NIRAJ ISPAT INDUSTRIES LIMITED

CIN: L27106DL1985PLC021811

To,

Date: 05.10.2018

The Manager,
NSE - Corporate Office
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400051

Ref: Submission of Annual Report for 2017-18 under Regulation 34 of SEBI (LODR) Regulations, 2015

We are hereby submitting the Annual Report of Niraj Ispat Industries Limited For Financial Year ended 2017-18 as required under Regulation 34 of SEBI (LODR) Regulations, 2015.

Kindly consider and take our submission in your records.

Thanking You
Yours faithfully

For Niraj Ispat Industries Limited

NIRAJ ISPAT INDUSTRIES LIMITED DELHI

Sonam Nandwani
Company Secretary
M.No:A52672

NIRAJ ISPAT INDUSTRIES LIMITED

NIRAJ ISPAT INDUSTRIES LIMITED

BOARD OF DIRECTORS

Haryant Kumar Chaudhry	Director
Vaishali Chaudhry	Director
Chaitanya Chaudhary	Director
Anil Kumar Sharma	Independent Director
Rajeev Kumar Singhal	Independent Director

COMPANY SECRETARY

Ms. Sonam Nandwani

AUDITORS

M/s. Sanjeev Anand & Associates

SECRETERIAL AUDITORS

M/s. V Kumar and Associates,
Company Secretaries

REGISTRAR AND TRANSFER AGENT

M/s. Skyline Financial Services Pvt. Ltd

BANKERS

State Bank of India

REGISTERED OFFICE

5140-41/34, F/F Chaudhary Market, Gali Peti
Wali, Rui Mandi, Sadar Bazar, Delhi -110006
Tel: 0120-6526390, 23551821
Email: Nirajispatindustries@gmail.com
Website: www.nirajispat.in

CORPORATE OFFICE

Chaudhary Cinema Building,
19, G.T. Road Ghaziabad-201009, Uttar Pradesh

NIRAJ ISPAT INDUSTRIES LIMITED

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Shareholders of **Niraj Ispat Industries Limited** will be held at its Registered Office of the Company on Saturday September 29th, 2018 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet of the Company as at 31st March, 2018 and Profit and Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.

For and on behalf of the Board of Directors
FOR Niraj Ispat Industries Limited

Place: New Delhi
Date: 03.09.2018

Sd/-
Haryant Kumar Chaudhry
Director
DIN: 00021795
Address: KD-46, Kavi Nagar,
Ghaziabad-201002, Uttar Pradesh

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of this Annual General Meeting.
2. Corporate members intending to send their authorized representatives to attend the meetings are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting; Proxies should fill in the attendance slip for attending the meeting.
5. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions to the Company secretary, at least 10 days before the meeting to enable the information required to be made available at the meeting to the best extent possible.
6. The Company has entered into necessary arrangement with National Securities Depository Limited (NSDL) to enable the members to dematerialize their shareholding in the Company, Shareholders are requested to avail this facility and get their shares converted into dematerialized form by sending the Dematerialization Request Form (DRF) along with the share certificates through their Depository Participant to the Register and Transfer Agents of the Company.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 18th September, 2018 to Thursday, 20th September, 2018 (both days inclusive).
9. The Board of Directors has appointed Mr. Vivek Kumar, Company Secretary in Practice, having COP No. 10438 and office at 15/18, Basement, West Patel Nagar, New Delhi-110008 as the Scrutinizer for conducting this E-voting process in a fair and transparent manner.
10. In compliance with the provisions of Section 108 of the Companies Act, 2013 along with rules there under and as per the regulations of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The complete details of the instructions for e-voting are annexed to this notice.

PROCESS FOR E-VOTING:

The Company viz; Niraj Ispat Industries Limited of which you are a shareholder has engaged NSDL for providing Remote E-voting services through the e-Voting platform of NSDL. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in voting on resolutions placed by Company on e-Voting system. The process of login to e -Voting website is given below:

1. Launch internet browser by typing the URL https://www.evoting.nsdl.com/.
2. Click on "Shareholder - Login".
3. Put your existing User ID and password.
4. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
5. Select "EVEN" Niraj Ispat Industries Limited.
6. Now you are ready for "e-Voting" as "Cast Vote" page opens.
7. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

Members can cast their vote online from 26th September, 2018 (9:00 A.M.) till 28th September, 2018 (5:00 P.M.). Kindly note that vote once casted cannot be modified. For EVEN, you can log-in any number of times on e-voting platform of NSDL till you have voted all the resolutions or till the end date of voting period.

Note: e-Voting shall not be allowed beyond said time i.e. 28th September, 2018 at 5:00 P.M.

8. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at csvivekkumar@gmail.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password, in such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.

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

You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of https://www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990. For any further grievance related to the Remote E-voting, members may contact NSDL at the following contact information:

Phone No.+91 22 24994600/24994738
Email ID: evoting@nsdl.co.in

The result of voting will be announced at 5140-41/34, F/F Chaudhary Market, Gali Peti Wali, Rui Mandi, Sadar Bazar, Delhi- 110006 by the Chairman of the Meeting of the AGM on Saturday,29th September, 2018. The result of the voting will be communicated to the stock exchanges and will also be posted on the website of the Company.

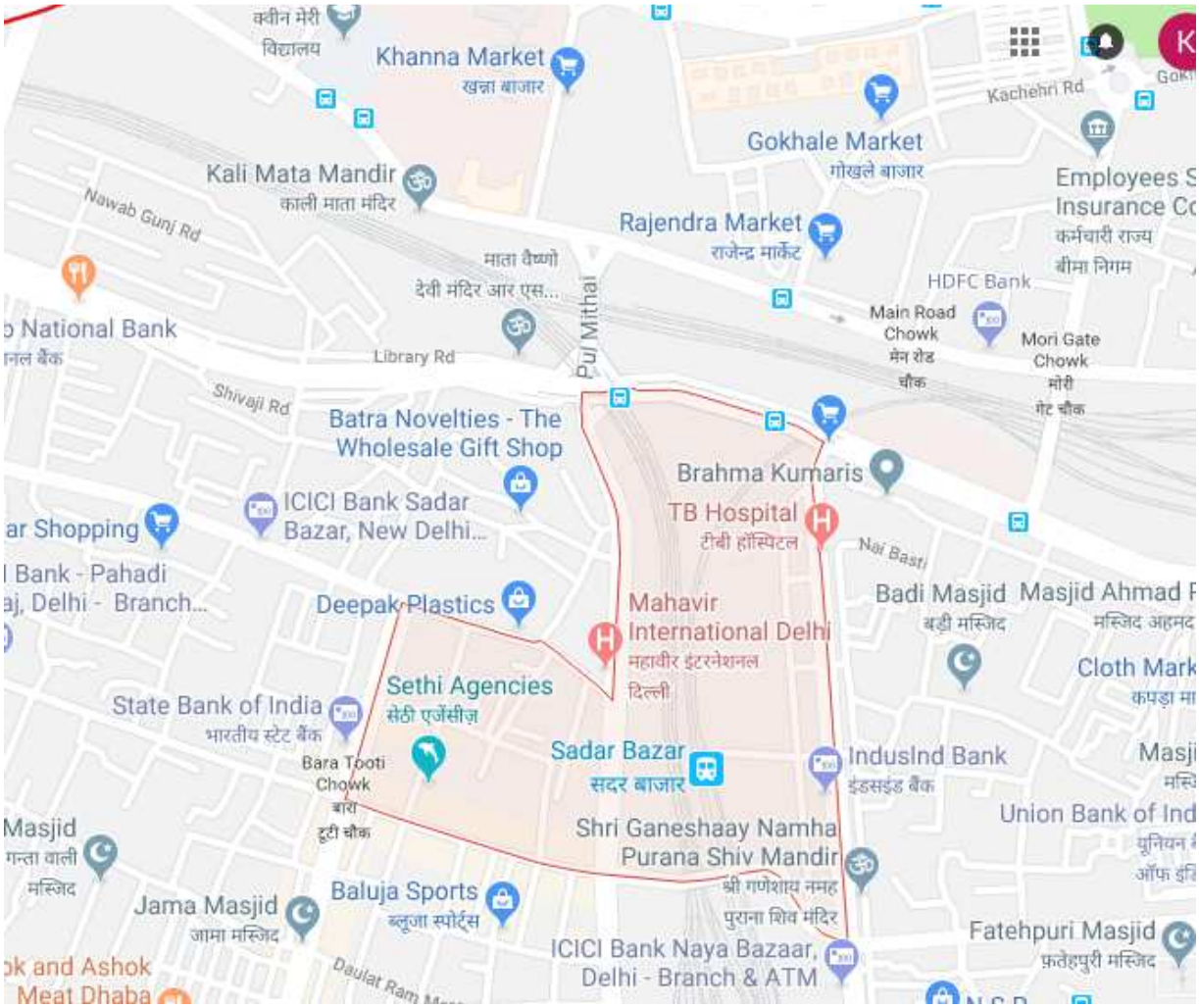
Name and Address of the Stock Exchange at which Company's shares is listed.

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Place: New Delhi
Date: 03.09.2018

For and on behalf of the Board of Directors
FOR Niraj Ispat Industries Limited

Sd/-
Haryant Kumar Chaudhry
Director
DIN: 00021795
Address: KD-46, Kavi Nagar,
Ghaziabad-201002, Uttar Pradesh


Khanna Market
खन्ना बाजार
Kali Mata Mandir
काली माता मंदिर
Nawab Gunj Rd
Gokhale Market
गोखले बाजार
Kachehri Rd
Rajendra Market
राजेन्द्र मार्केट
HDFC Bank
Main Road Chowk
मेन रोड चौक
Mori Gate Chowk
मोरी गेट चौक
Library Rd
Shivaji Rd
Batra Novelties - The Wholesale Gift Shop
ICICI Bank Sadar Bazar, New Delhi...
Brahma Kumaris
TB Hospital
टीबी हॉस्पिटल
Nai Basti
Deepak Plastics
Mahavir International Delhi
महावीर इंटरनेशनल दिल्ली
Badi Masjid
बड़ी मस्जिद
Sethi Agencies
सेठी एजेंसीज़
State Bank of India
भारतीय स्टेट बैंक
Bara Tooti Chowk
बारा टूटी चौक
Sadar Bazar
सदर बाजार
IndusInd Bank
इंडसइंड बैंक
Shri Ganeshaay Namha Purana Shiv Mandir
श्री गणेशाय नमह पुराना शिव मंदिर
Jama Masjid
जामा मस्जिद
Baluja Sports
बलूजा स्पोर्ट्स
ICICI Bank Naya Bazaar, Delhi - Branch & ATM
Fatehpuri Masjid
फ़तेहपुरी मस्जिद
Daulat Ram

DIRECTOR'S REPORT

To Dear Members,

The Directors present their Thirty Third Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2018 is summarized below:

Particulars	Year ended 31.03.2018(in lakhs)	Year ended 31.03.2017(in lakhs)
Income(Gross)	717.62	792
Expenses during the year excluding depreciation & interest	559.22	601.31
Profit/(Loss) before depreciation & interest Less: - Depreciation Interest	158.4 31.09	190.69 29.67
Profit before Taxes	127.31	161.02
Less:- Provision for Taxation - Current Tax/MAT - Short/Excess provision of taxation for previous period - Deferred Tax	 35.77 1.66 (6.03)	 38.20 1.81 10.15
Profit/(Loss) After Tax	95.91	110.87
Prior period adjustments	-	-
Profit/(Loss) for the year after tax and prior period adjustments	95.91	110.87

DIVIDEND

Your Directors intend to plough back available resources for financial requirements and express their inability to recommend any dividend for the financial year.

RESERVES

The Company has transferred Rs. 1800000/- from the statement of profit and loss to general reserve during the year under review.

BUSINESS OPERATIONS

The fiscal year 2018 was a period of relative stability. During the year under review, your Company achieved a profit of Rs. 127.31/-(in lakhs) before tax as against Profit 161.02/-(in lakhs) in the preceding financial year.

BOARD MEETINGS OF THE COMPANY

The details of the number of meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of this Annual Report in compliances with Regulation 34 of SEBI (LODR) Regulations, 2015 and is annexed marked as **Annexure 'A'**.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY

The Company has no subsidiary, Associate Companies and joint venture Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATES.

