



SCAN STEELS LTD.

(Formerly Known as Clarus Infrastructure Realities Limited)

CIN : L27209MH1994PLC076015

Registered Office : Office No. : 104, 105, E-Square, Subhash Road,
Opp. Havmore Ice Cream, Vile Parle (East), Mumbai-400057

Ph.: +91-0222 6185461, +91- 0222 618 5462, Fax : +91-0222 618 5463

E-mail : scansteels@scansteels.com, Web.: www.scansteels.com

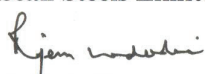
Date: August 31, 2015

FORM A

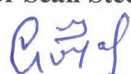
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Scan Steels Limited (Formerly Clarus Infrastructure Realities Limited) (CIN: L27209MH1994PLC076015)
2.	Annual Financial Statements for the year ended	March 31, 2015
3.	Type of the Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable

For Scan Steels Limited


Rajesh Gadodia
Managing Director

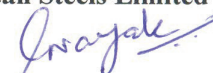
For Scan Steels Limited


Vinay Goyal
Chairman of Audit Committee

For Scan Steels Limited

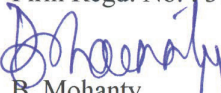

Prabir Kumar Das
Company Secretary & Compliance Officer

For Scan Steels Limited


Gobinda Chandra Nayak
Chief Financial Officer

For SRB & Associates

Chartered Accountants
Firm Regd. No. : 310009E


B. Mohanty
Partner
M. No. 056264



Sales Office : Trishna Nirmalya Bhawan, Plot No : 516/1723/3991, 2nd Floor, Magnetis Square, Patia, Bhubaneswar-751 024, Odisha
Ph : 0674 - 2726237/38, E-Mail : scansteels@scansteels.com, Website : www.scansteels.com

Head Office : Main Road, Rajgangpur, Dist - Sundergarh - 770 017, Odisha.

MANUFACTURERS OF : SPONGE IRON, M.S BILLETS, TMT RODS, INGOTS & POWER.



22ND ANNUAL GENERAL MEETING

SCAN STEELS LTD.

AN ISO 9001:2008 COMPANY

(Formerly Known as Clarus Infrastructure Realities Limited)

REGISTERED OFFICE :

Off. No. 104,105, E-Square, Subhash Road,
Opp.Havmor Ice- Cream, Vile Parle (East), Mumbai - 57
Tel: 022-26185461/62 Fax 022-26185463

Web site: www.scansteels.com, E-mail: scansteels@scansteels.com



Sawarmal Gadodia

Scan Group Founder & Visionary



Corporate Information

BOARD OF DIRECTORS

Sri Rajesh Gadodia : Managing Director
Sri Nimish Gadodia : Director
Sri Ankur Madaan : Director
Sri Vinay Goyal : Director
Smt. Debjani Sahu : Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Sri Prabir Kumar Das

CHIEF FINANCIAL OFFICER

Sri Gobinda Chandra Nayak
(W.e.f. 14th November, 2014)

AUDITORS

SRB & Associates,
Chartered Accountants
5th Floor, IDCO Tower,
Janapath, Bhubaneswar – 751022, ODISHA

BANKERS

State Bank of India
UCO Bank
IDBI Bank Limited
Bank of India
Punjab National Bank
Oriental Bank of Commerce
Central Bank of India

INSURANCE

The Oriental Insurance Company Limited

REGISTRAR & TRANSFER AGENT

Adroit Corporate Services Pvt Limited
19, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E), Mumbai-400 059.
Tel: +91 22 28596060 / 4060/ 4428 / 4442 / 0942

Fax: +91 22 2850 3748
Email: pratapp@adroitcorporate.com
Web Site: www.adroitcorporate.com

REGISTERED OFFICE:-

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Email – id : secretarial@scansteels.com
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CORPORATE OFFICE

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HEAD OFFICE

Scan Steels Limited
At – Main Road, Rajgangpur
Dist: Sundergarh, Odisha - 770017
Ph: 06624-280327/280328
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Email – id : scansteels@scansteels.com
Web: www.scansteels.com

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Achievements

Scan Steels a name to reckon in the steel industry with diversified steel products with the world class technology & infrastructure. It is self sufficient in all most all aspects of steel making with own Sponge Iron Plants, Induction Furnace, Rolling Mills, Billet-Caster, & Power Plant.

