAKSIA STEELS LIMITED

ADDITIONAL NOTES ON FINANCIAL STATEMENTS

23) Contingent Liabilities & Commitments:

I) **Contingent Liability**

Claims against the company/disputed liabilities not acknowledged as Debts

Sl No	Particulars	(Rs. In Lacs)	
		30 th Sept. 2014	31 st March 2014
1	Service Tax	6.99	4.54
2	Demand by Haldia Development Authority towards Land Premium	332.50	332.5
3	Stamp Duty for Registration of Land	49.45	49.45

24) Earnings per share (EPS)

Particulars	30 th Sept. 2014	31 st March 2014
Profit as per Statement of Profit and Loss (Rs in lacs)	629.52	1,052.12
Weighted average number of equity shares	6,60,34,050	3,32,67,025
Nominal value per equity share (Rs.)	1	1
Basic and diluted earnings per share (EPS)	0.95	3.16

25) Information pursuant to the provisions of Clause viii of the General Instructions for preparation of statement of profit and loss of the Schedule III to the Companies Act, 2013.

a. CIF Value of imports

Particulars	April - Sept., 2014	31 st March 2014
Capital goods	NIL	NIL
Raw materials and other purchases	7,982.73	16,389.43
Spares parts and chemicals	19.15	42.13

b. Expenditure in foreign currencies:

Particulars	April - Sept., 2014	31 st March 2014
Interest on Loans From Banks & Financial Institutions	85.22	109.27
Others	18.35	16.61



MANAKSIA STEELS LIMITED

c. Value of Raw materials and spare parts consumed:

	April - Sept., 2014		2013-14	
	Amount (Rs. In Lacs)	%	Amount (Rs. In Lacs)	%
Raw Materials:				
Indigenous	4,507.87	29.00	2,601.57	15.25
Imported	11,266.76	71.00	14,456.89	84.75
TOTAL	15,774.63	100.00	17,058.46	100.00
Stores & Spares:				
Indigenous	84.81	47.00	418.29	95.14
Imported	96.88	53.00	21.37	4.86
TOTAL	181.69	100.00	439.66	100.00

d. Earnings in foreign exchange:

Particulars	(Rs. In Lacs)	
	April - Sept., 2014	31st March 2014
Export of Goods & Services (F.O.B. Value Including Freight Realised)	19,501.66	20,613.27

26) Effective from 1st April 2014, the company has charged depreciation based on the revised remaining useful lives of the assets as per the requirement of Schedule II to the Companies Act 2013. Due to above, depreciation charge for the half year ended 30th September, 2014 is higher and profit after tax is lower by Rs 216.40 lacs. An amount of Rs 29.90 lacs (net of deferred tax) has been recognized in the opening balance of retained earnings for the assets where remaining useful life as per Schedule II is Nil.

27) Related Party Disclosure:-

a) Name & Relationship of the Related Parties

Particulars	Relationship
Manaksia Limited	Holding Company
Manaksia Aluminium Company Ltd	
Manaksia Coated Metals & Industries Ltd.	
Manaksia Industries Ltd	
MINL Ltd.	
Dynatech Industries Ghana Ltd.	Fellow Subsidiary Companies
Euroasian Ventures FZE - Subsidiary of Manaksia Industries Limited	
Jebba Paper Mills Ltd - Subsidiary of MINL Ltd	
Mr. Suresh Kumar Agrawal	Key Management Personnel - Managing Director



MANAKSIA STEELS LIMITED

b. Transactions during the year with related parties

Sl No.	Nature of Transactions	April to Sept. 2014	(Rs. In Lacs) 2013-14
1	Purchase of Goods		
	Manaksia Industries Ltd	25.86	11.30
	Manaksia Aluminum Company Ltd	7.27	14.91
	Total	33.13	26.21
2	Sale of Goods		
	MINL Ltd.	10258.03	17070.63
	Dynatech Industries Ghana Ltd	2490.35	762.10
	Jebba Paper Mills Ltd	49.13	179.91
	Manaksia Aluminium Company Ltd	161.61	17.79
	Total	12959.12	18030.43
3	Interest Income		
	Manaksia Ltd	7.74	3.34
	Manaksia Industries Ltd	41.45	Nil
	Total	49.19	3.34
4	Interest Expense		
	Manaksia Aluminium Company Ltd	12.21	16.23
	Manaksia Industries Ltd	Nil	29.43
	Manaksia Coated Metals and Industries Ltd	6.88	0.17
	Total	19.09	45.83
5	Advance from KMP		
	Mr. Suresh Kumar Agarwal	2.00	4.25
6	Repayment of Loan given		
	Manaksia Industries Ltd	600	Nil
7.	Amount Due from/to as at the end of the period		
i.	Trade Receivable		
	MINL Ltd	967.80	6258.51
	Dynatech Industries Ghana Ltd	828.97	142.76
	Jebba Paper Mills Ltd	25.80	106.73
	Total	1822.57	6508.00
ii.	Trade Payable		
	Euroasian Ventures FZE	5.43	5.43
iii.	Advance from KMP		
	Mr. Suresh Kumar Agarwal	6.25	4.25
iv.	Loan to Manaksia Industries Ltd.	Nil	600



MANAKSIA STEELS LIMITED

28) Segment Reporting:

- a) Business Segment - As the Company's business activity falls within a single primary business segment, viz. "Metal", the disclosure requirements of Accounting Standard-17 "Segment Reporting", notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Amendment Rules, 2014 are not applicable.
- b) Geographical Segment - The company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

REVENUE FOR OPERATIONS		
	April - September, 2014	2013-14
India	2,025.55	638.11
Overseas	19,501.66	20,613.27
Total	21,527.21	21,251.38

The carrying amount of segment assets and additions to segment fixed assets by geographical area to which the assets are attributable

	Carrying amount of Segment Assets		Additions to Fixed Assets including CWIP	
	30 th September 2014	31 st March 2014	30 th September 2014	31 st March 2014
India	20,787.52	26,603.57	113.61	901.26
Overseas	4,747.50	7,393.60	Nil	Nil
Total	25,535.02	33,997.17	Nil	Nil

29.1) In terms of the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between Manaksia Limited, Manaksia Steels Limited ("the Company") and other three transferee Companies, Manaksia Limited has demerged its business and undertakings namely; Aluminium Undertaking, Steel Undertaking, CMMC Undertaking and Packaging Undertaking to four separate transferee Companies. Pursuant to the Scheme, as approved by Hon'ble High Court of Calcutta vide order dated 24th March 2014, received on 19th November 2014, the Steel undertaking of Manaksia Limited has been demerged into the company on a going concern basis with effect from 1st October, 2013 being the appointed date. The certified copy of the said order of the high court has been filed with the Registrar of Companies, West Bengal on 23rd November, 2014 and as such the Scheme has become operational from that date.

29.2) The said transfer has been affected at the values appearing in the books of Manaksia Limited as at 30th September, 2013 and recorded as such in book of accounts of the Company. The book value of such assets and liabilities as on that date are detailed out below:

Assets	Rs in lacs.
Non-current assets	
(a) Fixed assets	
(i) Tangible assets	6,578.59
(ii) Capital work-in-progress	1,013.23
(b) Long Term Loans & Advances	31.11
Current assets	
(a) Inventories	6,191.30
(b) Trade receivables	9,626.83
(c) Cash and Cash equivalents	6.82
(d) Short term loans and advances	7,159.14
Total	30,607.02



MANAKSIA STEELS LIMITED

Liability	
Non-Current Liabilities	
(a) Deferred tax liabilities (Net)	866.27
(b) Long term provisions	53.67
Current Liabilities	
(a) Short-term borrowings-Rupees	313.15
(b) Trade payables	13,226.47
(c) Other current liabilities	3,066.30
(d) Short-term provisions	83.68
Total	17,609.54
Net Assets	12,997.48

29.3) In terms of the Scheme 65,534,050 equity shares of Rs. 1/- each, fully paid-up, of the Company are to be issued to the holders of equity shares of Manaksia Limited, whose names are registered in the register of members on the record date, without payment being received in cash, in the ratio of 1 (one) fully paid-up equity share of Rs. 1/- each of the Company for every equity share held in Manaksia Limited. Pending allotment, the value of such shares amounting to Rs.655.34 Lacs has been shown under the "Share Suspense Account" as at September 30, 2014. Consequent to the allotment of the new shares as per the scheme, current share capital of the company of Rs 5 lacs shall stand cancelled and the company shall cease to be the subsidiary of Manaksia Limited.