There have been no material changes and commitments occurred between the periods affecting the financial position of the Company.

EXTRACTS OF THE ANNUAL RETURN

The details forming part of extract of Annual Return as on the financial year ended March 31, 2018 pursuant to Section 92(3) of the Companies Act, 2013 in Form MGT-9 is attached as **ANNEXURE 'B'.**

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure 'C'** to this Report.

CORPORATE GOVERNACE

As per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance with the Corporate Governance Provisions shall not apply in respect of the listed entity having paid up Equity Share Capital not exceeding Rupees Ten Crores and Net worth not exceeding Rupees Twenty Five Crores as on the last day of the previous financial year. However, as a good governance practice, the Directors Report on Corporate Governance is annexed and form part of this report as **Annexure 'D'.**

CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

While selecting Directors, the Company looks for an appropriate balance of skills, experience,

independence and knowledge to enable them discharge their respective duties and responsibilities effectively. The Company has laid down a clear Policy on remuneration of Directors, Key Managerial Personnel and other employees

DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

APPOINTMENT OF COMPANY SECRETARY

The Company has appointed Ms. Sonam Nandwani, an Associate Member of the Institute of Company Secretaries of India, as Company Secretary of the Company to hold the office w.e.f. 27th September, 2017.

OVERALL REMUNERATION

Details of all elements of remuneration paid to all the Directors are given in the Corporate Governance Report. Details of remuneration as required under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in this report**.**

BOARD EVALUTION

The Board of Directors has complied with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Annual Evaluation of performance of the Board, the Committees and the individual Directors. Such evaluation was made on the parameters such as the level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance of the Board, its committees and the individual Directors is satisfactory.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (m) of the Companies Act, 2013, with respect to Directors Responsibility statement, it is hereby confirmed that:-

(i) In the preparation of the Annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) The Directors have prepared the annual accounts for the financial year ended 31st March 2018 on a going concern basis.

(v) The Director had laid down internal financial controls to be followed by company and that internal financial controls are adequate and operating effectively.

(vi) The Director had devised proper system to ensure compliance with provision of all applicable laws and such is adequate and operating effectively

AUDITORS REPORT

The Auditors report does not contain any reservation, qualification or adverse remark.

SECRETERIAL AUDITOR

The secretarial audit of the Company has been conducted by M/s. V Kumar and Associates, Company Secretaries and their report on the secretarial audit for the year under review is annexed hereto is attached as **ANNEXURE 'F'.**

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report does not contain any reservation, qualification or adverse remark except that:-

- Since, Company is required to appoint Internal Auditor pursuant to section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, But the Company did not appoint any Internal Auditor.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits during the financial year under review.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENT MADE UNDER 186 OF THE COMPANIES ACT, 2013

The Company has neither given any loan to any persons or body corporate nor given any guarantee or provided security in connection with a loan to other body corporate or Persons. The Company has not made any investment in the purchase of shares of any associate Company during the year under review.

RELATED PARTY TRNSACTIONS

All the related party transactions that were entered into during the financial year were in the ordinary course of Company's business and on arm's length basis. There are no materially significant related party transactions made by the Company with the Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. However the related party transactions are given in Note No.27.

DETAILS IN RESPECT OF ADEQUACY OF INTERIAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

The Company has adequate internal financial control system commensurate with the size of the Company and the nature of its business with regards to purchase of Fixed Assets. The activities of the Company do not involve purchase of inventories and sale of goods and services.

For the purposes of effective internal financial control, the Company has adopted various procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

To ensure adequacy of internal financial controls, the procedures adopted by the Company are based on the following parameters:

(a) Familiarity with Policies and Procedures – the related policies and procedures and the changes thereto, if any, are communicated to the employees at the time of joining and it is ensured that such person understands the policies or procedures correctly.
(b) Accountability of Transactions – There is a proper delegation of authorities and responsibilities so as to ensure accountability of any transaction.
(c) Accuracy & Completeness of Financial Statements/ Reports – For accuracy and completeness of information, reconciliation procedure and multiple checking at different level have been adopted. To avoid human error, computer software is extensively used.
(d) Retention and Filing of Base Documents – All the source documents are properly filed and stored in a safe manner. Further, important documents, depending upon their significance are also digitized.
(e) Segregation of Duties – It is ensured that no person handles all the aspects of a transaction. To avoid any conflict of interest and to ensure propriety, the duties have been distributed at different levels.
(f) Timeliness – It is also ensured that all the transactions are recorded and reported in a timely manner.

The procedures are also reviewed by the Statutory Auditors and the Directors of the Company from time to time. There has also been proper reporting mechanism implemented in the organization for reporting any deviation from the procedures.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND
Since there was no unpaid/unclaimed dividend declared and paid in past years, the provisions of Section 125 of the Companies Act, 2013, do not apply.

SEGMENT
The Company is engaged in the business of manufacturing of Polyester Buttons which are governed by the same set of risks and returns and as such are in the same segment.

RISK MANAGEMENT POLICY

At present, the Company has not identified any element of risk which may threaten the existence of the Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record and acknowledge their appreciation for the continued support and co- operation received from Government agencies and the shareholders. Your Directors also record their appreciation for the total dedication of employees at all levels.

For and on behalf of the Board of Directors
FOR Niraj Ispat Industries Limited

Place: New Delhi
Date: 03.09.2018

Sd/-	**Sd/-**
Haryant Kumar Chaudhry	**Chaitanya Chaudhary**
Director	**Director**
DIN: 00021795	**DIN: 06813394**
Address: KD-46, Kavi Nagar, Ghaziabad-201002, Uttar Pradesh	**Address: KD-46, Kavi Nagar, Ghaziabad-201002**

ANNEXURE 'A'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OPERATING RESULTS OF THE COMPANY

During the Financial Year under consideration the performance of the Company was satisfactory. Net Profit for the year 2017-18 stood at Rs. 9,591,431/- as against Net Profit of Rs. 11,086,616/- in the year 2016-17. Furthermore the total Revenue from operation for the year ended March 31st, 2018 stood at Rs. 65,611,797/- as compared to Rs. 71,922,025/- revenue for the year 2016-2017.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

The principal activities of the Company are:

i. The Company carries on the business of manufacturing of polyester buttons in two or four thread holes. Used in dresses, sweaters, pouches and shirts, these buttons can be availed in a variety of colors, sizes and designs. Due to their numerous advantages, these buttons are widely acknowledged in residential and commercial sectors. We are offering these polyester buttons to our clients at cost-effective prices.

ii. The Company has enriched with vast industry experience, we are offering an exquisite range of Polyester Buttons. At our vendors' end, these buttons are designed using remarkable quality of materials that are procured from certified sources of the market. To ensure flawlessness, these buttons are comprehensively checked on various parameters by the team.

3. THREATS

I. With the increase in business segment, the competition has increased from Domestic and other developed countries.

II. Threats for this Industry are very common and every person is aware of the threats and the risks involved with this Industry.

4. PROSPECT & OUTLOOK

The Company presents the analysis of the Company for the year 2017-2018 & its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic & other developments, both in India and abroad.

5. RISKS AND CONCERNS

The Company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are well-established procedures for Internal Controls for operations of the Company. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations. The Company has constituted Audit Committee for guidance and proper control of affairs of the Company.

7. HUMAN RESOURCES

Human Resources are highly valued assets at Niraj Ispat Industries Limited. The Company seeks to attract, retain and nurture technical & managerial talent across its operations and continues to create, sustain the environment that brings out the best in our people with emphasis on training, learning & development. It aims at career progression and fulfilling satisfactory needs. Performance is recognized and rewarded through up gradation & job enrichment, performance incentives.

For and on behalf of the Board of Directors
FOR Niraj Ispat Industries Limited

Place: New Delhi
Date: 03.09.2018

Sd/-	**Sd/-**
Haryant Kumar Chaudhry	**Chaitanya Chaudhary**
Director	**Director**
DIN: 00021795	**DIN: 06813394**
Address: KD-46, Kavi Nagar, Ghaziabad-201002, Uttar Pradesh	**Address: KD-46, Kavi Nagar, Ghaziabad-201002**

ANNEXURE 'B'

ANNEXURE TO DIRECTOR S' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on Financial Year Ended on 31st March, 2018

[Pursuant to Section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L27106DL1985PLC021811
Registration date	19th August, 1985
Name of the Company	Niraj Ispat Industries Limited
Category / sub-category of the Company	Company limited by shares
Address of the Registered office & Contact Details	5140/41/34, F/F Chaudhary Market, Gali Peti Wali, Rui Mandi, Sadar Bazar, New Delhi-110006 Tel: 0120-6526390,23551821
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D153A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi 110 020 Phone: 011- 64732681/82 Contact Person: Mr. Virender Rana Mobile No: 9818456709

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Manufacturing of Polyester Buttons	2220	93.13

NIRAJ ISPAT INDUSTRIES LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
	N.A	N.A	N.A.	N.A	N.A

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

i) Category-wise Share Holding

Category Code	Category of Shareholders	Number of share holders	Total number of shares	Number of shares held in dematerialized zed zed form	Total Shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	**Shareholding of Promoters and Promoter Group**					
(1)	Indian					
(a)	Individual/Hindu Undivided Family	7	321100	321100	53.52	53.52
(b)	Central Govt. / State Govt.(s)	0	0	0	0	0
(c)	Bodies Corporate	3	126400	126400	21.06	21.06
(d)	Financial Institutions / Banks	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0
	Sub-Total (A)(1)	**10**	**447500**	**447500**	**74.58**	**74.58**
(2)	**Foreign**	**0**	**0**	**0**	**0**	**0**
(a)	Individual(Non-Resident Indian / Foreign Individuals)					
(b)	Bodies	0	0	0	0	0
(c)	Institutions	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**

	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**10**	**447500**	**447500**	**74.58**	**74.58**
(B)	**Public Shareholding**					
(1)	Institutions	0	0	0	0	0
(a)	Mutual Funds / UTI	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	0
(c)	Central Government / State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0
	Sub-Total (B) (1)	0	0	0	0	0
(2)	**Non-Institutions**					
(a)	Bodies Corporate	5	9970	0	1.66	1.66
(b)	Individuals -					
i.	Individual shareholders holding nominal share capital upto Rs. 2 lakh.	481	141630	77,200	23.61	23.61
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	0	0	0	0	0
(c)	Any Other (subsidiary company)(specify)	0	0	0	0	0
(d)	Hindu Undivided Family	21	900	0	0.15	0.15
	Sub-Total (B) (2)	**507**	**152500**	**77,200**	**25.42**	**25.42**
	Total Public Shareholding B= (B)(1)+(B)(2)	**507**	**152500**	**77,200**	**25.42**	**25.42**

	TOTAL (A)+(B)	**517**	**600,000**	**524700**	**100.00**	**100.00**
(C)	**Shares held by custodians and against which Depository Receipts have been issued**	0	0	0	0	0

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year				
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber- red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Madhu Chaudhry	113900	18.98	0	113900	18.98	0	0
2	Neeraj Chaudhary HUF	54300	9.05	0	54300	9.05	0	0
3	Niraj Steels Private Limited	24600	4.1	0	24600	4.1	0	0
4	Pickup Suppliers Private Limited	53900	8.98	0	53900	8.98	0	0
5	Haryant Stainless Steel Private Limited	47900	7.98	0	47900	7.98	0	0
6	Haryant Kumar Chaudhary	35700	5.95	0	35700	5.95	0	0

7	Neeraj Chaudhary	61600	10.2	0	61600	10.2	0	0
8	Anuradha Kanodia	20000	3.33	0	20000	3.33	0	0
9	Vaishali Chaudhry	30400	5.07	0	30400	5.07	0	0
10	Vaidehi Chaudhry	5200	0.87	0	5200	0.87	0	0

(iii) Change in Promoter's shareholding (please specify if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	447500	74.58	447500	74.58
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat	0	0	0	0
	Equity etc.				
	At the end of the Year	447500	74.58	447500	74.58

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

Sl. No	Name of Shareholders	Shareholding at the beginning of the year		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares at the beginning	% of total shares of the Company		No. of shares at the end	% of total shares of the Company
1.	Haryant Kumar Chaudhary	35700	5.95	Nil	35700	5.95
2.	Neeraj Chaudhary	61600	10.2	Nil	61600	10.2