With a collaboration of world famous Belgium Centre de Recherches Metallurgiques (Centre of Metallurgical Engineering), the company has honoured with ISO 9001:2008 & ISI: 1786 Certificates.

Vision & Mission

Our Vision & Mission is a commitment of nothing but the best service to every client.

JOURNEY TOWARDS ACHIEVEMENTS

The Scan Group is renowned name in Iron and Steel Industry backed by 20 glorious years of experience in steel making. The Company was founded by Shri Sawarmal Gododia in a small town called Rajgangpur near Rourkela in the state of ODISHA and under whose stewardship the Company grew from strength to strength and now has steel manufacturing facilities, with full integration, in two states of India.

Scan Steels Limited is the flagship company of “Scan Group” of industries and represents integrated Steel Plant located at Rajgangpur, Odisha near Rourkels and other factory is in Bellary (Karnataka).

It was the vision of the founder, Shri Sawarmal Gododia that in the year 1992 the first foundation stone was driven into the soil of Rajgangpur, Odisha. In 1996, he started a rolling mill and an induction furnace of the flagship company Scan Steels Ltd. Which is now a complete integrated steel manufacturing unit having its own captive power plants, sponge iron and SMS.

The company is a pioneer in starting DRI unit in the State of Odisha. Over the years the Company has added many upstream as well as down-stream value adding installations to attain better control over its processes, minimize production cost, wider market penetration and minimize energy dependence on the state grid by means of installing a Captive Power Plant. During a decade the Company form merely being a rolling mill became Integrated Steel Producer. The Company expanded its activities by way of acquisition at present is having manufacturing facilities in the States of Odisha, Karnataka.

Scan Steels become a house hold name in Odisha and nearby states because of its innovative marketing strategy and market outreach to direct customers; the uniform quality produce over the period of the years has become a big brand in the State. The secret of the business success lies with low cost production with best quality material plus committed employees & distributors. This is one of the organization, who carry people for long time and employee have their confidence & believe on the management.

OUR MISSION:

- To attain the best practices and become a leading TMT manufacturing company.
- To achieve excellence in project execution, quality, reliability, safety and operational efficiency.
- To consistently enhance our competitiveness and deliver profitable growth.
- To practice highest standards of corporate culture and to be a financially sound company.
- To be a responsible corporate citizen nurturing human values and concern for society.
- To improve the lives of local community in all our projects.
- To be a partner in nation building and contribute towards India's economic growth.
- To promote a work culture that fosters learning, individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talent and value systems and become the employer of choice.
- To earn the trust and confidence of all employees, exceeding their expectation.
- To uphold the guiding principles of trust, integrity and transparency in all aspects of interaction and dealings

Research and Development

Innovation and product development are at the core of Scan Steel's business. The Company is constantly pushing the boundaries on innovations that drive business results.

Environment

With a firm belief in sustainable Environment, Scan Steel continues to be ahead of regulations through adoption of best practices, modern technologies and innovation to ensure that its production activities are efficient causing minimum environmental impact and leading to social development in the neighboring areas.

Managing Director's Statements

Dear Shareholders,

It gives me immense pleasure to welcome you all to the 22nd Annual General Meeting of your Company.

We are as a nation growing faster in the world, standing second in population is alarming but how Indian can better utilise its human capital and convert them to tangible economic capital that is the challenge, we need to come over as a nation together. We have full of resources and it is true for the sake of growth we need to consume resources and we should not panic over consuming resources as R&D is on to find alternative resource for the future. Albeit, we should strike balance between conventional and non conventional resources available for the sustainability of the earth. Indian poised to grow 8% of its GDP. The present china crisis after devaluation of its currency and restricting its investor to invest in other countries because of huge debt, given Indian an opportunity for more growth thru encouraging FII & FPI to come to our shore. After a doldrums in infra-power sector, it has now started showing early indication of growth. Govt has taken initiative to give fillip to infra, which becoming main source employment and investment avenue for FDI and PE/VC. The mining woe in the verge of getting a clear sky soon and manufacturing growth is sure to mark its impression soon. The demand side of finished product of steel market will take its journey towards north in tandem with infra growth. In the recent time steel products from china landed in India & create a panic among Indian manufacturers as the price was less than our cost of production of raw steel, this scenario is almost over after govt restriction, now steel industries have sigh of relief from that aspects and focusing more on low cost production and its value chain. Steel plays an important role in infrastructure and its consumption is always a reflective index to measure economic development and social well being. India is the fifth largest global steel producer at present and is well positioned to become the second largest producer in the near future. The steel industry in India holds considerable edge, despite the global economic slowdown.