29.4) In terms of the Scheme, excess of net assets so recorded, over the amount of share capital to be issued, amounting to Rs. 12,342.14 lacs is recognised in these financial statements, as Reserves in the sequence hereunder:

- o Firstly, as Security Premium
- o The balance as General Reserves

Allocation	Rs in lacs.
Share Capital	655.34
Securities Premium Account (Refer Note 29.5)	4,673.93
General Reserve including balance in profit and loss account	7,668.21
Total	12,997.48

29.5) In terms of the Scheme, Security Premium Account of the Manaksia Limited shall be apportioned among Manaksia Limited, the Company and the other three transferee Companies in proportion of the net assets of all the Companies.



MANAKSIA STEELS LIMITED

30) Disclosure as per Accounting Standard 15 "Employee Benefits"

PARTICULARS	For the Half Year ended 30 th Sept., 2014
Provision for Employee Benefits	68.59
Employee Benefits :	
i) Defined contribution Plan Contribution to defined contribution plan, recognized are charged of during the year as follows : Employees' contribution to Provident Fund	
ii) Defined benefit plan Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.	
a) Reconciliation of opening and closing balances of defined obligation:	
1) Defined benefit obligation at the beginning of the period	0.00
2) Current service cost	6.58
3) Interest cost	0.00
4) Acquisitions	66.49
5) Actuarial (gain) / loss	0.07
6) Benefit paid	(0.76)
7) Defined benefit obligation at the end of the period	72.38
b) Reconciliation of fair value assets and obligations:	
1) Fair value of plan assets as at the end of the period	0.00
2) Present value of obligations as at end of the period	(72.38)
3) Amount recognized in balance sheet	(72.38)
c) Expenses recognized during the year (under the Note "Employee Benefits Expense")	
1) Current service cost	6.58
2) Interest cost	0.00
3) Actuarial (gain) / Loss	0.07
4) Net amount	6.65
d) Actuarial assumptions	
1) Mortality table	IALM 06-08 ultimate
2) Discount rate (per annum)	8.65 %
3) Rate of escalation in salary (per annum)	5.00 %
4) Expected average remaining working lives of employees(years)	19.21
The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above information has been certified by the actuaries.	



MANAKSIA STEELS LIMITED

31) Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to confirm to the current year presentation.

For, S.K. AGRAWAL & COMPANY
Chartered Accountants
Firm Registration No: 306033E

Hemant Lakhotia

Hemant Kumar Lakhotia
(Partner)
Membership No. : 068851
Place: Kolkata - 700 001
Dated: 7th January, 2015



For and on Behalf of the Board of Directors

S.K. Agrawal
Suresh Kumar Agrawal
(Managing Director)

Mrinal Kanti Pal
Mrinal Kanti Pal
(Director)



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Your Company was incorporated on June 07, 2001 as a Public Company limited by shares under the provisions of the Companies' Act, 1956 at Shillong. Thereafter, it underwent a change of registered address from the State of Meghalaya to West Bengal on September 09, 2009.

The current business of the Company is a resultant of demerger of the Steel Business of Manaksia Limited pursuant to the Scheme of Demerger.

ECONOMIC OVERVIEW

The sluggish growth of large emerging economies due to currency volatility, weak manufacturing sectors and failure to implement structural reforms continued to drag the growth of otherwise buoyant economies. The accelerating business investments, stabilizing credit conditions and decreasing uncertainties have provided growth momentum to the developed economies, which may result in retreating of capital flows from developed economies.

Despite a period of slow growth, high inflation, fiscal deficits, external imbalances, political uncertainty and poor business confidence – the domestic economy, due to a competitive exchange rate supported by foreign investment policies and better use of the considerable assets available has an opportunity to restore. However the geopolitical risks in terms of unrest in Europe and political instability in West Asia would be a hindrance to the recovery of the global economy.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Steel Industry is considered as the backbone of the economy and is often indicative of global economic progress. In the past, Euro-zone problem, economic stagnation or slow growth in developed economies and a cooling of emerging economies took a toll on the industry. However, the global demand for steel has improved during the period especially in the developed countries which would provide greater export opportunities for manufacturers from emerging economies like ours. The emerging markets are projected to exhibit a moderate growth. The margins of steel producers would continue to be under pressure, given the high cost of steel production and their limited ability to pass on the increase in costs.



BUSINESS

Business of your Company mainly consists of value added steel products - Cold Rolled Coils, Hot Dipped Galvanised Steel and Pre-Painted Galvanised Coils/Profile Sheets.

OVERVIEW OF OPERATIONS

Results

During the year under review, the revenue from operations of your Company stood at Rs 215.27 crores. Improved and consistent operations across all geographies, despite weak market conditions, led to a significantly improved overall performance of the Company.

The following Table sets forth the Statement of Profit and Loss for the six month ended 30th September, 2014.

Particulars	(Rs. in Lakhs) Period ended 30 th Sep, 2014
I. Income Revenue from operations Other income Total revenue	21,527.21 478.08 22,005.29
II. Expenses Cost of materials consumed (including trading goods) Changes in Inventories of finished goods, Work-in-progress and stock-in-trade Employee benefits expense Finance costs Depreciation and amortization expense Other expenses Total Expenses	15,774.63 954.14 316.31 185.93 432.06 3,399.42 21,062.49
III. Profit before tax	942.80
IV. Tax expenses Current tax Deferred tax Total tax expenses	365.14 (51.86) 313.28
V. Profit for the year	629.52
VI. Basic and diluted Earnings per equity share of face value of Rs. 1/- each	Rs. 0.95

This being the first year of operations after the Demereger, the figures are not comparable between different financial years.



Geographical break-up of Revenue

The table below shows the Break-up of Revenue on a geographical basis:

PARTICULARS	AMOUNT (Rs. in Lakhs)
Export	19,492.48
Domestic	2,034.73
	21,527.21

The Steel industry is basically driven by changes in domestic and global market trends. The prices are influenced by trends in raw material prices and demand-supply conditions, amongst others. The major thrust of the Company is to adopt the best modern technology, which in addition to being cost effective, would be energy efficient and environment friendly.

Your Company manufactures and sells value added steel products comprising Cold Rolled Sheets used in interior and exterior panels of automobiles, buses and commercial vehicles, Galvanised Corrugated Sheets which find use in the rural housing sector and factory sheds and Galvanised Plain Sheets, used in the manufacture of containers and water tanks. The Company has a Steel Cold Rolling Plant at Haldia for manufacture of Cold Rolled Coils and Sheets and continuous Galvanizing plants at Bankura and Haldia. Both the plants have a strong Quality Management System with in-house testing facilities and are ISO 9001:2008 certified. The Company has facilities at Haldia for further value addition of Steel, where Galvanized Steel Sheets are pre-painted / colour coated for sale to construction, housing, consumer durable and other industries. The Company has also facilities for Roll Forming / Profiling for direct supply to projects for industrial roofing as a part of such value addition.

During the year under review, increase in production output, coupled with several productivity and cost improvement measures and improved market penetration have improved the performance of the Company and has contributed significantly to the overall profitability of the Company.

RISKS AND CONCERNs

Your Company is actively looking for, albeit cautiously, growth opportunities and new markets in all its product segments. The Company is exposed to a number of market risks arising from its normal business activities. These risks include changes in raw material prices, foreign currency exchange rate, interest rate which may adversely impact the Company's financial assets, liabilities and/or future cash flows. The Company continues to mitigate these risks by careful planning of optimum sales mix, active treasury management, product diversification, innovation and penetration in different markets, both domestic and international. Further cost saving measures across all areas, would help in improving the margins in an otherwise difficult market.



OPPORTUNITIES AND THREATS

A varied product portfolio and wide geographical presence and reach, both domestic and international, have helped the Company to significantly de-risk its business and meet the risks with suitable precaution. The Company is focused on enhancing value added products across profit centres. Improvement in safety performance is of utmost priority, for which the Company has constantly been initiating measures to avert accidents. Multiple facilities for value addition have enabled the Company to cater to the diversified needs of its customers. The improvement in operating performance, coupled with new market initiatives has improved the overall profitability of the Company.