3.	Vaishali Chaudhry	30400	5.07	Nil	30400	5.07
4.	Madhu Chaudhry	113900	18.9	Nil	113900	18.9
5.	Anuradha Kanodia	20000	1.33	Nil	8000	1.33
6.	Vijay kumar aggarwal	20000	3.33	Nil	20000	3.33
7.	Neeraj Chaudhary(HUF)	54300	9.05	Nil	54300	9.05
8.	Haryant Stainless Steel (P)Ltd.	47900	7.98	Nil	47900	7.98
9.	Niraj Steels Pvt. Ltd.	24600	4.1	Nil	24600	4.1
10.	M/S Pickup Supplies (P)Ltd.	53900	8.98	Nil	53900	8.98

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No		**Shareholding at the beginning of the year 1st April, 2017**		**Shareholding at the end of the year 31st March, 2018**	
	For Each of the Directors &KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	Haryant Kumar Chaudhry	35700	5.95	35700	5.95
2	Vaishali Chaudhry	30400	5.07	30400	5.07
3	Chaitanya Chaudhary	Nil	Nil	Nil	Nil
4	Anil Kumar Sharma	3000	0.005	3000	0.005
5	Rajeev Kumar Singhal	Nil	Nil	Nil	Nil

V INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year I) Principal Amount II) Interest due but not paid III) Interest accrued but not due	24,023,207	32,540,810	NIL	56,564,017
Total (I+II+III)	24,023,207	32,540,810	NIL	56,564,017
Change in Indebtedness during the financial year • Addition • Reduction	-- (23,236,871)	31,646,635 -	Nil Nil	31,646,635 (23,236,871)
Net Change	(23,236,871)	31,646,635	NIL	84,09,764
Indebtedness at the end of the financial year I) Principal Amount II) Interest due but not paid III) Interest accrued but not due	786,336	64,187,445	NIL	64,973,781
Total (I+II+III)	**786,336**	**64,187,445**	**NIL**	**64,973,781**

VI. Remuneration of Directors and Key ManagerialPersonnel

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

Sl. no	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Haryant Kumar Chaudhry Chaitanya Chaudhry NIL NIL	6,00,000 5,40,000 NIL NIL
	Stock Option	-	-
	Sweat Equity	-	-
	Commission - as % of profit - others, specify	-	-
	Others, please specify	-	-
	Total (A)		-
	Ceiling as per the Act		-

A. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total amount
	Independent Directors ·Fee for attending board committee meetings · Commission - Others, please specify	Mr. Anil Kumar Sharma Mr. Rajeev Kumar Singhal NIL NIL	 NIL NIL
	Total (1)	NIL	NIL

	Other Non-Executive Directors · Fee for attending board · Commission · Others, please specify	Vaishali Chaudhry NIL NIL	 NIL NIL NIL
	Total (2)	NIL	NIL
	Total (B)=(1+2)	NIL	NIL
	Total Managerial Remuneration	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary	NIL NIL NIL	99,000 NIL NIL	8,40,000 NIL NIL	Nil NIL NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	99,000	8,40,000	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/compounding Fees imposed	Authority IRD/NCLT/ Court	Appeal made if any give details
NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE 'C'

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

The Information Under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31st, 2018 is given here below and forms part of the Director's Report.

I. CONSERVATION OF ENERGY

(a) Measures taken: The Company is aware of the importance of conservation of energy and continuous efforts are being made to reduce energy cost at all levels. Special attention is being given for the use of energy efficient equipments. During the year the Company Replaced the regular fluorescent tube lights with new energy saver LED tube Lights at factory

(b) Additional investments and proposal for reduction of consumption of energy:

The Company already worked on reducing carbon footprint in all its area of operation through initiatives like placing the solar panel 40.8 KW which generates approx. 180 units per day. The Management is committed to further identify new areas where the conventional equipments can be replaced by latest equipments so as to reduce the consumption of various sources of energy.

(c) Impact of the measures (a) and (b): The Company has achieved reduction in energy costs.

Total energy consumption and consumption per unit of production in prescribed Form 'A'is given below:

FORM – A

Power and Fuel Consumption	2017-18
1. Electricity Unit (kwhs) Total Amount (Rs.)	 5,28,654 42,94,595/-
2. Own Generation (Through Diesel Generator) Cost (Rs.)	 4,33,150/-

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B is given below:

FORM – B

I. Research and Development (R & D)

1. Specific areas: The R & D activities of the Company are aimed at quality control and improvement/up-gradation of the product range.
2. Benefits derived: Improvement in product quality, development of new value added products and cost effectiveness.
3. Future plan of action: Development of more value added products and making the product more cost effective.
4. Expenditure on R & D: Expenditure on Research & Development are difficult to ascertain as the same staff and equipments are used for production and quality control.

II. Technology Absorption, adoption and innovation:

1. Efforts made: Sustained efforts are being made towards upgrading the process technology.

2. Benefits derived: The Company has been able to improve the quality of its existing products

3. Particulars of technology imported: Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(a) Efforts : Various efforts are being made to explore and secure new export market for Company's products.

(b) Earning and outgo	**:**	**2017-18**	**2016-17**
i) Foreign Exchange earning	:	NIL	NIL
ii) Foreign Exchange outgo	:	NIL	NIL
(b) Value of Imports on CIF Basis		**2017-18**	**2016-17**
Capital Goods (in lacs)	:	50.38	38.43

ANNEXURE 'D'

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the set of best practices. Corporate governance refers to the set of systems, principles and processes by which a Company is governed. They provide the guidelines as to how the Company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, and shareholders to customers, employees and society. The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth.

The aim of "Good Corporate Governance" is to ensure commitment of the Board in managing the Company in a transparent manner for maximizing long-term value of the Company for its shareholders and protection of the rights of the shareholders and your Board of Directors are putting their best efforts to fulfill its commitment towards good Corporate Governance.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Corporate Governance philosophy is scripted as:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

The Company's philosophy of Corporate Governance is to strengthen the investor's trust and ensures a long-term partnership that helps in achieving Company's objectives, meeting its obligations towards stakeholders, and is guided by a strong emphasis on transparency, accountability, integrity and environment responsibility.

Our Company's framework is designed to enable the Board to provide strategic guidelines for the Company the effective over-sight of management. The respective roles and responsibilities of Board Members and Senior Executives are clearly defined to facilitate accountability to Company as well as its shareholders. This ensures a balance of authority so that no single individual has unfettered powers.

Our Company has taken adequate steps to form various Committees at the Board level to focus attention on crucial issues before placing the same before the Board for consideration. These include 'Audit Committee' and 'Shareholders/Investors Grievance Committee' Independent Directors are appointed not merely to fulfill the listing requirement but for their diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction and

guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions.

The Company is in compliance with all the requirements of the corporate governance code as enshrined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. BOARD OF DIRECTORS

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the Company.

i) CATEGORY AND COMPOSITION

In Compliance with the Listing Agreement, the Company has a balanced mix of executive, non-executive and Independent Directors to comply with the Regulation 17 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. As on date of this report, the Board of Directors consists of 5(Five) Directors, out of which 2 are Executive Directors, 1 is Non- Executive Director and 2 are Non- Executive & Independent Directors. The Chairperson of the Company is Non- Executive Director.

The composition of Board during the year as follows:

Name of the Director	DIN	Designation	Category
Mr. Haryant Kumar Chaudhry	00021795	Director	Executive Director
Mr. Chaitanya Chaudhary	06813394	Director	Executive Director
Ms. Vaishali Chaudhry	01719640	Director	Non- Executive Director
Mr. Anil Kumar Sharma	02664381	Director & Chairperson	Non- Executive & Independent Director
Mr. Rajeev Kumar Singhal	00284223	Director	Non- Executive & Independent Director

ii) BOARD MEETING

The Board meeting is held in every quarter to review the financial results and discuss other issues. Besides the quarter, Board meeting are also held whenever required. To conduct a Board meeting the Directors are informed by giving a notice in advance and the agenda of Board meeting is also dispatched with the notice. The members of Board discussed each agenda in the meeting and take decision after having a proper discussion and obtaining views of all members. The Board members are free to give their suggestions on any agenda item and can also submit their view for improving the performance of Company.

During the year Five (05) Board Meetings have taken place on 29.05.2017, 11.09.2017, 27.09.2017, 12.12.2017, 13.02.2018

Details of attendance of each Director at various meetings of the Company is as follows:

Name of The Director	Designation	Category	No. of Board Meetings Attended	Last AGM attended
Mr. Haryant Kumar Chaudhry	Director	Executive Director	05	Yes
Mrs. Vaishali Chaudhry	Director	Non-Executive Director	05	Yes
Mr. Anil Kumar Sharma	Director	Non-Executive & Independent Director	05	Yes
Mr. Chaitanya Chaudhry	Director	Executive Director	05	Yes
Mr. Rajeev Kumar Singhal	Director	Non-Executive & Independent Director	05	Yes

Details of equity shares of the Company held by the Directors as on March 31, 2018 is given below:

Name of the Directors	Category	Number of Equity Shares
Mr. Haryant Kumar Chaudhry	Executive Director	35700
Mrs. Vaishali Chaudhry	Non-Executive Director	30400
Mr. Anil Kumar Sharma	Non-Executive & Independent Director	3000
Mr. Chaitanya Chaudhry	Executive Director	NIL
Mr. Rajeev Kumar Singhal	Non-Executive & Independent Director	NIL

The details of the familiarization programme of the Independent Directors are available on the Website of the Company (www.nirajispat.in).

B. COMMITTEE OF DIRECTORS

AUDIT COMMITTEE:

An Audit committee is a key element in corporate governance process of any Company. The emergence of corporate governance, which refers to the establishment of a structural framework or reforming the existing framework to ensure the working of the Company to best serve the interest of all stakeholders, is a vital concept which has become indispensable in the present capital market state of affairs so as to safeguard the interest of stakeholders.

i) BOARD TERMS OF REFERENCE

The composition of audit committee meets the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of the reference of Audit Committee include inter alia the following:

Powers of Audit Committee

i. To investigate any activity within its terms of reference.
ii. To seek information from any employee.
iii. To obtain outside legal or other professional advice.
iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Key responsibilities of Audit Committee

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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual/Quarterly financial statements 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 (3) sub clause (c) 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.

h. The quality and acceptability of:

- The accounting policies and practices, including without limitation critical accounting policies and practices, all alternative accounting treatments within generally accepted accounting principles for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative treatments and the treatment preferred by the external auditors; and
- Financial reporting disclosures and changes thereto, including a review of any material items of correspondence between the Company and the external auditors;

i. The extent to which the financial statements are affected by any unusual transactions or any off-balance sheet arrangements, including any disclosable guarantees, indemnification agreements or interests in unconsolidated special purpose entities, in the year and how they are disclosed;

j. the policies and process for identifying and assessing business risks and the management of these risks;

k. material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;

l. possible impairments of the Group's assets;

m. compliance with financial reporting standards and relevant financial and governance reporting requirements;

5. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

7. 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.

8. Discussion with internal auditors any significant findings and follow up there on.

9. 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.

10. 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.

11. 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.

12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

13. Mandatory reviews the following information:

i. Management discussion and analysis of financial condition and results of operations;
ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
iv. Internal audit reports relating to internal control weaknesses; and
v. The appointment, removal and terms of remuneration of the Chief internal auditor

14. Overseeing the relationships with the external auditors as follows:

i. To consider the appointment of the external auditors and provide the Board with its recommendation to the shareholders on the appointment, reappointment and removal of the external auditors approve the audit engagement fees and terms and review annually their activities, findings, conclusions and recommendations. The external auditors shall report directly to the Audit Committee.