The industry does not rely heavily on exports to the developed world. India's enormous domestic market can support its growth. The domestic steel consumption in the infrastructure and consumer durables sector is likely to see an upward trend.

The global economic upheaval is bound to pave the way for better and stronger socio-economic institutions. The emerging economies can draw important lessons from the Greek crisis and present china downturn. The most important lesson would be that no economic bloc can grow sustainably without the foundation of a strong institutional framework and legislations, which bind the countries together as one unified whole.

Over a period of last almost 20 years, Company has created its brand image in all part of Odisha as well as in neighboring states. In every nook and corner of the state you will find our very own





SHRISHTII TMT. It has now become a house-hold name in Orissa. All this success is only because of your support and support of our operational & management team of Scan Steels. Discuss about the business growth, and we are ready to listen yours good suggestion always. I will not forget to share my feelings and experience of scan group journey as far as our business and market reach are concern. All the success is attributed to the support and good will of all of my beloved and trust worthy stakeholders and operation as well as management team. I wish all our internal and external stake-holders for their faith on us, I assure, with the support of all of them, we wish to grow further in the coming year.

The Board also desires to place on record its appreciation for the support and co-operation received from its Shareholders, Regulatory & Government Authorities, Suppliers, Customers and Bankers. The Company has always looked upon them as partners in its progress. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other. The Board wishes to record their deep sense of appreciation for the committed services of all the employees of the Company.

With kind regards,

Rajesh Gadodia
Managing Director
(DIN: 00574465)

Date: 31st August, 2015
Place: Mumbai

ORGANIZATIONAL OVERVIEW OF BUSINESS MODEL

BUILT AS PER YOUR IMAGINATION

For the SCAN group, the customer has always been the king. But our all new client focused policy involves value creation to build trust. With foundations deeply rooted in traditions of integrity and honesty, the SCAN group's objectives for the future include:

- Adoption of an international management system
- 100% durability and safety of all products
- 100% customer satisfaction
- Adoption of latest technology
- Abiding by its social responsibilities

Up-gradation of products and services every year

We strive for excellence both in products & services. In order to meet the expectation of our customer to increase the level of customer satisfaction, we can deliver TMT rods according to individual specification or demand.

Parameters such as Proof stress, tensile strength, Elongation, Bend test and rebend test are being adopted in our production plant.

We have vast range of rolled steel TMT products which ranges from 8mm to 32mm.

TECHNOLOGY FOR MANKIND

Continuous improvement in environment in environmental performance is a key element of our commitment towards sustainable development. As a manufacturer of steel we are well aware of our responsibilities towards the environment and have developed an ecological policy which is grounded in liabilities of constant improvement and prevention of environmental pollution and health protection to the population adjoining our surroundings.

The latest technology is being used to establish gradual improvement in our environmental management activities and to reduce the emission of carbon dioxide in our production process. The long lasting stability and usability of steel products with further help to save the environment, ensuring stable and secure conditions among our nature.

OPERATIONS OVERVIEW

THE JOURNEY SO FAR

The business model of the Scan Steel Limited is aligned to its vision of “Becoming the Benchmark in Value Creation and Corporate Citizenship” in the steel industry. Through this, it maintains a strategic focus on continuous value creation for all its stakeholders. The Company is progressing towards the largest steel producers in the country and also making efforts to make its presence felt geographically, in operations and also commercially in the country. With a focus on continuous improvement, the Company meets diverse customer requirements across multiple segments, globally.

SCAN STEELS LIMITED

The Scan is a fully integrated self sufficient steel making group having multi-location manufacturing facilities and the various plants comprises of:

- DRI unit
- Steel Melting Shop
- TMT Rolling mills
- Captive power plant
- Coal Washery

The first company and also the flagship company of the Group “SCAN STEELS LTD” is located near Rourkela in Odisha and has a production capacity of 300 TPD of TMT Bar under the brand name of “SHRISHTII”. It is the largest TMT manufacturing plant in Odisha with total integration.