FUTURE OUTLOOK

The Company continues to explore new business possibilities and is confident to overcome the present situation with expected changes in the global economy.

INTERNAL CONTROL SYSTEMS

The Company has an effective system of internal controls which helps it to maintain both internal controls and procedures to ensure all transactions are authorised, recorded and reported correctly and also ensure disclosure and protection of physical and intellectual property. The Company has appointed a firm of Chartered Accountants as Internal Auditors who independently evaluate the adequacy of the internal controls from time to time. For transparency and effectiveness, the management duly considers and takes appropriate action on the recommendations made by Statutory Auditors, Internal Auditors and by Management Committee / Audit Committee of the Board of Directors. The partial ERP system 'SAP' adopted by the Company in finance, material management and sales & distribution, ensures that the transactions are authorized and correctly recorded and material errors and irregularities, if any, are detected and rectified timely. The Company has appointed consultants/ professionals to conduct Cost Audit and Secretarial Audit and observations made, if any, are reviewed by the Management periodically and corrective actions taken.

HUMAN RESOURCES

Employee relations continued to be cordial throughout the year and recruitments were made commensurate with the needs of business.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the company's objectives, outlook and expectation, may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations, projections etc. Several factors make a significant difference to the company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and other such factors over which the company does not have any direct control.



SECTION VI – LEGAL AND OTHER REGULATORY INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS



1. Cases Filed by Our Company

SI No.	Case No. & Date	Name of the Parties	Facts/ Brief Particulars of the case	Financial liability involved (Rs. In Lacs)	Current status
1	WP No. 15313 (W) of 2008	Haldia Development Authority	Against fresh demand of land premium for 35 acres of land based on enhanced land premium rate of Rs. 15 lacs per acre. Based on interim order of Hon'ble Calcutta High Court on July 18, 2008 Rs. 96.25 lacs, towards land premium considered due by us has been paid. Rs. 49.45 Lacs is pending for Stamp duty.	3,81,95,000.00	Matter is pending. No further demands from Haldia Development Authority

2. Cases filed by our Group Company

Manaksia Aluminium Company Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current status
1	C/23227/2008	Mourya Ispat (P) Ltd	Party has given the cheque and the same being returned Dishonored. The accused persons are in Mumbai. Warrant of arrest are being issued again and again on every date but everytime the same are being returned unserved.	7,99,548.00	The case is pending before the Ld. Metropolitan Magistrate, 13th Court, Calcutta. Next date fixed in the matter is 27.3.15.
2	C/42623/2009	Mr. V. Ramalingam and Chennai Roofings Pvt. Ltd.	Party has given the cheque and the same being returned Dishonored. The accused persons are in Chennai. Warrant of arrest were being issued again and again on every date but everytime the same were being returned unserved.	2,00,000.00	The case is pending before the Ld. Metropolitan Magistrate.



Manaksia Coated Metals & Industries Limited

Sl No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current status
1	2040 of 2010	National Insurance co Ltd	Insurance claim repudiated and filed in the court of law for redirection and payment there off.	748285.00	Under hearing
2.	32/2013	A P Civil court	Theft of the Motor car and relocated by police at Tandur village and held in the Tandur Police station	25000.00	Under hearing



1. CASES FILED AGAINST OUR COMPANY

A. Service Tax

Sl No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1	V(15)/SCN/ML/Adjn/Hal-I/10/639 dt.13.09.10	A.C., C.Ex., Haldia - I	Demand of Service Tax on property rent	1,37,505.00	Appeal Stage
2	V(15)26/Manaksia/S.T./Adjn/Hal-I/10 dt.21.06.10	A.C., C.Ex., Haldia - I	Service Tax availed on defective bills	3,15,310.00	Appeal Stage
3	Order Original No.06/ST/AC/HAL1/2011 dtd.11/08/2011	The Commissioner of Service Tax- Kolkata	Disputed Cenvate Credit	2,46,892.00	Last Hearing was on 2/05/2012, Further we have replied on 28/03/2012, further no date has been fixed

2. Cases Filed against our Group Company

A. Income Tax

Manaksia Limited

Sl No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current status
1	order u/s 143(3) dated 23.12.2008 by D.C.I.T. Cir-4,Kolkata with C.I.T.(A)-IV,Kolkata in respect of Asst.Year 2005-06	D.C.I.T. Cir-4, Kol	Claim for TDS Rs.28,56,963.00 not allowed, Claim for relief u/s 91 Rs.6,09,995.00 Expenses Pertaining to previous year Rs.58,56,634.00 not allowed	73,52,908.00	Appeal with C.I.T.(A)-2 pending.. Appeal case no 307/CIT(A)-2/(28-09)/2014-15, Asst. Year 2005-06.
2	order U/s 272A(2)(k)/274 of the I.Tax Act,1961 dated 30.09.2013 by J.C.I.T.,R-58,Kolkata in respect of Asst.Year 2011-12	J.C.I.T. Range-58, Kol	Penalty u/s 272A(2)/(K)for late filing of TDS return	4,22,000.00	Appeal filed against order U/s 272A(2)(k) dated 30.09.2013 with C.I.T.(A)-I,Kolkata Pending



3	order u/s 250 dated 24.09.2014 by C.I.T.(A) -I, Kolkata ITA No.2137/K/2014 dated 24.11.2014 in respect of Asst.Year 2012-13	I.T.O.Ward 58(3),Kol	The A.O. passed an order u/s 201(1)/201(1A) of the Income Tax Act,1961 for non /Short deductions of TDS including interest	48,80,624.00	Appeal filed with I.T.A.T. "C" bench KOLKATA against order u/s 250 dated 24.09.2014 by C.I.T.(A) -I, Kolkata in which relief amounting to Rs. 31,00,000/- (Approx) allowed Appeal effect of C.I.T.(A)-I is pending
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Marks Steel Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current status
1	143(3)/AY2011-12DTD.04.03.2014	Deputy Comm. Of Income Tax,Circle-3,Kol.	Income Tax	10,60,960.00	Appeal filed in the Comm. Of Income -Tax (Appeals)-1,Kol.

B. Excise Duty

Manaksia Aluminium & Company Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1	V(15)4/DSCN/ML/ST/Adjn /Hal-I/2013 dt.17.07.13	A.C., C.Ex., Haldia - I	Irregular availment of Cenvat credit on renewal of Club Membership	62,212.00	Appeal Stage
2	V(15)3/DSCN/ML-ST/Adjn/Hal-I/2013 dt.17.07.13	A.C., C.Ex., Haldia - I	irregular availment of credit of S.T Transport Service.	2,88,458.00	Appeal Stage
3	V(15)24/SCN/ML-CE/Adjn/Hal-I/2013 dt.21.11.13	A.C., C.Ex., Haldia - I	Wrong credit on M.S Channel etc.	1,19,795.00	Appeal Stage
4	C No.37/DC/DGP-IV/2013 dt.31.10.13	D.C., C.E.Durgapur - IV	Non inclusive of S.Tax in value of Clearance as Sales Tax retained	101.00	Pending Adjudication (with Original authority)
5	C No.V(15)13/Adj/ Manaksia/SCN/DGP-IV/14	A.C., C.E.Durgapur	Alleged irregular credit on welding electrodes	85,550.00	Pending Adjudication (with Original



	dt.02.06.14				authority)
6	11/82010 dt.28.05.2010	A.C., C.E., Chennai	Penalty for passing of excess credit by dealer	2,92,019.00	Tribunal
7	S-60(Misc)31/2007- 100%EOU/STP/557 dt.02.12.08	Supdt. Customs	Short Payment of duty for D.T.A clearance	86,644.00	Tribunal
8	S-60(Misc)31/2007- 100%EOU/STP/546 dt.21.11.06	Supdt. Customs	Demand of Ed. Cess on C.Ex duty	6,75,174.00	Pending Adjudication (with Original authority)
9	S-60(Misc)31/2007 (100%EOU)STP/ SCN/Manaksia dt.13.03.07	Supdt. Customs	Duty on D.T.A Clearance	54,219.00	Pending Adjudication (with Original authority)
10	F No.S-60(Misc) 31/2007/100% EOU/STP(SCN) Pt-720 dt.31.03.09	Supdt. Customs	Demand of interest for clearance beyond 30 days from warehouse	2,11,905.00	Pending Adjudication (with Original authority)
11	01/SCN/Rangell/BNKD/20 15 dt. 03.03.2015	A.C CE, Bankura Division	Irregular Cenvat Credit	84,971.00	Pending Adjudication (with Original authority)