The Audit Committee shall be responsible for ensuring the resolution of any disagreements between management and the external auditors regarding financial reporting;

ii. To discuss with the external auditors the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit) and ensure co-ordination if more than one audit firm is involved;

iii. To review and monitor the independence of the external auditors and the objectivity and the effectiveness of the audit process including reviewing and monitoring the external auditors' quality control procedures and steps taken by the external auditors to respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures;

iv. To pre-approve the scope and extent of audit and non-audit services provided to the Group by any third party in the case of audit services and by the external auditors in the case of audit and permitted non-audit services. The Audit Committee may delegate to the Chairman of the Audit Committee(and in his absence another member) the authority to pre-approve any audit or permitted non-audit service to be provided by the external auditors provided such approvals are presented to the Audit Committee at its next scheduled meeting;

v. To consider communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention, including a review of material items of correspondence between the Company and the external auditors; and

vi. To ensure that there are no restrictions on the scope of the statutory audit;

15. Such other function, as may be assigned by the Board of Directors from time to time or as may be stipulated under any law, rule or regulation including the Listing Agreement and the Companies Act, 2013.

THE COMPOSITION AND MEETING OF AUDIT COMMITTEE:

The Audit Committee of the Company has been constituted as per the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015. Audit Committee consists of three Directors, namely Mr. Rajeev Kumar Singhal is Non-Executive & Independent Director, Mr. Anil Kumar Sharma is Non-Executive & Independent Director and Mrs. Vaishali Chaudhry is Non-Executive Director. The Constitution of Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013.

The Chairman of the Committee is Mr. Anil Kumar Sharma, a Non-Executive & Independent Director nominated by the Board.

The Statutory Auditors and Internal Auditors are also the invitee to the meetings.

During the year under review, the Committee met Four times on 11.09.2017, 12.12.2017, 13.02.2018, 28.05.2018.

The gap between two meetings did not exceed four months. Constitution of Audit Committee and other related information as on 31st March, 2018 are as under:

The Composition of Audit Committee is as follows:

Name of the Director	**Category**	**Number of meetings during the financial year 2017 -18**	
		Held	**Attended**
Mrs. Vaishali Chaudhry	Non-Executive Director	4	4
Mr. Anil Kumar Sharma	Non-Executive & Independent Director	4	4
Mr. Rajeev Kumar Singhal	Non-Executive & Independent Director	4	4

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulation.

The broad terms of reference includes the following:

• Redressal of shareholder and investor complaints including, but not limiting itself to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc., and

• Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by the Company.

Composition, meetings and attendance

In compliance with the Regulations of SEBI (LODR) Regulations, 2015 and provisions of the Companies Act, 2013, the Company has constituted an Investor Grievance Committee consisting of majority of Non-Executive Independent Directors. As on 31st March, 2018, Committee consists of three members Comprising of Mr. Anil Kumar Sharma is Non-Executive & Independent Director, Mrs. Vaishali Chaudhry, Non-Executive Director and Mr. Rajeev Kumar Singhal is Non-Executive & Independent Director under the Chairmanship of an Independent & Non Executive Director viz Anil Kumar Sharma.

Name of the Director	**Category**	**Number of meetings during the financial year 2017 -18**	
		Held	**Attended**
Mrs. Vaishali Chaudhry	Non-Executive Director	4	4
Mr. Anil Kumar Sharma	Non-Executive & Independent Director	4	4
Mr. Rajeev Kumar Singhal	Non-Executive & Independent Director	4	4

The Composition of Stakeholders Relationship Committee is as follows:

During the year under review, the Committee met Four times on 15.07.2017, 14.10.2017, 13.02.2017.16.04.2018

The Company Secretary acts as Secretary to the Committee.

Name, designation and address of Compliance Officer:

Ms. Sonam Nandwani
Company Secretary & Compliance Officer
409-R Model Town Panipat,
Haryana-132103

Share Transfers are processed and duly approved by the committee. Investors Grievances are placed before the committee.

There were no Shareholder/investors complaints pending at the end of the financial year ended on 31.03.2018.

Role and Responsibilities

The role of Stakeholders Relationship Committee includes the review of following:

- To monitor the process of expeditious transfer of shares or debentures.
- To monitor and review the shareholders complaints related to transfer of shares, non-receipt of Balance Sheet, non receipt of declared dividend etc.
- To monitor and review from time to time the systems/ procedures relating to processing of transfer of shares, dematerialization/ re-materialization of share certificates, re-issued of share certificates against split, cancellation, consolidation and lost share certificates etc.
- To investigate any activity and seek information from any employee of the Company, in discharging its duties.
- To obtain outside legal or professional services, if consider necessary.
- To fix the record date for the purposes as required under the Companies act and/or listing agreement.
- To consider and approve issue of duplicate share certificate in lieu of those reported lost, misplaced, torn, mutilated etc.
- Any other powers which are specifically delegated by the Board from time to time.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company has been constituted as per the requirements of Regulation 19 of SEBI (LODR) Regulations, 2015. Audit Committee consists of three Directors, namely Mr. Rajeev Kumar Singhal is Non-Executive & Independent Director, Mr. Anil Kumar Sharma is Non-Executive & Independent Director and Mrs. Vaishali Chaudhry is Non-Executive Director. The Constitution of Audit Committee also meets the requirements under Section 178 of the Companies Act, 2013.

The Chairman of the Committee is Mr. Anil Kumar Sharma, a Non-Executive & Independent Director nominated by the Board.

The Statutory Auditors and Internal Auditors are also the invitee to the meetings.

During the year under review, the Committee met one time on 27.09.2017.

The gap between two meetings did not exceed four months. Constitution of Audit Committee and other related information as on 31st March, 2018 are as under:

The Composition of Nomination and Remuneration Committee is as follows:

Name of the Director	Category	Number of meetings during the financial year 2017 -18	
		Held	Attended
Mrs. Vaishali Chaudhry	Non-Executive Director	4	4
Mr. Anil Kumar Sharma	Non-Executive & Independent Director	4	4
Mr. Rajeev Kumar Singhal	Non-Executive & Independent Director	4	4

MEANS OF COMMUNICATIONS

The quarterly, half-yearly and annual results of the Company are displayed on the Company's website **"www.nirajispat.in".**

DISCLOSURES

CODE OF CONDUCT:

As per SEBI (LODR), 2015, the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management as well and the same has been posted on Website of the Company. Annual Compliance Report for the year ended 31st March, 2018 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

MATERIAL NON-LISTED SUBSIDIARY COMPANIES:

SEBI (LODR), 2015 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

Company does not have any such subsidiary during the accounting year under review.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

RISK MANAGEMENT

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. This policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

POSTAL BALLOT

During the year under review, we have not conducted any postal ballot in pursuance of Section 108 of the Companies Act, 2013 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

STATUTORY DISCLOSURES

No transactions of material nature have been entered into by the Company with any of the promoters, Directors, their related Companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company. The Company has not been penalized, nor have any strictures been passed by the Stock Exchanges, SEBI etc.

GENERAL SHAREHOLDER INFORMATION

Registered Office:
5140-41/34, F/F Chaudhry Market, Gali Peti wali, Rui Mandi, Sadar Bazar, New Delhi- 110006
Tel: 0120-6526390, 23551821
E-Mail: nirajispatindustries@gmail.Com Website: www.nirajispat.in

GENERAL MEETING:-
Location and time for the last 3 AGMs were as follows:-

Particulars	FY 2015-2016	FY 2016-2017	FY 2017-2018
Date and time	22nd September, 2016, 10:00 A.M.	31st August, 2017, 10:00 A.M.	29th September, 2018, 10:00 A.M.
Venue	5140/41/34Chaudhry Market, Gali Peti wali, Sadar Bazar, New Delhi- 110006	5140/41/34 Chaudhry Market, Gali Peti wali, Sadar Bazar, New Delhi-110006	5140/41/34 Chaudhry Market, Gali Peti wali, Sadar Bazar, New Delhi-110006
Special Resolution	Yes	Yes	Yes

ANNUAL GENERAL MEETING
Date: 29th September, 2018
Time: 10.00 AM
Venue: 5140-41/37, F/F, Chaudhry Market, Gali Peti Wali, Rui Mandi, Sadar Bazar, New Delhi -110006

FINANCIAL CALENDAR 2017-18 (Quarterly Results)
First Quarterly Results ending 30th June 2017: 11.09.2017
Second Quarterly Results ending 30th September, 2017: 12.12.2017
Third Quarterly Results ending 31st December, 2017: 13.02.2017
Fourth Quarter Results ending 31st March, 2018: 28.05.2018

DATE OF BOOK CLOSURE:
18th September, 2018 to 20th September, 2018 (both days inclusive)

LISTING ON STOCK EXCHANGE

Equity Shares of the Company are listed on **"National Stock Exchange of India Limited"** Exchange Plaza, BandraKurla Complex, Bandra East, Mumbai-400051

An annual listing fee for the financial year 2017-2018 has been paid to the above Stock Exchanges. The Company has also paid annual custodial fees for financial year 2017-18 to National Securities Depository Limited (NSDL)

EQUITY CODE:

National Stock Exchange	**NIRAJISPAT**
International Securities Identification Number (ISIN) of Equity Shares	**INE326T01011**

CORPORATE IDENTIFICATION NUMBER: L27106DL1985PLC021811

REGISTRAR AND SHARE TRANSFER AGENT:
Skyline Financial Services Private Limited D-153,
1st Floor, Okhla Industrial Area, Phase – 1, New
Delhi – 110 020
Telephone: 011-64732681-88
Fax: 011-26812682
E-mail: virenr@skylinerta.com

LOCATION OF PLANTS
D- 0, Industrial Area,
Bulandshahar Road, Ghaziabad
Email: Chaudhrygroups@yahoo.com

NIRAJ ISPAT INDUSTRIES LIMITED

ADDRESS FOR CORRESPONDENCE
Niraj Ispat Industries Limited
Registered Office:
5140-41/34 F/F, Chaudhry Market, Gali
Peti wali, Rui Mandi, Sadar Bazar, New
Delhi-110006
Email: nirajispatindustries@Gmail.Com

Corporate Office:
Chaudhry Cinema Building,
19, G.T. Road Ghaziabad-201009, Uttar Pradesh

DECLARATION

None of the Director of the Company is a Director of more than 20 Companies and member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.

For and on behalf of the Board of Directors
NIRAJ ISPAT INDUSTRIES LIMITED

Place: New Delhi
Date: 03.09.2018

Sd/-	**Sd/-**
Haryant Kumar Chaudhry	**Chaitanya Chaudhary**
Director	**Director**
DIN: 00021795	**DIN: 06813394**
Address: KD-46, Kavi Nagar, Ghaziabad-201002, Uttar Pradesh	**Address: KD-46, Kavi Nagar, Ghaziabad-201002**

Annexure – 'E'

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

(i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

(ii) Chief Financial Officer;

(iii) Company Secretary; and

(iv) such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVE

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR PERSONNEL AND SENIOR MANAGEMENT

(a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's requirements.

(b) A person should possess adequate qualification, expertise and experience w.r.t. the position for which his/her appointment is considered. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position.

(c) The Company shall not appoint or continue the employment of any person as its Managing Director, Whole-time Director or Manager who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director, Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and in compliance of the Companies Act, 2013, rules and regulations made there under and the policy of the Company**.**

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company in compliance with the provisions of the Act. 36

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MAN POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL AGEMENT PERSONNEL

(1) Remuneration to Managing Director/ Whole- Remuneration to Managing Director/ Whole---time Directors time Directors:

(a) The Remuneration/ Commission etc. to be paid to Managing Director/ Whole-time Directors/ Manager etc. shall be governed as per provisions of the Companies Act, 2013 and rules made

there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

(b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.

(2) Remuneration to Non- (2) Remuneration to Non--- Executive/ Executive/ Executive/ Independent Directors: Independent Directors: Independent Directors**:**

(a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

(b) All the remuneration of the Non- Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

(c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

(d) Any remuneration paid to Non- Executive /Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(3) Remuneration to Key Managerial Personnel and Se (3) Remuneration to Key Managerial Personnel and Senior Management: Management:

(a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013.

(b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

(c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members.

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AUDITOR'S CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members of
Niraj Ispat Industries Limited
5140-41/34 F/F Chaudhry Market, Gali Peti wali,
Rui Mandi, Sadar Bazar, New Delhi-110006

We have examined the compliance of the conditions of Corporate Governance by Niraj Ispat Industries Limited for the year ended 31st March, 2018 as stipulated in SEBI (LODR), 2015 of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of Investor Grievances received during the year ended 31st March 2018, no investor grievances are pending against the Company as per the record maintained by the companies which are presented to Investor Grievance Committee.