THE SCAN QUALITY TRUST

The company’s obsession with quality control reflects in every stage of production from iron ore and coal selection to the final stage of finished steel. The highest standards are adhered to tested and verified at the company’s own state of the art laboratory.

These efforts have earned it the much coveted ISO 9001:2008 as well as the ISI: 1786 certifications while its products are formally approved by the DEP & M of the government of Odisha and the DG & D of the Government of India.

But for the Scan Steels the sky is the limit when it comes to quality. That’s why the company in collaboration with the world famous Belgian centre de Research Metallurgiques (Centre of Metallurgical engineering, Belgium) makes use of TEMPCORE Technology to produce the best thermo mechanically treated (TMT) steel rods.

“ZERO DEFECTS = TOTAL TRUST”

In keeping with this spirit of excellence, the company lives by its “Zero Defects” policy.

This means that the SCAN group is committed to ensure highest quality through constant improvements in human resources, equipment and machinery, materials and processes.

Offering every client nothing but the very best in every product.

SHRISHTII TMT BAR:

During these years SHRISHTII TMT bars, which are the perfect combination of strength, economy & trust have been developed by SCAN STEELS LIMITED in collaboration with world famous Belgium Centre de Recherches Metallurgiques (Centre of Metallurgical Engineering, Belgium) makes use of “TEMPCORE” CRM – BELGIUM Technology, to produce the best thermo mechanically treated (TMT) steel rods.

The USP about this product is its unique chemical composition that gives it power beyond the scope of ordinary steel rods. ALL SHRITISHTII TMT bars are made in accordance with the ISI standards and standards of TEMPCORE, the licensee.

Product Range:

SHRISHTII TMT bars are available in various diameters ranging from 8mm, 10mm, 12mm, 16mm, 20mm, 25mm, 28mm & 32mm. We also produce 16mm, 20mm, and 25mm plain rods.

The mark of SHRISHTII TMT bar:

SHRISHTII TMT bar is a registered trade mark of SCAN STEELS LIMITED. To purchase a genuine SHRISHTII TMT bar look for the SHRISHTII TMT logo that is carved on the TMT bar in its own style.

ADVANTAGES OF SHRISHTII TMT BARS

HIGH TENSILE STRENGTH

SHRISHTII TMT rods are special grade of TMT bars that are more consistent in strength and able to bear continuous load. SHRISHTII TMT bars are ideal for heavy load structures like making of flyover, dams etc and other critical structures where high yield stress is required without compromising on ductility.

EARTHQUAKE - RESISTANT QUALITY

Its high tensile strength means SHRISHTII TMT rods are more resistant to earthquakes, unlike ordinary, weaker rods. Due to its uniform weight and cross section it can withstand heavy pressure for longer periods of time.



UNIFORM WEIGHT

Due to its uniform weight and cross section, SHRISHTII TMT rods can withstand heavy pressure for longer periods of time. Ordinary rods, with varying degrees of strength at different sections, make constructions weaker and increase costs.

GREATER BENDABILITY AND GRIPPING POWER

The perfect chemical and mechanical properties allow SHRISHTII rods to bend easily, without breaking. Its evenly designed ribbed pattern gives it greater gripping power, which imparts solid strength to any critical constructions.

LOWER CARBON COMPONENT

Thanks to the unique low carbon composition of SHRISHTII TMT rods, they are easy to weld and do not lose strength during welding process, unlikely ordinary rods.

HIGH TEMPERATURE RESISTANCE

Where ordinary rods lose power at about 300°C, SHRISHTII rods stay super-strong and super-safe even at 500°C.

FORGING THE FUTURE

A new era has dawned for the steel industry and it's transformed the steel making landscape creating a more stable & sustainable market environment. We are proud to have played our vital role in this process. We have long believed that size and scale are vital, both to compete in a global market place & to manage supply & to fulfill the demand of our customers through the economic cycle.

Over the years, the group, through meticulous quality control, has built a reputation for quality, reliability & integrity. What started off in the year 1992 It has now being modified into an organization who established manufacturing facilities at multiple locations with ultra modern facilities and exceptional team. The group works hand in hand to produce the finest steel products with a focus to fit client's requirements.