Manaksia Coated Metals & Industries Limited

SI N o.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1	C No.IV(9)14/SCN/ MNK/GHY-VII/10-11/131 dt.02.03.11	Supdt. C.Excise	Irregular Credit on Capital Goods	30,742.00	Pending Adjudication (with Original authority)
2	V(15)25/SCN/ Manaksia/AC CE/ 2013/932 dt.31.01.14	Supdt. C.Excise	Irregular Credit of Service Tax	45,200.00	Pending Adjudication (with Original authority)

Marks Steel Limited

SI N o.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1	232/BOL/2012DTD.26.11.2 012	Commissioner of Central Excise(Appeals- III)Kolkata	Reversal of cenvat	33,92,000.00	Appeal filed in the High Court ,Kolkata



C. Sales Tax

Manaksia Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1	A-53&54(AW)1998-99 DTD.7/04/2008	Commercial Taxes Appeal & Revision Board The Commercial Tax Authority-Government of west Bengal	Declaration Forms Disallowed i.e. form XXIV & "C" forms pertaining to the year 1986-87	1,59,970.00	Appeal filled, Hearing is going on at Tribunal
2	REVISION CASE 1558/08-09 DTD.27/02/2009	Additional Commissioner Commercial Taxes The Commercial Tax Authority-Government of west Bengal	Remission Disallowed, Form 12, disputed purchase tax matter-year 2003-2004 under WBST Act.	2,30,687.00	Revision Case filled with Board Hearing of case is Going on next date-12/05/2015
3	REVISION CASE 1548/08-09 DTD.27/02/2009	Additional Commissioner Commercial Taxes The Commercial Tax Authority-Government of West Bengal	Remission Disallowed, C forms, F forms Disputes matters relating to the year 2003-2004 under CST Act	8,19,125.00	Revision Case filled with Board Hearing of case is Going on next date-12/05/2015
4	REVISION CASE 1351/08-09 DTD.11/04/2013	Additional Commissioner Commercial Taxes The Commercial Tax Authority-Government of west Bengal	Remission Disallowed, Form-H, relating to the year 2004-2005 under WBST Act	3,383.00	Revision Case filled with Board Hearing Going on and next date is 05/06/2015
5	A-335/CD07-08-20/09/2010	Commercial Taxes Appeal & Revision Board The Commercial Tax Authority-	Remission Disallowed pertains to year 2004-5 case at High court Kolkata	2,87,752.00	Case Filled at High Court at Kolkata Date of Hearing yet to be Received



		Government of west Bengal			
6	A-114/CH/LB 10-11 dtd 29/12/2011	Snr Joint Commissioner The Commercial Tax Authority-Government of west Bengal	REMISSION DISALLOWED & ITC Disallowed Under VAT Act for the year 2007-2008	90,757.00	Case filled With Revision Board Date Not Yet receive
7	A-115/CH/LB 10-11 dtd 29/12/2011	Snr Joint Commissioner The Commercial Tax Authority-Government of west Bengal	REMISSION DISALLOWED & ITC Disallowed Under CST Act for the year 2007-2008	1,38,949.00	Case filled With Revision Board Date Not Yet received
8	A/11-/SRJC/CH/LB/12-13 dtd.30/09/2013	Snr Joint Commissioner The Commercial Tax Authority-Government of west Bengal	Remission Disallowed & ITC Disputed Under VAT Act for the year 2008-2009	14,58,390.00	Case filled With Revision Board Date Not Yet Received
9	A/12-/SRJC/CH/LB/12-13 dtd.30/09/2013	Snr Joint Commissioner The Commercial Tax Authority-Government of west Bengal	Remission Disallowed, "C" Forms Under CST Act for the year 2008-2009	29,78,855.00	Case filled With Revision Board Date Not Yet received
10	A-57/CH/LB/2012-13 dtd.30/08/2013	Snr Joint Commissioner The Commercial Tax Authority-Government of west Bengal	Remission Disallowed & Form "C" under CST Act for the year 2009-10	13,12,737.00	Case filled With Revision Board Date Not Yet Received
11	A-58/CH/LB/2012-13 dtd.30/08/2013	Snr Joint Commissioner The Commercial	Remission Disallowed & Form "C" under CST Act for the year 2009-10	32,53,858.00	Case filled With Revision Board Date Not Yet Received



		Tax Authority- Government of west Bengal			
12	4607/CT/APP DTD.26.09.2014	Additional Commissioner The Commercial Tax Authority- Government of west Bengal	Remission Disallowed & Interest under VAT Act for the year 2010-11	27,19,414.00	Appeal filled with revision Board date yet to be received
13	4607/CT/APP DTD.26.09.2014	Additional Commissioner The Commercial Tax Authority- Government of west Bengal	Remission Disallowed & Form "C" & Interest under CST Act for the year 2010-11	57,55,375.00	Appeal filled with revision Board date yet to be received
14	2011- 2012/47/07/V/26 dtd. 30/06/2014	Commercial Tax Officer The Commercial Tax Authority- Government of west Bengal	ITC Disallowed on Mismact ,Purchase & sale under VAT Act for the year 2011-12	40,75,466.00	Appeal Filled with Joint Commissioner Next date 06.04.2015
15	2011- 2012/47/07/C/24 dtd. 30/06/2014	Commercial Tax Officer The Commercial Tax Authority- Government of west Bengal	Remissoin Disallowed, "C" Form & "F" Form under CST Act for the year 2011-12	90,08,002.00	Appeal Filled with Joint Commissioner Next date 06.04.2015

Manaksia Coated Metals & Industries Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1		Commercial Tax Gandhidham – Kutch- Gujarat	Rs.1.12 Crores Apprx. Disallowed due to non submission of Export documents Like EBRC Copy of transaction	1,12,00,000.00	Applied in Appeal- Rajkot.



Marks Steel Limited

Sl No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved	Current status
1	A/DCCT/DH/PN/65/09-10&A/DCCT/DH/PN/64/09-10,4qt.ended.31.03.2006. dtd.08.07.2014	D.C.C.T. OF Commercialtax es,Dharmtala Circle	ITC CLAIM , C` FORM CLAIM AND DISALLW.OF PURCHASE TAX	8,47,235.00	Appeal filed in the W.B.C.T.A&R BOARD
2	A/SR.JCCT/DH/PN/43/2012-13/VAT&A/SR.JCCT/DH/PN/44/2012-13CST,4qt.ended.31.03.2008. dtd.16.09.2013	Sr.Joint Commissioner-Commercialtax es,Dharmtala Circle	ITC CLAIM , C` FORM CLAIM AND DISALLW.OF PURCHASE TAX	62,70,732.00	Appeal filed in the W.B.C.T.A&R BOARD
3	A/SR.JCCT/DH/PN/36/2011-12/,4qt.ended.31.03.2009. dtd.29.07.2012	Sr.Joint Commissioner-Commercialtax es,Dharmtala Circle	ITC CLAIM AND DISALLW.OF PURCHASE TAX	3,66,891.00	Appeal filed in the W.B.C.T.A&R BOARD
4	A/SR.JCCT/DH/PN/70/2012-13/,4qt.ended.31.03.2010. dtd.12.08.2013	Sr.Joint Commissioner-Commercialtax es,Dharmtala Circle	ITC CLAIM AND DISALLW.OF PURCHASE TAX	10,04,912.00	Appeal filed in the W.B.C.T.A&R BOARD



D. Service Tax

Manaksia Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current Status
1	ORDER (ORIGINAL) NO.17/ADC/ST/KOL/ 2012-13 DATED 27/08/2012	The Commissioner Central Excise ,Appeals-I Kolkata Deposits	Disputes of Foreign Bank Charges, Commission to Foreign Agent & consulting engineering service Service etc. The figures of liability includes penalty Of Rs.20,46,132.00	36,24,612.00	Ist Hearing Completed, next date yet to be fixed
2	Order No.v(15)272/ST- Adjn/Comm/11/5089 2 dtd 21/02/2014-Appeal in CESTAT-AUDIT CASE Panelty-AUDIT CASE- Head Office	The Commissioner of Service Tax- Kolkata	Tax on Technical Know how fees Adjusted with Cenvat credit not allowed. Diff. In rate of Tax, Disallowance of Cenvate Credit on Grounds of proper documents and penalty of equal amount	52,40,442.00	Hearing of Stay petition completed on 10/12/2014 Rs. 300000.00 has to be deposited with in 8 weeks. Further dates are to be received

E. Civil Cases

Employee Related

Manaksia Coated Metals & Industries Limited

SI No.	Case No. & Date	Name of the Parties/ Tax Authority	Facts/ Brief Particulars of the case	Financial liability involved (Rs)	Current status
1	378/14	Dy. Director of Health & Safety Office – Adipur- Kutch – factory Insp.	Fatal case.	1,00,000.00	Hearing on 16/03/2015

3. There is no case against our Directors



Government and Other Statutory Approvals

Pursuant to the Scheme, all the permissions, approvals, licenses etc. granted by the Government and Government agencies in connection with or relating to the Coated Metal Undertaking & Mosquito Coated Undertaking of Manaksia Limited shall be transferred to and vested in and/or deemed to be transferred to and vested in our Company.