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

Place: Saharanpur
Date: 03.09.2018

For Vipin Kumar & Company,
Chartered Accountants,

Sd/-
(CA V.K. Aggarwal)
Partner
Membership No. 071279
Firm Regn. No: 002123C

NIRAJ ISPAT INDUSTRIES LIMITED

CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

I, **Niraj Chaudhry**, CFO, of **Niraj Ispat Industries Limited**, to the best of my knowledge and belief hereby certify that:

(a) I have reviewed financial statements and the cash flow statements for the year and that to the best of my knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations

b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;

c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

d) I have indicated to the auditors and the Audit Committee:

(i) Significant changes in the internal control over financial reporting during the year under reference;

(ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By Order of the Board of Directors
FOR NIRAJ ISPAT INDUSTRIES LIMITED

Place: **New Delhi**
Date: 03.09.2018

Signature:
Name: Niraj Chaudhry
Designation: CFO
Address: KD-46, Old Kavi Nagar, Ghaziabad-201002, U.P.

NIRAJ ISPAT INDUSTRIES LIMITED

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. The Code of Conduct as adopted is available on the Company's website. I confirm that the Company has in respect of the Financial Year ended March 31, 2018, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Presidents, Sr. Vice Presidents and Vice President Cadre as on March 31, 2018.

By Order of the Board
Niraj Ispat Industries Limited

Sd/-
Haryant Kumar Chaudhry
Director
DIN: 00021795
Address: KD-46, Kavi Nagar,
Ghaziabad-201002, Uttar Pradesh

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Niraj Ispat Industries Limited,
5140-41/34 F/F Chaudhry Market, Gali Peti wali, Rui Mandi, Sadar Bazar, Delhi -110006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Niraj Ispat Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Niraj Ispat Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Niraj Ispat Industries Limited** ("the Company") for the financial year ended on **31st March, 2018** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and
g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(v) The other applicable laws on this Company are as follows:

a. Factories Act, 1948
b. Industrial Dispute Act, 1947
c. The Payment of Wages Act, 1936
d. The Minimum Wages Act, 1948
e. Employees' State Insurance Act, 1948
f. The Payment of Bonus Act, 1965
g. The Payment of Gratuity Act, 1972
h. The Contract Labour (Regulation & Abolition) Act, 1970
i. The Maternity Benefit Act, 1961
j. The Child Labour (Prohibition & Regulation) Act, 1986
k. The Industrial Employment (Standing Order) Act, 1946
l. The Employee Compensation Act, 1923
m. The Apprentices Act, 1961
n. Equal Remuneration Act, 1976
o. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(iii) Equity Listing Agreement up to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned as above subject to the following observations:

- Since, Company is required to appoint Internal Auditor pursuant to section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, But the Company did not appoint any Internal Auditor.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the company got listed at National Stock Exchange of India.

Date:- 03.09.2018
Place: -New Delhi

Sd/-
V Kumar and Associates
FCS No: - 8976
CP No: - 10438

This report is to be read with our letter of even date which is annexed as Annexure 'I' and form part of an integral part of this report.

Annexure 'I'

To,
The Members,
Niraj Ispat Industries Limited,
5140-41/34 F/F Chaudhry Market, Gali Peti wali
Rui Mandi, Sadar Bazar, Delhi – 110006

Our report of even date is to be read along with this letter.

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on this secretarial record based on our audit.

We have the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of the accounts of the company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: -03.09.2018
Place: - New Delhi

Signature
V Kumar and Associates
FCS No: - 8976
CP No: - 10438

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NIRAJ ISPAT INDUSTRIES LIMITED

Regd. Off: 5140-41/34 Chaudhry Market, Gali Peti Wali, Rui Mandi, Sadar Bazar,
Delhi-110006 CIN: L27106DL1985PLC021811,
E-mail : nirajispatindustries@gmail.com

ATTENDANCE SLIP

Regd. Folio No……
DP.ID. No.*……
Client ID No. *……
Mr./Ms……
Father's/Husband's Name……..

I certify that I am a registered shareholders/proxy for the registered shareholder of the Company. I hereby record my presence at the 33nd Annual General Meeting of the Company at 5140-41/34, Chaudhry Market, Gali Peti wali, Rui Mandi, Sadar Bazar, Delhi- 110006

…….. ……..
Members'/Proxy's Name in BLOCK Letters Members'/Proxy's Signatures

Note :
(1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.
(2) Member's Signatures should be in accordance with the specimen signatures registered with the Company
(3) Please bring your copy of the Annual Report for reference at the Meeting

* Applicable for Members holding shares in physical form.

NIRAJ ISPAT INDUSTRIES LIMITED

Form No. MGT-11
Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: **L27106DL1985PLC021811**
Name of the Company: **Niraj Ispat Industries Limited**
Registered Office: **5140-41/34 Chaudhry Market, Gali Peti Wali, Rui Mandi, Sadar Bazar, Delhi-110006**

Name of the Member(s):
Registered Address:
E-mail ID:
Folio No/DPID No. :
Client ID No. :

I/We, being the member(s) of …….. Shares of the above named company, hereby appoint

1. Name……..,E- mail ID……

Address ……

Signature……., or failing him/her

2.Name……..,E- mail ID……

Address ……

Signature……., or failing him/her

3. Name……..,E- mail ID……

Address ……

NIRAJ ISPAT INDUSTRIES LIMITED

Signature……,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Saturday, the 29th September, 2018 at 10.00 AM at 5140/41/34 Chaudhry Market, Gali Peti Wali, Rui Mandi, Sadar Bazar, Delhi-110006, and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1) Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March 2018 together with the Reports of the Board of Directors and the Auditors thereon.

Affix Revenue Stamp

Signed this…….. day of……2018

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

VIPIN KUMAR & COMPANY
CHARTERED ACCOUNTANTS
2- KAMAL COLONY, DELHI ROAD
SAHARANPUR, U.P. 247001
MOB : 09837167631
E-MAIL ID : vipinsre@gmail.com

INDEPENDENT AUDITORS' REPORT

To
The Members of
NIRAJ ISPAT INDUSTRIES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Niraj Ispat Industries Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS 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 Ind As financial statements based on our audit.

In conducting 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 and the Order under section 143(11) of the Act.

VIPIN KUMAR & COMPANY Chartered Accountants

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 28th May 2018 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanations given to us, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b. In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, The Statement of Profit and Loss including Other Comprehensive Income, the statement of Cash Flow and Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018, from being appointed as a Director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report.
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

      (i) The Company does not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long term contracts including derivatives contracts for which they have any material foreseeable losses;
      (iii)There were no amounts which required to be transferred by the company to the Investor Education and Protection Fund.

For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Reg. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M. No. 071279

Place : SAHARANPUR
Date : 28th May 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Control Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Niraj Ispat Industries Limited ("the Company") as on March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). Theses responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its asset, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

VIPIN KUMAR & COMPANY Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Reg. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M. No. 071279

Place : SAHARANPUR
Date : 28th May 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Requirement' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ('the Act') of Niraj Ispat Industries Limited ("the Company"):

1. In respect of fixed assets of the Company:

   a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. According to the information and explanations given to us and the records examined by us, we report that the company is not having freehold properties. In respect of immovable properties, taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the company.

2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such verification.

3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. The company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable to the Company.

VIPIN KUMAR & COMPANY Chartered Accountants

6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
   a. The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income tax, sales tax, goods and service tax, service tax, value added tax, duty of customs, duty of excise, cess and any other material statutory dues applicable to it with appropriate authorities.

   b. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, Income tax, sales tax, goods and service tax, service tax, value added tax, duty of customs, duty of excise, cess and any other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to the banks. The Company does not have any outstanding dues in respect of financial institutions and debenture holders during the year.

9. Based on the information and explanations given to us by the management, term loan was applied for the purpose the loan was raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instrument).

10. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us, the management has paid managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable.

13. According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013 where applicable and details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures hence reporting under clause 3(xiv) of the order is not applicable to the Company.

VIPIN KUMAR & COMPANY Chartered Accountants

15. According to the information and explanations given to us, the company has not entered in to any non-cash transaction with the director or persons connected with him as referred to in section 192 of the Companies Act, 2013.

16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Reg. No. 002123C

(V. K. AGARWAL)
Partner
M. No. 071279

Place : SAHARANPUR
Date : 28th May 2018

NIRAJ ISPAT INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st MARCH 2018

PARTICULARS	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
I ASSETS				
(1) Non-current assets				
Property, plant and equipment	1	25,407,548	28,497,426	26,470,771
Financial assets				
Investment	2	2,271,065	2,272,410	201,740
Other non-current assets	3	1,056,117	1,056,117	922,017
Total - Non current assets		**28,734,730**	**31,825,953**	**27,594,528**
(2) Current assets				
Inventories	4	2,395,234	3,714,129	4,974,072
Financial Assets				
Trade receivables	5	8,189,307	5,727,155	11,015,706
Cash and cash equivalents	6	1,358,937	433,394	4,146,345
Other balances with banks		-	-	-
Other current assets	7	124,101,945	117,109,967	108,925,856
Total - Current assets		**136,045,422**	**126,984,645**	**129,061,980**
TOTAL - ASSETS		**164,780,153**	**158,810,598**	**156,656,508**
II EQUITY AND LIABILITIES				
(3) Equity				
Equity share capital	8	6,000,000	6,000,000	6,000,000
Other equity	9	76,139,071	66,547,640	55,461,024
Total - Equity		**82,139,071**	**72,547,640**	**61,461,024**
(4) Non-current liabilities				
Financial liabilities				
Borrowings	10	64,973,781	56,564,017	67,576,600
Provisions		-	-	-
Deffered tax liabilities (net)	11	2,606,891	3,210,257	2,195,615
Total - Non current liabilities		**67,580,672**	**59,774,274**	**69,772,215**
(5) Current liabilities				
Financial liabilities				
Borrowings	12	-	-	-
Trade payables	13	10,043,197	15,851,802	18,145,991
Provisions	14	3,577,000	3,820,000	2,950,000
Other current liabilities	15	1,440,213	6,816,882	4,327,278
Total - Current liabilities		**15,060,410**	**26,488,684**	**25,423,269**
TOTAL - EQUITY AND LIABILITIES		**164,780,153**	**158,810,598**	**156,656,508**

See accompanying notes to the Financial Statements

As per our report of even date attached
For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Regn. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M.No. 071279

Place: Saharanpur
Dated: 28th May, 2018

For & ON BEHALF OF BOARD
For NIRAJ ISPAT INDUSTRIES LTD.

(H. K. Chaudhry)
Director
Din 00021795

(Chaitanya Chaudhry)
Director
Din 06813394

Sonam Nandwani
Company Secretary
M.No : A52672

NIRAJ ISPAT INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	Note No.	As at 31.03.2018	As at 31.03.2017
I Revenue from operations	16	65,611,797	71,922,025
II Other Income	17	6,150,358	7,278,164
III Total income		71,762,155	79,200,189
IV Expenses			
(a) Cost of raw materials consumed	18	36,569,131	37,857,481
(b) Purchase of stock-in-trade		-	-
(c) Changes in Inventories of Finished Goods, work-in-progress and Stock-in-trade	19	622,361	786,677
(d) Employee Benefit Expenses	20	4,887,006	3,878,155
(e) Finance Cost	21	2,423,362	3,594,806
(f) Depreciation & Amortization Expenses	1	3,108,568	2,966,540
(g) Excise Duty expense		432,064	1,364,165
(h) Other Expenses	22	10,988,559	12,650,170
Total expenses		59,031,051	63,097,994
V Profit before exceptional item & tax (III - IV)		12,731,104	16,102,195
VI Exceptional Items			
VII Profit/(loss) before tax (V-VI)		12,731,104	16,102,195
VIII Tax Expenses			
Income tax for previous year		166,039	180,937
Current Tax		3,577,000	3,820,000
Deferred Tax		(603,366)	1,014,642
IX Profit for the years (VII-VIII)		9,591,431	11,086,616
X Other Comprehensive Income for the period			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehaensive Income			
XI Total Comprehensive income for the year		9,591,431	11,086,616
XII Earnings per share			
Basic and Diluted		15.99	18.48
XIII Notes forming part of financial statement			

See accompanying notes to the Financial Statements

As per our report of even date attached
For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Regn. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M.No. 071279

Place: Saharanpur
Dated: 28th May, 2018

For & ON BEHALF OF BOARD
For NIRAJ ISPAT INDUSTRIES LTD.