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of M/s. SCAN STEELS LIMITED (formerly Known as Clarus Infrastructure Realities Limited) will be held on Wednesday, the 30th day of September, 2015 at 10.00 A.M. at the registered office of the Company at 104/105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh Gadodia (DIN:00574465), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Auditors of the Company and their remuneration fixed at the twenty first Annual General Meeting of the Company held on December 30, 2014, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the first proviso to Section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. SRB & Associates, Chartered Accountants (Firm's Registration No. 310009E), as the auditors of the Company to hold office from the conclusion of the 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company, made at the twenty first Annual General Meeting of the Company held on 30th December, 2014, be and is hereby ratified.”

SPECIAL BUSINESS:-

4. Ratification of Cost Auditors' Remuneration

To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 30,000 (Rupees Thirty Thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, having office at MIG-2 6, Manorama Estate, Rasulgarh, Bhubaneswar - 751010 (Odisha), (Firm Registration No. 000241), Cost Auditors of the Company, for the financial year 2015-16, as approved by the Board of Directors of the Company, be and is hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Preferential Allotment of Warrants convertible into equity shares

To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including statutory modification(s), amendments or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI ICDR Regulations”), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations framed there under as in force and in accordance with all other applicable rules, regulations, circulars, notifications, clarifications and guidelines thereon issued from time to time by the Government of India (“GoI”), the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) and the stock exchanges where the shares of the Company are listed (“Stock Exchanges”) and subject to requisite approvals, consents, permissions and/or sanctions, if any, of the GoI, the SEBI, the Stock Exchanges and other appropriate statutory, regulatory or other authority (including RBI) and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting any such approvals, consents, permissions, and/or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise one or more of its powers including the powers conferred hereunder), the consent of the Company, be and is hereby accorded to the Board of Directors of the Company in its absolute discretion to raise funds upto Rs. 50,00,00,000 (Rupees Fifty Crores Only) by way of offer, issue and allot on Preferential Basis, upto 1,00,00,000 (One Crore) Warrants having an option/ entitlement to apply for and be allotted equivalent number of equity shares of facevalue of Rs. 10 each of the Company (“Warrants”) at a future date, not exceeding 18 (Eighteen) months from the date of issue of such Warrants at an exercise price of Rs. 50/- (Rupees Fifty only) (including a premium of Rs. 40/-) per equity share (“Exercise Price” or “Issue Price”) to Other than Promoters as per the list mentioned in the explanatory statement attached to this Notice, as the Board may in its absolute discretion decide, in one or more tranches and on such terms and conditions, as the board considers fit, subject to the following:

- (i) The Equity Shares to be allotted upon exercise of options attached to Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects and on allotment such Equity shares shall rank *pari – passu* in all respect with the then existing Equity Shares of the Company;
- (ii) In accordance with the provisions of SEBI ICDR Regulations, the Relevant Date for calculating the Issueprice of warrants shall be August 31, 2015, being the date 30 days prior to the date of this Annual General Meeting;

- (iii) The Warrants shall be allotted within a period of 15 days from the date of passing of this resolution, provided that if any approval or permissions by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission;
- (iv) An amount not less than 25 per cent of the Issue Price as determined in terms of chapter VII of SEBI ICDR Regulations shall be paid prior to allotment of the Warrants and the balance 75 per cent of the Issue Price shall be payable by the warrant holder(s) at the time of allotment of equity shares pursuant to exercise of option against each such Warrant(s);
- (v) In case the option to subscribe to equity shares against such Warrants is not exercised by the Allottee within eighteen months, the consideration paid by the Allottee in respect of such Warrant shall be forfeited by the Company;
- (vi) The Equity Shares to be allotted pursuant to exercise of options attached to Warrants, and also the entire pre preferential Equity Shares held, if any, by the proposed allottees, shall be subject to the lock in for such period as prescribed under Regulation 78 of the SEBI (ICDR) Regulations;
- (vii) The Warrant by itself shall not give to the holders thereof any rights of the shareholders of the Company; and
- (viii) The option attached to each of the said warrants shall be independent of each other.

RESOLVED FURTHER THAT subject to the provisions of the SEBI Regulations and other applicable laws, the Board be and is hereby authorized to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, as may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Warrants/Equity Shares upon exercise of the entitlement attached to Warrants and listing of the such equity shares with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed preferential issue, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned regulatory authorities, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any Director or Directors or any other officer(s) or employee(s) of the Company as it may consider appropriate in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on

behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any professional advisors/consultants to give effect to the aforesaid resolution.”