SECTION VII- OTHER REGULATORY AND STATUTORY DISCLOSURES

Regulatory and Statutory Disclosures

Authority for the scheme

The Hon'ble Calcutta High Court, vide its order dated March 24, 2014 (certified copy received by the Company on November 19, 2014), has approved the Scheme of Arrangement between Manaksia Limited and Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited and their respective shareholders for demerger and transfer of undertakings of Manaksia Limited (transferor company) into the 4 (Four) Transferee Companies viz. Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited under Sections 391 to 394 of the Companies Act, 1956. In accordance with the Scheme, the Steels Undertaking of Manaksia Limited stands transferred to and vested with Manaksia Steels Limited, w.e.f. October 1, 2013 (the appointed date under the Scheme). In accordance with the said scheme, the Equity shares of our Company to be issued pursuant to the Scheme shall be listed and admitted to trading on NSE and BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by our company of listing criteria of NSE and BSE and also subject to such other terms and conditions prescribed by NSE and BSE at the time of application by our Company seeking listing.

Prohibition by SEBI

The Company, its directors, its promoter, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk should be incorporated.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Application has been made to NSE and BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated NSE as the



Designated Stock Exchange for the aforesaid listing of shares.

The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

In Principle Approval from BSE & NSE

The Company has received in-principle approval for Listing from NSE bearing no. NSE/LIST/15603 dated 23rd February 2015 and from BSE bearing no. DCS/AMAL/CS/IP/318/2014-15 dated 11th March, 2015.

Identification as wilful defaulter by RBI

The Company, Promoters, Group Companies, the relatives (as per Companies Act, 1956) of Promoters, Group Companies have not been identified as wilful defaulters by Reserve Bank of India or other authorities.

Disclaimer Clause by NSE

As required, a copy of this Information Memorandum has been submitted to NSE. The NSE has vide its letter dated August 2, 2013 approved the said Scheme under clause 24(f) of the Listing Agreement filed by Manaksia Limited under clause 24(f) of listing agreement. The BSE has vide its letter dated 23rd February 2015 has given approval for listing of 6,55,34,050 Equity Shares subject compliance of conditions mentioned therein.

Disclaimer Clause by BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated August 5, 2013 approved the said Scheme under clause 24(f) of the Listing Agreement filed by Manaksia Limited under clause 24(f) of listing agreement. The BSE has vide its letter dated 11th March, 2015 has given approval for listing of 6,55,34,050 Equity Shares subject compliance of conditions mentioned therein.

Filing

Copy of this Information Memorandum has been filed with NSE and BSE.

Demat Credit

The Company has executed Tripartite Agreements with the Registrar, NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE824Q01011.

Expert Opinion



Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinions.

Dispatch of share certificates

Pursuant to the Scheme, on December 8, 2014, our Company has issued and allotted its Shares to eligible shareholders of Manaksia Limited on the Record Date, December 5, 2014 and our Company has dispatched share certificates to those shareholders holding shares in Manaksia Limited in physical form on 13th December, 2014.

Previous Rights and Public Issues

The Company has not made any public or rights issue since incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

There are no companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 other than the ones disclosed elsewhere in the Information Memorandum.

Promise vis-a-vis Performance

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Link Intime India Private Limited is the Registrar and Transfer Agent of the Company. All investor grievances would be redressed within an average period of 15 days from the date of its receipt by the Company or its Share Transfer Agent or the Compliance Officer or the Secretarial Department of the Company in case of any share transfer related problem. The addresses and contact numbers are given elsewhere in this Information Memorandum. For



quicker response, investors are requested to mention their contact numbers and email addresses while communicating their grievances.

Our Company has appointed Ajay Sharma, as the Company Secretary and Compliance Officer of the Company and he may be contacted in case of any queries at the following address:

Tel: +91 033 -33-2231 0050 Fax: +91-33-2230 0336.

Email : investorrelmsl@manaksia.com



**SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF
ASSOCIATION**

ARTICLES OF ASSOCIATION OF MANAKSIA STEELS LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on 10th September 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

1.	(1)	The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	Table 'F' not to apply
	(2)	The regulations for the management of the Company and for the observance by the members there to and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	Company to be governed by these Articles
Interpretation			
2.	(1)	<p>In these Articles—</p> <p>(a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment hereof for the time being in force.</p> <p>(b) "Applicable Law" means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.</p>	<p>"Act"</p> <p>"Applicable Laws"</p>



		<p>(c) "Articles" means these Articles of Association of the Company, as altered from time to time.</p> <p>(d) "Board of Directors" or "Board" means the collective body of the directors of the Company.</p> <p>(e) "Company" means MANAKSIA STEELS LIMITED.</p> <p>(f) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.</p> <p>(g) "Seal" means the common seal of the Company</p>	<p>"Articles"</p> <p>"Board of Directors" or "Board"</p> <p>"Company"</p> <p>"Rules"</p> <p>"Seal"</p>
	(2)	Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	Number and Gender
	(3)	Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	Expressions in the Articles to bear the same meaning as in the Act.
	(4)	The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.	Articles to be Contemporary In Nature
Share capital and variation of rights			
3.	(1)	Subject to the provisions of Applicable Law and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
	(2)	Except as required by law, no person shall be	Shares not to be held



		recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	in trust
4.		Subject to the provisions of Applicable Law and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which maybe so allotted maybe issued as fully paid-up or partly paid-up otherwise than for cash and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case maybe.	Directors may allot shares otherwise than for cash
5.		The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as prescribed under the Act (b) Preference share capital.	Kinds of Share Capital
6.	(1)	Every person whose name is entered as a member in the register of members shall be entitled to receive within such time as prescribed under Applicable Law- (a) one certificate for all his shares without payment of any charges; or (b) one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.	Share Certificate
	(2)	Every certificate shall specify the shares to which it relates and the amount paid-up thereon and bear the seal of the Company.	Certificate to bear seal



	(3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all such holders.	One certificate for shares held jointly
7.		A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the share in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	Option to receive share certificate or hold shares with depository
8.		If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such fees for each certificate as may be fixed by the Board in accordance with Applicable Laws.	Issue of new certificate in place of one defaced, lost or destroyed
9.		The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc
10.	(1)	The Company may exercise the powers of paying commissions conferred by the Act and/or Applicable Laws, to any person in connection with the subscription to its securities, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in such manner as required under Applicable Laws.	Power to pay commission in connection with securities issued
	(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules and/or Applicable Laws.	Rate of commission
	(3)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11.	(1)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act and/or Applicable Laws, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that	Variation of members' rights



		class, as prescribed under the Applicable Laws.	
	(2)	The provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply to every such class meeting, in accordance with the provisions of the Act and Applicable Laws. This Article is not to derogate from any power the Company would have if the clause were omitted.	Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting
12.		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
13.		Subject to the provisions of the Act and Applicable Laws, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act and Applicable Laws	Issue or re-issue preference shares
14.	(1)	<p>The Board or the Company, as the case may be, may, in accordance with the Applicable Laws, issue further shares to -</p> <ul style="list-style-type: none"> a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; b. employees under any scheme of employees' stock option; or; c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above 	Further issue of share capital
	(2)	Subject to the provisions of Applicable Law, the Company may issue options to any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both. Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.	Employees Stock Option