(H. K. Chaudhry)
Director
Din 00021795

(Chaitanya Chaudhry)
Director
Din 06813394

Sonam Nandwani
Company Secretary
M. No : A52672

M/S NIRAJ ISPAT INDUSTRIES LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	31.03.2018	31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	12,731,104	16,102,195
Adjustments for :		
Depreciation	3,108,568	2,966,540
Finance Cost	2,423,362	3,594,806
Other Income from Investments	(4,388,889)	(4,950,004)
Prov. for change in Fair value of Shares	1,345	(2,070,670)
Operating profit before working capital changes	13,875,490	15,642,867
Adjustments for :		
Trade & Other Receivables	(9,454,130)	(3,029,660)
Inventories	1,318,895	1,259,943
Trade & Other Payables	(7,261,607)	231,748
Cash generated from operations	(1,521,353)	14,104,899
Direct Taxes	(3,577,000)	(3,820,000)
Previous Year Adjustment	(166,039)	(180,937)
NET CASH FROM OPERATING ACTIVITIES (A)	(5,264,392)	10,103,962
CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of fixed assets	(18,690)	(4,993,195)
Sale of fixed assets	-	-
Other Income from Investments	4,388,889	4,950,004
NET CASH USED IN INVESTING ACTIVITIES (B)	4,370,199	(43,191)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans	31,646,635	1,631,210
Proceeds from borrowing from working capital	-	-
Proceeds from borrowing from term loans	(27,403,538)	(11,810,126)
Increase /(Decrease) in Investments	-	-
Interest paid	(2,423,362)	(3,594,806)
NET CASH USED IN FINANCING ACTIVITIES (C)	1,819,735	(13,773,722)
Net change in cash and cash equivalents	925,542	(3,712,951)
Cash and cash equivalents as at Ist April	433,394	4,146,345
Cash and cash equivalents as at 31st March	1,358,937	433,394

Note:-

1. The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS-7
2. Figures in bracket indicate Cash Outflow

As per our report of even date attached
For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Regn. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M.No. 071279

Place: Saharanpur
Dated: 28th May, 2018

For & ON BEHALF OF BOARD
For NIRAJ ISPAT INDUSTRIES LTD.

(H. K. Chaudhry)
Director
Din 00021795

(Chaitanya Chaudhry)
Director
Din 06813394

Souam Vandwani
Company Secretary
M.No : A52672

NIRAJ ISPAT INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH 2018

A. Equity Share Capital

Equity Shares of Rs. 10/- each issued, subscribed and fully paid	No. of Shares	Amount
As at April 1, 2016	600,000	6,000,000
Issued during the year	-	-
As at March, 31 2017	600,000	6,000,000
Issued during the year	-	-
As at March, 31 2018	600,000	6,000,000

B. Other Equity

	General Reserve	Retained Earnings	Total
As at April 1, 2016	6,083,469	49,377,555	55,461,024
Profit for the year		11,086,616	11,086,616
Transfer within equity	1,600,000	(1,600,000)	-
Other Comprehensive Income	-	-	-
Total Comprensive income	1,600,000	9,486,616	11,086,616
-Final dividend on equity Shares	-	-	-
-Tax on Interim dividend & Final dividend	-	-	-
As at March 31, 2017	7,683,469	58,864,171	66,547,640
Profit for the year	-	9,591,431	9,591,431
Transfer within equity	1,800,000	(1,800,000)	-
Other Comprehensive Income	-	-	-
Total Comprensive income	1,800,000	7,791,431	9,591,431
-Final dividend on equity Shares	-	-	-
-Tax on Final dividend on equity Shares	-	-	-
As at March 31, 2018	9,483,469	66,655,602	76,139,071

As per our report of even date attached
For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Regn. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M.No. 071279

Place: Saharanpur
Dated: 28th May, 2018

For & ON BEHALF OF BOARD
For NIRAJ ISPAT INDUSTRIES LTD.

(H. K. Chaudhry)
Director
Din 00021795

(Chaitanya Chaudhry)
Director
Din 06813394

Souam Vandwani
Company Secretary
M.No : A52672

Niraj Ispat Industries Limited

Notes on Financial Statement for the year ended 31st March, 2018

1. Property, Plant and equipment

Particulars	Leasehold land	Factory Buildings	Furniture & Fixture	Electric Installation	Crane	Generator	Type Writer	Tools & Implements	Plant and Machinery	Tangibles Total (A)
Cost/Deemed Cost										
At 1 April 2016	215,728	155,359	7,895	331,781	18	166,318	191	4,333	17,557,142	18,438,765
Additions	-	-	-	-	-	-	-	-	4,993,195	4,993,195
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	215,728	155,359	7,895	331,781	18	166,318	191	4,333	22,550,337	23,431,960
Additions	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	215,728	155,359	7,895	331,781	18	166,318	191	4,333	22,550,337	23,431,960
Accumulated depreciation and impairment										
At 1 April 2016	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	-	14,942	2,000	64,851	-	15,716	-	306	1,456,525	1,554,340
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	14,942	2,000	64,851	-	15,716	-	306	1,456,525	1,554,340
Depreciation expenses	-	14,943	2,000	64,851	-	15,716	-	306	1,602,367	1,700,183
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	29,885	4,000	129,702	-	31,432	-	612	3,058,892	3,254,523
Carrying Value										
At 31 March 2018	215,728	125,474	3,895	202,079	18	134,886	191	3,721	19,491,445	20,177,437
At 31 March 2017	215,728	140,417	5,895	266,930	18	150,602	191	4,027	21,093,812	21,877,620
At 01 April 2016	215,728	155,359	7,895	331,781	18	166,318	191	4,333	17,557,142	18,438,765
Useful Life of the assets (years)	NA	30	60	10	10	15	10	15	15	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

VIPIN KUMAR & CO. Chartered Accountants

Niraj Ispat Industries Limited

Notes on Financial Statement for the year ended 31st March, 2018

1. Property, Plant and equipment

Particulars	Computer	Lab Equipment	Air Compressor	Weighning Scale	Air Dryer	Tubewell & Pump	Grinder	Packing Machine	Moulds & Dies	Tangibles Total (B)
Cost/Deemed Cost										
At 1 April 2016	16,492	1,192	51,672	10,837	1,457	14,288	2,236	8,657	4,688	111,519
Additions	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	16,492	1,192	51,672	10,837	1,457	14,288	2,236	8,657	4,688	111,519
Additions	16,000	-	-	-	-	-	-	-	-	16,000
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	32,492	1,192	51,672	10,837	1,457	14,288	2,236	8,657	4,688	127,519
Accumulated depreciation and impairment										
At 1 April 2016	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	-	-	4,868	545	-	1,332	144	848	-	7,737
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	-	4,868	545	-	1,332	144	848	-	7,737
Depreciation expenses	3,859	-	4,868	545	-	1,332	143	848	-	11,595
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	3,859	-	9,736	1,090	-	2,664	287	1,696	-	19,332
Carrying Value										
At 31 March 2018	28,633	1,192	41,936	9,747	1,457	11,624	1,949	6,961	4,688	108,187
At 31 March 2017	16,492	1,192	46,804	10,292	1,457	12,956	2,092	7,809	4,688	103,782
At 01 April 2016	16,492	1,192	51,672	10,837	1,457	14,288	2,236	8,657	4,688	111,519
Useful Life of the assets (years)	3	10	15	15	15	15	15	15	15	
Method of depreciation	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

VIPIN KUMAR & COMP. Chartered Accountants

Niraj Ispat Industries Limited

Notes on Financial Statement for the year ended 31st March, 2018

1. Property, Plant and equipment

Particulars	Air Cooler	Car	Energy Control Equipment	Pollution Control Equipment	Fire Equipment	Fixture & Assessories	Office Equipment	Air Conditioner	Tangibles Total (C)	Grand Total (A + B + C)
Cost/Deemed Cost										
At 1 April 2016	1,479	10,647	13,946	14,079	502	7,865,356	13,444	1,034	7,920,487	26,470,771
Additions	-	-	-	-	-	-	-	-	-	4,993,195
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	1,479	10,647	13,946	14,079	502	7,865,356	13,444	1,034	7,920,487	31,463,966
Additions	-	-	-	-	-	-	2,690	-	2,690	18,690
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	1,479	10,647	13,946	14,079	502	7,865,356	16,134	1,034	7,923,177	31,482,656
Accumulated depreciation and impairment										
At 1 April 2016	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	604	-	7,213	-	-	1,394,687	1,959	-	1,404,463	2,966,540
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	604	-	7,213	-	-	1,394,687	1,959	-	1,404,463	2,966,540
Depreciation expenses	-	-	-	-	-	1,394,687	2,103	-	1,396,790	3,108,568
Deductions	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	604	-	7,213	-	-	2,789,374	4,062	-	2,801,253	6,075,108
Carrying Value										
At 31 March 2018	875	10,647	6,733	14,079	502	5,075,982	12,072	1,034	5,121,924	25,407,548
At 31 March 2017	875	10,647	6,733	14,079	502	6,470,669	11,485	1,034	6,516,024	28,497,426
At 01 April 2016	1,479	10,647	13,946	14,079	502	7,865,356	13,444	1,034	7,920,487	26,470,771
Useful Life of the assets (years)	15	8	10	15	15	10	10	15		
Method of depreciation	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM		

NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
2. NON CURRENT INVESTMENT			
(a) Quoted Shares			
Aggrigate Value of Investment	15,439	15,439	15,439
Less: Prov. for fair value	10,774	8,029	13,299
Total (a)	4,665	7,410	2,140
(b) Quoted Debenture & Bonds			
Aggrigate Value of Investment	11,066	11,066	11,066
Less: Prov. for fair value	11,066	11,066	11,066
Total (b)	-	-	-
(c) Unquoted Shares			
Aggrigate Value of Investment	199,600	199,600	199,600
Less: Prov. for fair value	(2,066,800)	(2,065,400)	-
Total (c)	2,266,400	2,265,000	199,600
Aggregate amount of quoted Investment (at Cost)	26,505	26,505	26,505
Aggregate amount of Unquoted Investment (at Cost)	199,600	199,600	199,600
	226,105	226,105	226,105
Aggregate amount of quoted Investment (at Fair Value)	4,665	7,410	2,140
Aggregate amount of Unquoted Investment (at Fair Value)	2,266,400	2,265,000	199,600
	2,271,065	2,272,410	201,740
3. OTHER NON CURRENT ASSETS			
(Unsecured, Considered good unless stated otherwise)			
Security Deposits	1,056,117	1,056,117	922,017
TOTAL:	1,056,117	1,056,117	922,017
4. INVENTORIES			
(As taken, valued and certified by the management)			
(At lower of cost and net realizable value unless stated otherwise)			
Raw Materials	1,319,193	1,997,627	2,559,913
Finished & Semi-finished Goods	969,291	1,591,652	2,378,329
Stores, Spares & Packing Materials	106,750	124,850	35,830
TOTAL:	2,395,234	3,714,129	4,974,072

VIPIN KUMAR & COMPANY Chartered Accountants

NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
5. TRADE RECEIVABLES			
Unsecured and Considered good	8,189,307	5,727,155	11,015,706
	8,189,307	5,727,155	11,015,706

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

6. CASH AND CASH EQUIVALENT			
Cash In hand	15,777	59,518	572,909
Balances with banks			
In current and deposit accounts	1,343,160	373,876	3,573,436
TOTAL:	**1,358,937**	**433,394**	**4,146,345**

7. OTHER CURRENT ASSETS			
(Unsecured, considered good unless stated otherwise)			
Advances recoverable in cash or in kind or for value to be received	119,950,878	114,783,451	106,907,720
Other Loans and advances:			
Prepaid Expenses	294,000	50,000	67,102
Balances with statutory / government authorities	3,897,007	2,289,617	1,960,974
TOTAL:	**124,101,945**	**117,109,967**	**108,925,856**

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
5. TRADE RECEIVABLES			
Unsecured and Considered good	8,189,307	5,727,155	11,015,706
	8,189,307	5,727,155	11,015,706

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

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Balances with banks			
In current and deposit accounts	1,343,160	373,876	3,573,436
TOTAL:	**1,358,937**	**433,394**	**4,146,345**
7. OTHER CURRENT ASSETS			
(Unsecured, considered good unless stated otherwise)			
Advances recoverable in cash or in kind or for value to be received	119,950,878	114,783,451	106,907,720
Other Loans and advances:			
Advance Income Tax	2,850,000	1,800,000	1,500,000
Prepaid Expenses	254,060	36,899	57,162
Balances with statutory / government authorities	1,047,007	489,617	460,974
TOTAL:	**124,101,945**	**117,109,967**	**108,925,856**

VIPIN KUMAR & COMPANY Chartered Accountants

NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
8. SHARE CAPITAL			
Authorised Capital			
6,00,000 Equity Shares of Rs.10/- each (6,00,000 Equity Shares as at March 31,2017 and 6,00,000 Equity shares as at April 1, 2016)	6,000,000	6,000,000	6,000,000
Issued, Subscribed capital			
6,00,000 Equity Shares of Rs.10/- each (6,00,000 Equity Shares as at March 31,2017 and 6,00,000 Equity shares as at April 1, 2016)	6,000,000	6,000,000	6,000,000
Paid -up Capital			
6,00,000 Equity Shares of Rs.10/- each (6,00,000 Equity Shares as at March 31,2017 and 6,00,000 Equity shares as at April 1, 2016)	6,000,000	6,000,000	6,000,000
TOTAL:	**6,000,000**	**6,000,000**	**6,000,000**

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in ensuing general meeting.