6. Adoption of New Set of Articles of Association (AOA) of the Company in Conformity with Provisions of Companies Act, 2013.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution”.

REGISTERED OFFICE:-

104-105, “E- Square”, Subhash Road,
Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai – 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email – id: secretarial@scansteels.com

**BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED**

(Formerly Known as Clarus
Infrastructure Realities Limited)

Sd/-

Prabir Kumar Das
(Company Secretary & Compliance Officer)

Place: Mumbai

Date: 31st August, 2015

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll on his behalf and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the meeting. A blank proxy form is enclosed with this report.
3. In terms of Section 152 of the Companies Act, 2013, Shri Rajesh Gadodia (DIN: 00574465), Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company commends their respective re-appointments. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. An explanatory statement pursuant to section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
5. Members are requested to notify any change of address or bank mandates:
 - a. To their depository participants (DP) in respect of shares held in dematerialized form, and
 - b. To Registrar and Share Transfer Agent of the Company- Adroit Corporate Services Pvt. Ltd, whose office is located at 19, Jafferbhoy Industrial Estate, 1st Floor, Makwane Road, Marol Naka, Andheri E, Mumbai, Maharashtra, 400059, in respect of shares in physical form, to notify their change of address/ residential status/email-id, bank details etc., if any, under their signatures and quoting respective folio number.
6. Members are requested to kindly mention their Folio Number / Client ID and DP ID Number (in case of demat shares) in all their correspondence with the Companies Registrar in order to reply to their queries promptly, and for easy identification.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members are requested to bring your copies of the Annual Report/ the Notice of the meeting along with the Attendance Slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23rd day of September, 2015 to Wednesday, the 30th day of September, 2015 (both day inclusive).
10. Members desirous of obtaining any information concerning Accounts and operations of the Company are requested to address their questions in writing to the Company at an early date so as to enable the management to keep the information ready at the meeting.
11. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar & Share Transfer Agent M/s Adroit Corporate Services Private Limited, Jafferbhoy Industrial Estate, Makwana Lane, Andheri(E), Mumbai – 400059.
12. In accordance with the Companies Act, 2013 read with the rules framed thereunder, the Annual Report 2014-2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copy of the Annual Report 2014-2015 is being sent by the permitted mode.
13. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for the financial year ended on 31.03.2015 will also be available on the Company’s website www.scansteels.com for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company’s investor email id: secretarial@scansteels.com
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA - Adroit Corporate Services Pvt. Ltd .
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

16. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
17. Members are requested to bring their Identity Card or Details of Shares Held (eg. Folio No./ DP ID , CLIENT ID etc.) for easy identification of attendance at the Meeting Hall.
18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form SH - 13 can be obtain from Adroit Corporate Services Pvt Limited (RTA),. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant (DP).
19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Adroit Corporate Services Pvt Limited (RTA), for consolidation into a single folio.

20. VOTING THROUGH ELECTRONIC MEANS

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services (India) Limited ("CDSL"). The members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting"). In order to enable the Members, who do not have the access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in below.

The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting or by Ballot Form, shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting or by Ballot Form prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Process and manner for remote e-voting are as under:

- (i) The remote e-voting period begins on Sunday, 27th September, 2015 from 9.00 a.m. and ends on Tuesday, 29th September, 2015 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00p.m. on 29th September, 2015.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the image verification as displayed and Click on Login
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>For User ID Members can use their Folio No. And For Password Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the given sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SCAN STEELS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23rd September, 2015 and as per the Register of Members of the Company.

- (xxi) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e., 23rd September, 2015, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.
- (xxii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting, voting through Ballot Form, as well as voting at the Annual General Meeting.
- (xxiii) Mr. Arihant Kumar Bothra, Practicing Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the remote e-voting process (including the Ballot Form received from the Members who do not have access to the remote e-voting process) in a fair and transparent manner.
21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
22. **Voting through Physical Ballot Form:**
- In terms of Clause 35B of the Listing Agreement, the members who do not have access to remote e-voting, are requested to fill in the physical ballot form being part of the Annual Report (a copy of the same is also part of the soft copy of the Annual Report) and submit the same in a sealed envelope to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot form must be received by the Scrutinizer at the office address on or before 29th September, 2015 (5.00 p.m.). The Scrutinizer's decision on the validity of the forms will be final. A members can opt for only one mode of voting i.e. either through remote e-voting or by ballot form. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot Form shall be treated as invalid.
23. **Voting Facility at AGM**
- At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting, by way of Ballot paper, for all those members who are present but have not cast their vote electronically using the remote e-voting facility or Ballot Form.
24. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 3 (Three days) from the conclusion of the meeting, a con-

solidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

25. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
26. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.scansteels.com and on the website of CDSL www.evotingindia.com immediately after the result declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company scheduled to be held on Wednesday, 30th September 2015.
27. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: secretarial@scansteels.com