	(3)	Subject to the provisions of Applicable Law, the Company may issue shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in the Act and/or Applicable Law	Preferential Allotment
	(4)	Subject to and in compliance with provisions of Applicable Law, the Company may issue the equity shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.	Issue of Sweat Equity Shares
	(5)	A further issue of shares may be made in any manner whatsoever as the Board may determine subject to and in accordance with the Act and Applicable Laws	Mode of further issue of shares
Lien			
15.	(1)	<p>The Company shall have a first and paramount lien -</p> <p class="list-item-l1">a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and;</p> <p class="list-item-l1">b. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company.</p> <p>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>	Company's lien on shares
	(2)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.	Lien to extend to dividends, etc.
	(3)	Unless otherwise agreed by the Board, registration of transfer of shares shall operate as a waiver of the Company's lien.	Waiver of lien in case of registration
16.		<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p class="list-item-l1">a. unless a sum in respect of which the lien exists is presently payable; or</p> <p class="list-item-l1">b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of</p>	As to enforcing lien by sale



		the share or to the person entitled thereto by reason of his death or insolvency or otherwise.	
17.	(1)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer	Purchaser to be registered holder
	(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share	Validity of Company's receipt
	(4)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	Purchaser not affected
18.	(1)	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	(2)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of residual money
19.		In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim	Exercise of lien by Company
20.		The provisions of these articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions of lien <i>mutatis mutandis</i> to debentures, etc.
		Calls on shares	
21.	(1)	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	Board may make calls



	(2)	Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares	Notice of call
	(3)	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances	Board may extend time for payment
	(4)	A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
22.		A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	Call to take effect from date of resolution
23.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
24.	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board but not exceeding the rates as prescribed under Act/Applicable Laws.	When interest on call or installment payable
	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
25.	(1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable	Sums deemed to be calls
	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
26.		<p>The Board -</p> <ol style="list-style-type: none"> may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by 	Payment in anticipation of calls may carry interest



		him until the same would, but for such payment, become presently payable by him.	
27.		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Installments on shares to be duly paid
28.		All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class	Calls on shares of same class to be on uniform basis
29.		Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided	Partial payment not to preclude forfeiture
30.		The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company	Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc
Transfer and Nomination of shares			
31.	(1)	The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.	Instrument of transfer to be executed by transferor and transferee
	(2)	The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	



	(3)	<p>a. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.</p> <p>b. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.</p> <p>c. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act or Applicable Laws.</p> <p>d. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.</p>	Nomination
32.		<p>The Board may, subject to the right of appeal conferred by the Act decline to register -</p> <p>a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>b. any transfer of shares on which the Company has a lien.</p>	Board may refuse to register transfer
33.		<p>In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless -</p>	Board may decline to recognize instrument of transfer



		<ul style="list-style-type: none"> a. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and c. the instrument of transfer is in respect of only one class of shares. 	
34.		<p>On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>	Transfer of shares when suspended
35.		<p>The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company</p>	Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc
		Transmission of shares	
36.	(1)	<p>On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p>	Title to shares on death of a member
	(2)	<p>Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons</p>	Estate of deceased member liable
37.	(1)	<p>Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -</p> <ul style="list-style-type: none"> a. to be registered himself as holder of the share; or b. to make such transfer of the share as the deceased or insolvent member could have made 	Transmission Clause
	(2)	<p>The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency</p>	Board's right unaffected



	(3)	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity to the Company
38.	(1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects	Right to election of holder of share
	(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share	Manner of testifying election
	(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member	Limitations applicable to notice
39.		<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	Claimant to be entitled to same advantage
40.		The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company	Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc
		Forfeiture of shares	
41.	(1)	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	If call or instalment not paid notice must be given
42.		The notice aforesaid shall: a. name a further day (not being earlier	Form of notice



		<p>than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>	
43.		If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect	In default of payment of shares to be forfeited
44.		Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture	Receipt of part amount or grant of indulgence not to affect forfeiture
45.		When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
46.		The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share	Effect of forfeiture
47.	(1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit	Forfeited shares may be sold, etc.
	(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
48.	(1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares	Members still liable to pay money owing at the time of forfeiture
	(2)	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it	Member still liable to pay money owing at time of forfeiture and interest



		thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	
	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares	Cessation of liability
49.	(1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share	Certificate of forfeiture
	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of	Title of purchaser and transferee of forfeited shares
	(3)	The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	Transferee not affected
50.		Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of sales
51.		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
52.		The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates
53.		The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls



54.		The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc
		Alteration of capital	
55.		<p>Subject to the provisions of the Applicable Laws, the Company may by an ordinary resolution, -</p> <ul style="list-style-type: none"> a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act and/or Applicable Laws; c. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; e. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. 	Power to alter share capital
56.		<p>Where shares are converted into stock:</p> <ul style="list-style-type: none"> a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles/ Applicable Laws under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</p> <ul style="list-style-type: none"> b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an 	<p>Shares may be converted into stock</p> <p>Right of stockholders</p>



		<p>amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</p> <p>c. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.</p>	
57.		<p>The Company may in any manner and in accordance with the provisions of Applicable Laws and from time to time by way of a resolution, reduce, its share capital; and/or any capital redemption reserve account; and/or any securities premium account; and/or any other reserve in the nature of share capital.</p>	Reduction of capital
Joint Holders			
58.		<p>Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:</p> <p>a. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share;</p> <p>b. On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</p> <p>c. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</p> <p>d. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</p> <p>e. (i) Any one of two or more joint-holders may vote at any meeting either</p>	<p>Joint-holders</p> <p>Liability of Joint-holders</p> <p>Death of one or more joint-holders</p> <p>Receipt of one sufficient</p> <p>Delivery of certificate and giving of notice to first named holder</p> <p>Vote of joint-</p>



		<p>personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p> <p>f. The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.</p>	holders
Dematerialization of Securities			
59.	(1)	<p>The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles. The Board shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialized.</p>	Dematerialization of Securities
	(2)	<p>Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.</p> <p>If a person opts to hold his securities with the</p>	Option to investors



		Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.	
	(3)	All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.	Securities in depositories to be in fungible form
		<p>Notwithstanding anything to the contrary contained these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.</p> <p>Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.</p>	Rights of Depositories and Beneficial Owners
		Notwithstanding anything contained these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode.	Service of Documents
		Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.	Transfer of securities
		Notwithstanding anything contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the	Allotment of securities dealt with in a



		details thereof to the Depository immediately on allotment of such Securities.	Depository
		Nothing contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.	Distinctive number of securities held in a Depository
		The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.	Register and index of Beneficial Owners
		Capitalisation of profits	
60.	(1)	<p>The Company may in accordance with provisions of Applicable Laws and upon the recommendation of the Board, resolve —</p> <ul style="list-style-type: none"> a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. 	Capitalisation
	(2)	<p>The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :</p> <ul style="list-style-type: none"> a. paying up any amounts for the time being unpaid on any shares held by such members respectively; b. paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b). 	Sum how applied
	(3)	A securities premium account and/or any other reserve account as prescribed under Applicable Laws may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	



	(4)	The Board shall give effect to the resolution passed by the Company in pursuance of this Article	
61.	(1)	<p>Whenever such a resolution as aforesaid shall have been passed, the Board shall -</p> <ul style="list-style-type: none"> a. make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and b. generally do all acts and things required to give effect thereto 	Powers of the Board for capitalisation
	(2)	<p>The Board shall have power—</p> <ul style="list-style-type: none"> a. to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares. 	
	(3)	Any agreement made under such authority shall be effective and binding on such members.	
		Buy-back of shares	
62.		Notwithstanding anything contained in these Articles but subject to all the provisions of Applicable Laws, the Company may purchase its own shares or other specified securities. The powers conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.	Buy-back of shares
		Borrowing Powers	
63.	(1)	The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the	Power to borrow



		Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, ,provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.	
	(2)	The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.	Conditions on which money may be borrowed
	(3)	Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable	Terms of issue of Debentures
	(4)	The provisions of Clause 31 (1) & (2) of these Articles to apply <i>mutatis mutandis</i> as are applicable to instrument of transfer of Equity Shares.	Instrument of transfer
	(5)	Deliver by the Company of certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.	Delivery of certificates
		General meetings	
64.		All general meetings other than annual general meeting shall be called extraordinary general meeting.	Extraordinary General Meeting.