Details of shareholding more than 5%				
Name of the share holder		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Smt. Madhu Chaudhary	No.	113,900	113,900	113,900
	%	18.98%	18.98%	18.98%
Sh. Neeraj Chaudhary (HUF)	No.	54,300	54,300	54,300
	%	9.05%	9.05%	9.05%
M/s Pickup Suppliers (P) Ltd.	No.	53,900	53,900	53,900
	%	8.98%	8.98%	8.98%
Haryant Stainless Steel (P) Ltd.	No.	47,900	47,900	47,900
	%	7.98%	7.98%	7.98%
Sh. Neeraj Chaudhary	No.	61,600	61,600	61,600
	%	10.27%	10.27%	10.27%
Sh. Haryant Kumar Chaudhary	No.	35,700	35,700	35,700
	%	5.95%	5.95%	5.95%
Smt. Vaishali Chaudhry	No.	30,400	30,400	30,400
	%	5.07%	5.07%	5.07%

9. OTHER EQUITY			
General Reserve	9,483,469	7,683,469	6,083,469
Retained Earnings	66,655,602	58,864,171	49,377,555
TOTAL:	**76,139,071**	**66,547,640**	**55,461,024**

(i) **General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
10. LONG-TERM BORROWINGS			
Secured Term Loans:			
Standard Chartered Bank	786,336	24,023,207	36,667,000
Unsecured Loans			
From Related Parties	27,020,620	500,680	-
From Body-Corporate & Others	37,166,825	32,040,130	30,909,600
Net Amount	**64,973,781**	**56,564,017**	**67,576,600**

The term loan from Standard Chartered Bank is secured by way of first charge on the property located at KD-45, Kavi Nagar, Ghaziabad belonging to the director of the company and personal guarantee of the directors of the company.

11. DEFERRED TAX LIABILITY			
Deferred Tax Liability (Net)	2,606,891	3,210,257	2,195,615
TOTAL:	**2,606,891**	**3,210,257**	**2,195,615**

Deferred tax balance in relation to	As at 31st March 2017	Recognised / reversed through P & L	As at 31st March 2018
Property, plant and equipment	3,210,257	(603,366)	2,606,891
Total	3,210,257	(603,366)	2,606,891

Deferred tax balance in relation to	As at 1st April 2016	Recognised / reversed through P & L	As at 31st March 2017
Property, plant and equipment	2,195,615	1,014,642	3,210,257
Total	2,195,615	1,014,642	3,210,257

12. SHORT TERM BORROWINGS			
Secured working capital Loans:			
Bank of India	-	-	-
Net Amount	**-**	**-**	**-**

Working capital limits are secured by first charge on the entire current assets of the company including stocks of raw material, work-in-progress, finished goods, book-debts both present & future. Working capital limits are further secured by way of equitable mortgage of immovable property of the company at D-10, B.S. Road Industrial Area, Ghaziabad and personal guarantee of the directors of the company.

13. TRADE PAYABLE			
Sundry Creditors	10,043,197	15,851,802	18,145,991
TOTAL:	**10,043,197**	**15,851,802**	**18,145,991**

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
14. SHORT TERM PROVISIONS			
Provision for Income tax	3,577,000	3,820,000	2,950,000
	3,577,000	3,820,000	2,950,000
15. OTHER CURRENT LIABILITIES			
Current Maturity of Long Term Borrowings	-	4,166,667	3,333,000
Advance from Customers	399,929	1,260,277	-
Liabilities for Expenses	893,676	959,198	728,043
Liabilities for Taxes	146,608	430,740	266,235
TOTAL:	1,440,213	6,816,882	4,327,278

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017
16. REVENUE FROM OPERATIONS		
Sale of Product	65,187,727	71,127,467
Hire Charges Service	424,070	794,558
TOTAL:	**65,611,797**	**71,922,025**
17. OTHER INCOME		
Interest	4,388,889	4,950,004
Other Income	1,761,469	2,070,670
Exchange Fluctuation	-	257,490
	6,150,358	**7,278,164**
18. COST OF RAW MATERIAL CONSUMED		
Inventory at the beginning of the year	1,997,627	2,559,913
Add: Purchases	35,890,697	37,295,195
	37,888,324	39,855,108
Less: Inventory at the end of the year	1,319,193	1,997,627
Cost of raw material consumed	**36,569,131**	**37,857,481**

18.1 VALUE OF IMPORTED/INDEGENOUS RAW MATERIAL CONSUMED

DESCRIPTION	Year ended on 31.03.2018	Year ended on 31.03.2017
Imported	-	-
Imported (% of consumption)	0.00%	0.00%
Indigenous	36,569,131	37,857,481
Indigenous (% of consumption)	100.00%	100.00%
TOTAL:	**36,569,131**	**37,857,481**

19. CHANGES IN INVENTORIES OF FINISHED & SEMI-GOODS		
Inventories at the beginning of the year	1,591,652	2,378,329
Inventories at the end of the year	969,291	1,591,652
TOTAL:	**622,361**	**786,677**
20. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	4,883,840	3,857,705
Staff Welfare Expenses	3,166	20,450
TOTAL:	4,887,006	3,878,155

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	As at 31.03.2018	As at 31.03.2017
21. FINANCE COST		
Interest on borrowings	2,337,776	3,524,406
Bank Commission & Charges	85,586	70,400
TOTAL:	**2,423,362**	**3,594,806**
22. OTHER EXPENSES		
Consumption of Stores & Spares	4,081,813	3,688,725
Electricity Expenses	4,727,745	5,173,135
Security Charges	209,200	201,948
Repairs & Maintenance :		
Plant & Machinery	138,956	889,610
Others	700	15,853
Freight & Forwarding	192,249	534,281
Packing Charges	560,770	601,896
Commission	12,114	40,653
Telephone Expenses	53,347	65,008
Printing & Stationery	26,094	30,942
Postage & Telegram	24,060	27,630
Travelling and Conveyance	58,037	16,518
Legal & Professional Expenses	160,180	175,429
Payment to Auditors as :		
Audit Fees	17,000	17,000
for Taxation Matter	8,000	8,000
Insurance	102,467	148,291
Rates, Taxes & Fees	342,484	927,999
Exchange Fluctuation	159,854	-
Advertisement	35,493	36,811
Miscellaneous Expenses	77,996	50,441
TOTAL:	**10,988,559**	**12,650,170**

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

23. TAX EXPENSES

Income of companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2017-18 is 19.055%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

(a) Income tax expense / (benefits)

Current tax :		
Current tax	3,577,000	3,820,000
Tax refund / reversal pertaining to earlier years	166,039	180,937
Deferred tax :		
Deferred tax	(603,366)	1,014,642
Total Tax expense / (benefit)	**3,139,673**	**5,015,579**

(b) Reconciliation of effective tax rate :

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR
Net income before taxes	12,731,104	16,102,195
Enacted tax rate in India	27.55%	33.06%
Computed tax expense	3,507,737	5,323,869
Increase/(reduction) in taxes on account of:		
Income exempt from taxation /Items not deductible	(534,103)	(489,227)
Effect of tax pertaining to prior years	166,039	180,937
Tax expense for the year	3,139,673	5,015,579
Effective income tax rate	**24.66**	**31.15**

24. EARNINGS PER SHARE

Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	9,591,431	11,086,616
Weighted average No. of Equity Shares	600,000	600,000
Basic and Diluted Earning per share (Rs.)	**15.99**	**18.48**
Face value per equity share (Rs.)	10.00	10.00

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

25. FINANCIAL INSTRUMENTS

25.1 Capital Risk Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents,Bank balances other than cash and cash equivalents.

DESCRIPTION	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Long term borrowings	64,973,781	56,564,017	67,576,600
Current maturities of long term debt	-	4,166,667	3,333,000
Short term borrowings	-	-	-
Less: Cash and cash equivalent	(1,358,937)	(433,394)	(4,146,345)
Net debt	**63,614,844**	**60,297,290**	**66,763,255**
Total equity	**82,139,071.05**	**72,547,640.31**	**61,461,024.11**
Gearing ratio	0.77	0.83	1.09

1. Equity includes all capital and reserves of the Company.
2. Debt is defined as long term and short term borrowings.

25.2 Categories of financial instruments

DESCRIPTION	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial assets			
Measured at amortised cost			
Non-current investment	2,271,065	2,272,410	201,740
Trade receivables	8,189,307	5,727,155	11,015,706
Cash and cash equivalents	1,358,937	433,394	4,146,345
Total financial assets at amortised cost (A)	**11,819,309**	**8,432,959**	**15,363,792**
Financial liabilities			
Measured at amortised cost			
Long term Borrowings #	64,973,781	60,730,684	70,909,600
Short term Borrowings	-	-	-
Trade payables	10,043,197	15,851,802	18,145,991
Total financial liabilities carried at amortised cos	**75,016,978**	**76,582,487**	**89,055,591**

including current maturities of long term debt.

NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

26. Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:
- Market risk
- Credit risk and
- Liquidity risk

26.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

26.1.1 Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products (Buttons). Market forces generally determine prices for the buttons sold by the Company. These prices may be influenced by factors such as demand and supply, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company primarily procured its raw materials i. e. Resin, Styrene, Pigment & Chemicals etc. in the open market from third parties during the financial year ended 31.03.2018 and is therefore subject to fluctuations in prices.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials like Resin, Styrene, Pigment etc. based on prevailing market rates as the selling prices of buttons and the prices of input raw materials move in the same direction.

The Company as a matter of policy has not hedged the comodity risk.

The following table details the Company's sensitivity to a 5% movement in the input price of Resin, Styrene, Pigments etc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit where the commodity prices increase by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit, and the balances below would be negative.

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NIRAJ ISPAT INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

DESCRIPTION	Increase/(Decrease)	
	31-Mar-18	31-Mar-17
Resin, Styrene, Pigment etc.	1936904/ (1936904)	2027413/ (2027413)

26.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in MCLR rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2018 would decrease / increase by Rs. 23,378 (for the year ended 31 March 2017: decrease / increase by Rs. 35244). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

26.2 Credit risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties.

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

Ageing of Trade Receivable

DESCRIPTION	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
0-180 days	7,946,098	5,727,155	11,015,706
180-365 days	26,761	-	-
Above 365 days	216,448	-	-

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

26.3 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The management of the Company has established an appropriate liquidity risk management framework for Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Liquidity exposure as at 31 March 2018

DESCRIPTION	< 1 Year	> 1 Year	Total
Financial assets			
Trade receivables	8,189,307	-	8,189,307
Cash and cash equivalents	1,358,937	-	1,358,937
Other financial assets			-
Total financial assets	**9,548,244**	**-**	**9,548,244**
Financial liabilities			
Long term borrowings	-	64,973,781	64,973,781
Short term borrowings	-	-	-
Trade payables	10,043,197	-	10,043,197
Other financial liabilities			-
Total financial liabilities	**10,043,197**	**64,973,781**	**75,016,978**

Liquidity exposure as at 31 March 2017

DESCRIPTION	< 1 Year	> 1 Year	Total
Financial assets			
Trade receivables	5,727,155	-	5,727,155
Cash and cash equivalents	433,394	-	433,394
Other financial assets			-
Total financial assets	**6,160,549**	**-**	**6,160,549**
Financial liabilities			
Long term borrowings	4,166,667	56,564,017	60,730,684
Short term borrowings	-	-	-
Trade payables	10,043,197	-	10,043,197
Other financial liabilities			-
Total financial liabilities	**14,209,864**	**56,564,017**	**70,773,881**

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Liquidity exposure as at 1 April 2016

DESCRIPTION	< 1 Year	> 1 Year	Total
Financial assets			
Trade receivables	11,015,706	-	11,015,706
Cash and cash equivalents	4,146,345	-	4,146,345
Other financial assets			-
Total financial assets	**15,162,052**	**-**	**15,162,052**
Financial liabilities			
Long term borrowings	3,333,000	67,576,600	70,909,600
Short term borrowings	-	-	-
Trade payables	18,145,991	-	18,145,991
Other financial liabilities			-
Total financial liabilities	**21,478,991**	**67,576,600**	**89,055,591**

The Company has pledged its trade receivables and cash & cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered.

27. RELATED PARTY DISCLOSURE:

Name of Related parties and description of relationship with whom transactions have taken place during the year:-

(a) Key Management Personnel :
Sh. H. K. Chaudhry
Sh. Chaitanya Chaudhry

(b) Relative of Key Management Personnel :
Sh. Niraj Chaudhry

The Company's related party transactions during the year are as below :

(Rs. In Lacs)

Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel	
	2017-18	2016-17	2017-18	2016-17
Expenses				
Remuneration Paid	11.40	9.60	8.40	8.40
Interest Paid	9.73	5.56	-	-
Loans Taken	500.20	234.50	-	-
Loans Repaid	322.21	234.50	-	-

The above related party information have been disclosed to the extent such parties have been identified by the management on the basis of information available. This has been relied upon by the Auditors

28. CONTINGENT LIABILITIES

Contingent Liabilities not provided NIL (Previous Year Rs. Nil)

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29. VALUE OF IMPORTS ON CIF BASIS

(Rs. In Lacs)

	Current Year	Previous Year
Capital Goods	50.38	38.43
	50.38	38.43

30. INCOME/ EXPENDITURE IN FOREIGN CURRENCY

	Current Year	Previous Year
EXPENDITURE	Nil	Nil
EARNINGS	Nil	Nil

31. FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 32 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has afected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

31.1. Exemptions and exceptions availed

(i) Ind AS optional exemptions

a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all its property, plant and equipment at their previous GAAP carrying value. There are no decommissioning liabilities of the Company.

(ii) Ind AS mandatory exceptions

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b) Derecognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has opted the policy of de-recognition prospectively.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

31.2. Reconciliations of Balance Sheet

DESCRIPTION	Note	As at 31 March 2017			As at 1 April 2016		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I ASSETS							
(1) Non-current assets							
Property, plant and equipment	1	28,497,426	-	28,497,426	26,470,771	-	26,470,771
Financial assets							
Investment	2	226,105	2,046,305	2,272,410	226,105	(24,365)	201,740
Other non-current assets	3	1,056,117	-	1,056,117	922,017	-	922,017
Total - Non current assets		29,779,648	2,046,305	31,825,953	27,618,893	(24,365)	27,594,528
(2) Current assets							
Inventories	4	3,767,004	(52,875)	3,714,129	4,918,256	55,816	4,974,072
Financial Assets							
Trade receivables		5,727,155	-	5,727,155	11,015,706	-	11,015,706
Cash and cash equivalents		433,394	-	433,394	4,146,345	-	4,146,345
Other balances with banks							
Other current assets		117,109,967	-	117,109,967	108,925,856	-	108,925,856
Total - Current assets		127,037,520	(52,875)	126,984,645	129,006,164	55,816	129,061,980
TOTAL - ASSETS		156,817,168	1,993,430	158,810,598	156,625,057	31,451	156,656,508
II EQUITY AND LIABILITIES							
(3) Equity							
Equity share capital		6,000,000	-	6,000,000	6,000,000	-	6,000,000
Other equity	5	64,554,210	1,993,430	66,547,640	55,429,573	31,451	55,461,024
Total - Equity		70,554,210	1,993,430	72,547,640	61,429,573	31,451	61,461,024
(4) Non-current liabilities							
Financial liabilities							
Borrowings		56,564,017	-	56,564,017	67,576,600	-	67,576,600
Provisions		-	-	-	-	-	-
Deffered tax liabilities (net)	6	3,210,257	-	3,210,257	2,195,615	-	2,195,615
Total - Non current liabilities		59,774,274	-	59,774,274	69,772,215	-	69,772,215
(5) Current liabilities							
Financial liabilities							
Borrowings		-	-	-	-	-	-
Trade payables		15,851,802	-	15,851,802	18,145,991	-	18,145,991
Provisions		3,820,000	-	3,820,000	2,950,000	-	2,950,000
Other current liabilities		6,816,882	-	6,816,882	4,327,278	-	4,327,278
Total - Current liabilities		26,488,684	-	26,488,684	25,423,269	-	25,423,269
TOTAL - EQUITY AND LIABILITIES		156,817,168	1,993,430	158,810,598	156,625,057	31,451	156,656,508

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

31.3 Reconciliations of Profit & Loss for the year ended March 31,2017

DESCRIPTION	Note	As at 31 March 2017		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I Revenue from operations		71,922,025	-	71,922,025
Less: Excise Duty	7	1,364,165	(1,364,165)	-
Revenue from operations (Net)		**70,557,860**	**1,364,165**	**71,922,025**
II Other Income	8	5,207,494	2,070,670	7,278,164
III Total income		**75,765,354**	**3,434,835**	**79,200,189**
IV Expenses				
(a) Cost of raw materials consumed		37,857,481	-	37,857,481
(b) Purchase of stock-in-trade		-	-	-
(c) Changes in Inventories of Finished Goods, work-in-progress and Stock-in-trade	4	677,986	108,691	786,677
(d) Employee Benefit Expenses		3,878,155	-	3,878,155
(e) Finance Cost		3,594,806	-	3,594,806
(f) Depreciation & Amortization Expenses		2,966,540	-	2,966,540
(g) Excise Duty expense	7	-	1,364,165	1,364,165
(h) Other Expenses		12,650,170	-	12,650,170
Total expenses		**61,625,138**	**1,472,856**	**63,097,994**
V Profit before exceptional item & tax (III - IV)		**14,140,216**	**1,961,979**	**16,102,195**
VI Exceptional Items				
VII Profit/(loss) before tax (V-VI)		**14,140,216**	**1,961,979**	**16,102,195**
VIII Tax Expenses				
Income tax for previous year		180,937	-	180,937
Current Tax		3,820,000	-	3,820,000
Deferred Tax		1,014,642	-	1,014,642
IX Profit for the years (VII-VIII)		9,124,637	1,961,979	11,086,616

31.4. Effects of IND AS adoption on Total equity

DESCRIPTION	Note	As at 31.03.2017	As at 01.04.2016
Total equity (shareholder's fund) as per previous GAAP		70,554,210	61,429,573
Others		1,993,430	31,451
Net Worth under IND AS		**72,547,640**	**61,461,024**

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

31.5 Effects of IND AS adoption on Cash Flows for the year ended 31 March 2017

DESCRIPTION	Note	As at 31 March 2017		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash generated from (used in) operating activities		10,103,962	-	10,103,962
Net cash generated from (used in) investing activities		(43,191)	-	(43,191)
Net cash generated from (used in) financing activities		(13,773,722)	-	(13,773,722)
Net increase/ (decrease) in cash and cash equivalents		**(3,712,951)**	-	**(3,712,951)**
Cash and cash equivalents at start of year/period		4,146,345	-	4,146,345
Cash and cash equivalents at close of year/period		**433,394**	-	**433,394**

31.6 Notes to first-time adoption of IND AS

31.6.1 Deemed Cost for Property, Plant & Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all its property, plant and equipment at their previous GAAP carrying value.

31.6.2 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and other instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The Company has elected to recognise its investments at fair value

31.6.3 Security deposit

Security deposit mainly comprises of deposits given to electricty department, rental deposits etc. These all are long term in nature and hence they have been classified under non current financials assets.Their fair value is equal to their carrying value as disclosed in the financials.

31.6.4 Valuation of Inventories:

31.6.5 Retained earnings

Retained earnings as at April 01, 2016 has been adjsuted consequent to the IND AS adjustments.

31.6.6 Deferred tax as per balance sheet approach:

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized using balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

31.6.7 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS,revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 by Rs. 13,64,165. There is no impact on the total equity and profit.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

31.6.8 Other Income

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized using balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

32. SIGNIFICANT ACCOUNTING POLICIES

32.1 Statement of Compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 28th May 2018.

For all accounting periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2016.

32.2 First time Adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

32.3 Basis of Preparation of Financial Statements

The Company has prepared its Financial Statements which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information in accordance with the notification issued by the Ministry of Corporate Affairs as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017.

The Company follows the mercantile system of accounting and recognizes income and expenses on accrual basis. The financial statements have been prepared on historical cost basis.

Company's financial statements are presented in Indian Rupees (`), which is also its functional currency.

32.4 Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Depreciation on property, plant and equipment is provided using straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

32.5 Inventory

Inventories are stated at the lower of cost and net realizable value except in case of waste and scrape which are valued at net realizable value.

Cost of raw material includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

32.6 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Revenue from sale of waste and scrap are included in revenue.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, using effective interest rate.

32.7 Employee Benefit

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contribution.

Company's contribution to state defined contribution plan namely, Employee State Insurance are made in accordance with the statute, and are recognized as an expenses when employees have rendered services entitling them to the contribution.

32.8 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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 Profit and Loss account.

32.9 Foreign Currency Transaction

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian Rupee (`).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

32.10 Financial Instruments

32.10.1 Financial Assets

32.10.1.1 Initial recognition and measurement
All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value are adjusted through profit or loss on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

32.10.1.2 Subsequent measurement

32.10.1.2.i Financial assets carried at amortised cost
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

32.10.1.2.ii Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

32.10.1.2.iii Financial assets at fair value through profit or loss (FVTPL)
A financial asset which is not classified in any of the above categories are measured at FVTPL.

32.10.1.3 Impairment of Financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

32.10.2 Financial Liabilities

32.10.2.1 Initial recognition and measurement
All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

32.10.2.2 Subsequent measurement
Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

32.10.3 Derecognition of Financial Instruments
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

32.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

32.11.1 Current Tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

32.11.2 Deffered Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

32.12 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

32.13 Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

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NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

33. CRITICAL ESTIMATION AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of useful lives of property, plant and equipment – Note 1

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

- Estimation of Provisions – Note 14

- Estimation of current tax expense and payable – Note 23

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA can not be recognised on want of probable taxable profits

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

34. With effect from July 1, 2017 the Goods and Service Taxes (GST) has replaced Excise Duty, cess etc. Accordingly, post applicability of GST, revenue from operation is disclosed net of GST. Hence the revenue from operations and expenses for the year ended March 31, 2018 are not comparable with the previous period upto that extent.

35. The previous period figures have been regrouped / reclassified / rearranged, wherever necessary to confirm to the current year presentation.

As per our report of even date attached
For VIPIN KUMAR & COMPANY
Chartered Accountants
Firm Regn. No. 002123C

VIPIN KUMAR & COMPANY Chartered Accountants

(V. K. AGARWAL)
Partner
M.No. 071279

Place: Saharanpur
Dated: 28th May, 2018

For & ON BEHALF OF BOARD
For NIRAJ ISPAT INDUSTRIES LTD.

(H. K. Chaudhry)
Director
Din 00021795

(Chaitanya Chaudhry)
Director
Din 06813394

Sonam Nandwani
Company Secretary
M.No: A52672