65.	(1)	The Board may, whenever it thinks fit, call an extraordinary general meeting.	Powers of Board to call extraordinary general meeting
	(2)	Where permitted or required by Applicable Laws, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal ballot, which shall include e-voting. Such Postal ballot will comply with the provisions of Applicable Laws in this behalf. Board may provide Members/Members of a class/Debenture holders right to vote through e-voting, in accordance with Applicable Laws.	Resolutions by Postal Ballot
Proceedings at general meetings			
66.	(1)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	Presence of Quorum
	(2)	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
	(3)	The quorum for a general meeting shall be as provided under Applicable Laws.	Quorum for general meeting
67.		The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. Subject to Applicable Laws, the Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.	Chairperson of the meetings
68.		If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one among themselves to be Chairperson of the meeting.	Directors to elect a Chairperson
69.		If at any meeting, if there is no such Chairperson and no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.	Members to elect a Chairperson
70.		On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote	Casting vote of Chairperson at general meeting
71.	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner and within such time as may be prescribed under Applicable Laws	Minutes of proceedings of meetings and resolutions passed by postal ballot
	(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -	Certain matters not to be included in Minutes



		<ul style="list-style-type: none"> a. is, or could reasonably be regarded, as defamatory of any person; or b. is irrelevant or immaterial to the proceedings; or c. is detrimental to the interests of the Company 	
	(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of Chairperson in relation to Minutes
	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be evidence
72.	(1)	<p>The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <ul style="list-style-type: none"> a. be kept at the registered office of the Company; and b. be open to inspection by any member without charge, during business hours, for such periods not being less than 2 hours on any working day, as may be fixed by the Board, from time to time. 	Inspection of minute books of general meeting
	(2)	<p>Any member shall be entitled to be furnished, within the time prescribed by Applicable Law, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above. Any Member shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs.10/- (rupees ten) for each page or such higher amount as may be provided under the Applicable Laws.</p>	Members may obtain copy of minutes
73.		<p>The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p>	Powers to arrange security at meetings
		Adjournment of meeting	
74.	(1)	The Chairperson may, <i>suo motu</i> , adjourn the meeting from time to time and from place to place	Chairperson may adjourn the meeting
	(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place	Business at adjourned meeting
	(3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting	Notice of adjourned meeting



	(4)	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting	Notice of adjourned meeting not required
		Voting rights	
75.	(1)	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares -</p> <ul style="list-style-type: none"> a. on a show of hands, every member present in shall have one vote; and b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company 	Entitlement to vote on show of hands and on poll
	(2)	A member may exercise his vote at a meeting by electronic means in accordance with Applicable Laws and shall vote only once	Voting through electronic means
	(3)	The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the members	The intent of these Articles
76.	(1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	Vote of joint-holders
	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members	Seniority of names
77.		A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members <i>non compos mentis</i> and minor may vote
78.		Subject to the provisions under Applicable Laws and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall	Votes in respect of shares of deceased or insolvent members, etc.



		duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	
79.		Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
80.		No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
81.		A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
82.		Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
83.	(1)	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
	(2)	The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.	Proxies when to be deposited
	(3)	Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy.	-Proxy
	(4)	A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise. The proxy so appointed shall not have any right to speak at the meeting.	Vote by Proxy
84.		An instrument appointing a proxy shall be in the form as prescribed under Applicable Laws.	Form of proxy
85.		A vote given in accordance with the terms of an	Proxy to be valid notwithstanding



		<p>instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	death of the principal
Board of Directors			
86.	(1)	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen). However, the Company may appoint more than 15 Directors in accordance with provisions under Applicable Laws.	Board of Directors
	(2)	The Directors are not required to hold any qualification shares.	
	(3)	Composition of the Board shall be in accordance with the provisions of Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime	
	(4)	<p>The first directors of the Company were:</p> <ol style="list-style-type: none"> 1. Mr. Basant Kumar Agrawal 2. Mr. Mahabir Prasad Agrawal 3. Mr. Sunil Kumar Agrawal 4. Mr. Weston Nonghuloo 	First Directors
87.	(1)	Subject to provisions under Applicable Laws, at least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "the Rotational Directors"). At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.	Rotation of Directors
	(2)	The Company may appoint a Managing or a Whole-time Director, or any other Executive Director, as	



		Rotational Director. The terms appointment of such a Director may provide that, where the General Meeting at which such Director comes for reappointment does not reappoint him, his employment may continue as a manager or as an executive of the Company.	
	(3)	Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later: Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.	Resignation by Directors
	(4)	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Chairperson and Managing Director to be the same
88.	(1)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors
	(2)	The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined and payable in accordance with and subject to the provisions of the Act and Applicable Laws	Remuneration to require members' consent
	(3)	The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors, from time to time, within the maximum limit as prescribed under Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode.	Sitting Fees



	(4)	<p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <ul style="list-style-type: none"> a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or b) in connection with the business of the Company. c) Where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer. 	Travelling and other expenses
89.		All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine	Execution of negotiable instruments
90.	(1)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	Appointment of additional directors
	(2)	Such person shall hold office only up to the date of the next annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier. However, he shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	Duration of office of additional director
91.	(1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is	Appointment of alternate director



		qualified to be appointed as an independent director under the provisions of the Act.	
	(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India	Duration of office of alternate director
	(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	
	(4)	The Company shall, subject to the provisions of the Applicable Laws, these Articles and terms of an agreement, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit. He shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.	
92.	(1)	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.	Appointment of director to fill a casual vacancy
	(2)	The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated	Duration of office of Director appointed to fill casual vacancy
		Powers of Board	
93.	(1)	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or	General powers of the Company vested in Board



		<p>by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.</p>	
	(2)	<p>Absolute Powers of the Board: Without prejudice to the general powers as stated in last preceding Article and/or Applicable Laws made thereunder and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law , it is hereby declared that the Directors shall have the following powers; that is to say, power :</p> <ul style="list-style-type: none"> i. To pay any interest lawfully payable under the Act and/or Applicable Laws. ii. To appoint and nominate any Person(s) to act as proxy or representative for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association. iii. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and employees. iv. Subject to Sections 179 and 188 of the Act and Applicable Laws to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. v. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such 	



		<p>Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;</p> <ul style="list-style-type: none"> vi. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit; vii. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed; viii. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future). ix. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company. x. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees; xi. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company. xii. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.; 	
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		<ul style="list-style-type: none"> xiii. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents; xiv. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. xv. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name; xvi. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. xvii. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose; xviii. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company; xix. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the 	
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		<p>building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;</p> <p>xx. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;</p> <p>xxi. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments(other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or</p>	
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any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

xxii. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

xxiii. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;

xxiv. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.



xxv. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.

xxvi. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

xxvii. At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Share holders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any



		<p>such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;</p> <p>xxviii. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;</p> <p>xxix. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.</p> <p>xxx. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.</p> <p>xxxi. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.</p>	
Proceedings of the Board			
94.	(1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	When meeting to be convened
	(2)	The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	Who may summon Board meeting
	(3)	The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
	(4)	The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the	Participation at Board meetings



		Rules or permitted under law.	
95.	(1)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
	(2)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
96.		The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose	Directors not to act when number falls below minimum
97.	(1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If an individual is appointed or reappointed by the company as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time, in that case, such person shall preside at all meetings of the Board as well as General meetings of the Company. Otherwise, the Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson.	Who to preside at meetings of the Board
	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	Directors to elect a Chairperson
98.	(1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit	Delegation of powers
	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any	Committee to conform to Board



		regulations that may be imposed on it by the Board	regulations
	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law	Participation at Committee meetings
99.	(1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of Committee
	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Who to preside at meetings of Committee
100.	(1)	A Committee may meet and adjourn as it thinks fit.	Committee to meet
	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present	Questions at Committee meeting how decided
	(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	Casting vote of Chairperson at Committee meeting
101.		All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director	Acts of Board or Committee valid notwithstanding defect of appointment
102.		Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Passing of resolution by circulation
		Chairman cum Managing Director, Managing Director, Whole-time Director, Chief Executive	



		Officer, Manager, Chief Financial Officer and Company Secretary	
103.	(1)	<p>Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Chairman cum Managing Director or Managing Director(s) or Whole-time Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit. Subject to the provisions of these Articles the Board may by resolution vest in such Chairman cum Managing Director or Managing Director(s) or Whole-time Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.</p> <p>Subject to the Article above, the powers conferred on the Chairman cum Managing Director or Managing Director(s) or Whole-time Director(s) shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collaterally with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Chairman cum Managing Director or Managing Director(s) or Whole-time Director(s) shall not exercise any powers under Applicable Laws except such powers, which can be delegated under the Act and specifically delegated by a resolution of the Board.</p>	Chairman cum Managing Director/ Managing Director/ Whole-time Director
	(2)	The Board of Directors may, subject to Section 179 of the Act and Applicable Laws, entrust to and confer upon a Chairman cum Managing Director or Managing Director(s) or Whole-time Director(s) any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.	Delegation of Powers subject to Restrictions
	(3)	(a) Subject to the provisions of the Act and Applicable Laws, a Chief Executive Officer, Manager, Company Secretary and Chief Financial	



		<p>Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.</p> <p>(b) A director may also be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>	
		Registers	
104.		<p>The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name, register of Directors and Key Managerial Personnel and their shareholding and register of contracts and arrangements in which directors are interested and any such register as required under Applicable Laws, for such duration as the Board may, unless otherwise prescribed under Applicable Laws, decide, and in such manner and containing such particulars as prescribed under Applicable Laws.</p> <p>The registers and copies of annual return and other registers shall, where applicable and required under the applicable laws, be open for inspection during business hours of the Company, not being less than two (2) hours on any working day, as may be fixed by the Company Secretary or any other person authorized by the Board of the Company, from time to time, at the registered office of the Company by the persons entitled thereto on payment, where required, of Rs. 50/- per register per inspection and copy of any specific extract, where allowed and required under the applicable laws, upon the payment of Rs. 10 (ten rupees) per page, or such amount as may be laid by the Board but not exceeding the limits prescribed under Applicable Laws, Such registers shall be kept under the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.</p>	Statutory registers



105.		<p>(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, <i>mutatis mutandis</i>, as is applicable to the register of members</p>	Foreign register
		The Seal	
106.	(1)	The Board shall provide for the safe custody of the seal	The seal, its custody and use
	(2)	The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	Affixation of seal
		Dividends and Reserve	
107.		The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend	Company in general meeting may declare dividends
108.		Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit	Interim dividends
109.	(1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments	Dividends only to be paid out of profits



		(other than shares of the Company) as the Board may, from time to time, think fit.	
	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Carry forward of profits
110.	(1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	Division of profits
	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in advance
	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	Dividends to be apportioned
111.	(1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	Company's right to reimbursement there from
	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares	Retention of dividends
112.	(1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct	Dividend how remitted



	(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
	(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made	Discharge to Company
113.		Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share	Receipt of one holder sufficient
114.		No dividend shall bear interest against the Company	No interest on dividends
115.		The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends
		Accounts	
116.	(1)	<p>The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.</p> <p>Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place</p>	
	(2)	The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.	



	(3)	Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.	
	(4)	The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.	
	(5)	Preparation of revised financial statements or Boards' Report: Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.	
	(6)	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.	Places of keeping accounts
	(7)	No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.	



		Audit	
117.	(1)	Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Applicable Laws. Where applicable, a Secretarial Auditor, Internal Auditor or any other Auditor shall be appointed by the Board and their rights and duties shall be regulated in accordance with Applicable Laws.	Auditors to be appointed
	(2)	Subject to the provisions of Section 139 of the Act and Applicable Laws, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every annual general meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws	Statutory Auditors
	(3)	The remuneration of the Statutory Auditors shall be fixed by the Company in Annual general meeting or in such manner as the Company in general meeting may determine. The Board subject to ratification by the shareholders shall determine remuneration of Cost Auditors. The Board shall fix remuneration of Secretarial Auditor, Internal Auditor or any other Auditors.	Remuneration of Auditors
Winding up			
118.		Subject to the applicable provisions of the Act and the Rules made thereunder - (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest	



		the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.		
		Authentication of Documents		
119.	(1)	Any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.	Power to authenticate documents	
	(2)	Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.		
		Service of Notice and Documents		
120.	(1)	<p>A document or notice may be served or given by the Company on any member either personally or sending it by post or by delivery or by such electronic or other mode, as may be prescribed under Applicable Laws, to his registered address or if he has no registered address in India to the address, if any, in India supplied by him to the Company for serving documents or notices on him, as prescribed under in Section 20 of the Act and Applicable Law made thereunder.</p> <p>A document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his registered address or by such electronic or other mode as may be prescribed</p>	Service of documents and notice	



		under Applicable Laws or where the shareholder has made a special request for delivery of the document through a particular mode of services, then the member shall be charged in advance equivalent to the estimated actual expenses for delivery of the documents and such requisite fee shall be payable by the member to the Company at least one week in advance of the despatch of the document and thereafter no such request shall be entertained by the Company.	
	(2)	A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.	Newspaper advertisement of notice to be deemed duly serviced
	(3)	A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.	Notice to whom served in case of joint shareholders
	(4)	A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.	Notice to be served to representative
	(5)	Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.	Service of notice of General Meetings
	(6)	Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to	Members bound by



		any Share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.	notice
	(7)	Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed	Documents or notice to be signed
	(8)	All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.	Notice to be served by post or other electronic means
		<p>Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.</p> <p>All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.</p>	Admissibility of micro films, computer prints and documents to be treated as documents and evidence
Secrecy			
121.		Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bona fide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except	



		<p>so far as maybe necessary in order to comply with any of the provisions in these presents and the provisions of the Act.</p> <p>Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.</p>	
		Bonafide Exercise of Membership Rights	
122.		<p>Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes</p>	
		Indemnity	
123.	(1)	<p>For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:</p> <p>"Claims" means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;</p> <p>"Indemnified Person" shall mean any Director, officer or employee of the Company, as</p>	



		<p>determined by the Board, who in bona fide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employee, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;</p> <p>"Losses" means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;</p>	
	(2)	<p>Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).</p> <p>The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.</p> <p>The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:</p> <p>a. Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;</p>	Indemnification



		<ul style="list-style-type: none">b. Any liability arising due to any benefit wrongly availed by the Indemnified Person;c. Any liability on account of any wrongful information or misrepresentation done by the Indemnified Persond. The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.	
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SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS/DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation issued by the Registrar of Companies, West Bengal.
3. Scheme of Arrangement for Demerger between Manaksia Limited and Manaksia Steels Limited, Manaksia Industries Limited, Manaksia Coated Metals & Industries Limited and Manaksia Aluminium Company Limited and their respective shareholders.
4. Order of the Hon'ble High Court of Calcutta sanctioning the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956.
5. Copy of Resolution relating to the appointment of Mr. Suresh Kumar Agrawal as Managing Director of the Company.
6. The Statement of Tax benefits prepared by the auditors M/s. S K Agrawal & Co., Chartered Accountants on tax benefits available Dated 15-12-2014.
7. Annual Report of the Company for the last three years.
8. Copy of application made to NSE and BSE for in principle listing approval.
9. Tripartite agreement dated 01.08.2014 with NSDL, tripartite agreement dated 05.06.2014 with CDSL admitting the equity shares of the company in dematerialized form under ISIN INE824Q01011.
10. Audited Accounts of the Company for half year ended 30th September, 2014.
11. NSE letter dated 23rd February, 2015 granting in-principle approval for listing.
12. BSE letter dated 11th March, 2015 granting in-principle approval for listing.
13. Letter no. CFD/DIL/AKD/PM/6814/2015 dated 4th March, 2015 of SEBI granting relaxation from the applicability of Rule 19(2)(b) of SCRR



DECLARATION

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956/2013 and the rules made there under. All the legal requirements connected with the said issue as also the guidelines; instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

We further certify that all statements in this Information Memorandum are true and fair.

Yours faithfully

BY ORDER OF THE BOARD OF DIRECTORS

For MANAKSIA STEELS LIMITED


AJAY SHARMA
COMPANY SECRETARY



Place: KOLKATA

Date: 16.03.2015