REGISTERED OFFICE: -

104-105, "E- Square", Subhash Road,
Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai - 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email - id: secretarial@scansteels.com

BY ORDER OF THE BOARD

FOR SCAN STEELS LIMITED

(Formerly Known as Clarus
Infrastructure Realities Limited)

Sd/-

Prabir Kumar Das

(Company Secretary & Compliance Officer)

Place: Mumbai

Date: 31st August, 2015

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice dated 31st August, 2015.

ITEM NO. 3

This Statement is provided though strictly not required as per Section 102 of the Act.

M/s. SRB & Associates, Chartered Accountant (Firm's Registration No. 310009E) of Bhubaneswar were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 30th December, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 3 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

ITEM NO. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 12.08.2015, has considered and approved the appointment of M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, as the Cost Auditor of the Company for the financial year 2015-16 at a remuneration of Rs. 30,000 (Rupees Thirty Thousand only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

The Resolution as at Item No. 4 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No. 4 for your approval.

ITEM NO. 5

The Company proposes to issue and allot upto 1,00,00,000 (One Crore) Warrants on a Preferential Basis having an option/entitlement to apply for and be allotted equivalent number of equity shares of face value of Rs. 10/- each of the Company, at future date, not exceeding 18 (Eighteen) months from the date of issue of such warrants at an Exercise price of Rs. 50/- (Rupees Fifty only) (including a premium of Rs. 40/-) per equity share ("Exercise price" or "Issue Price"), being the price not lower than the price as determined in accordance with the Regulation for preferential Issue contained in Chapter VII of the SEBI ICDR Regulations as amended from time to time (hereinafter referred to as "SEBI ICDR Regulation"), on a preferential basis, vide Resolution mentioned at item No. 5 of this Notice.

Section 62 of the Companies Act, 2013 and the provisions of the Listing Agreement provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 62 unless the shareholders of the Company in general meeting decide otherwise.

The Resolution, if passed, will have the effect of allowing the Board to issue and allot Warrants/ Equity Shares upon conversion of Warrants to the Investor who is not an existing member of the Company. Since the proposed Special Resolution would result in issue of Warrants/Equity Shares upon conversion of Warrants otherwise than to the members of the Company in the manner laid down under Section 62 of the Companies Act, 2013, consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and all other applicable provisions of the Companies Act, 2013 and the Listing Agreement.

The Equity Shares allotted upon conversion of warrants would be listed on BSE. The issue and allotment would be subject to the availability of regulatory approvals, if any.

In terms of Regulation 73 of SEBI (ICDR) Regulations, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

(a) Object of the preferential issue:

The proceeds of the preferential issue will be used for working capital requirement and renovation & modernization of the plant.

(b) The total number of shares or other securities to be issued:

The Board intends to offer, issue and allot up to 1,00,00,000 warrants having an option to apply for and be allotted equivalent number of equity shares of face value of Rs. 10/- each of the Company aggregating up to Rs. 50.00 Crores (Rupees Fifty crores), in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the Regulations.

(c) Pricing of Preferential Issue:

Since, the Company's shares are coming under infrequently traded shares category, the price of equity shares to be allotted upon conversion of warrants is determined at Rs. 50.00 (Rupees Fifty only) per equity share of Rs. 10/- each in terms of Chapter VII of the SEBI ICDR Regulations.

As required under the Regulations, wherever it is required, the Company shall re-compute the issue price in accordance with the Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottees within the time stipulated under the Regulations, the Equity Shares allotted upon conversion of warrants shall continue to be locked in till the time such amounts are paid by them.

(d) Relevant date:

The Relevant Date as per the SEBI ICDR Regulations for the determination of issue price is fixed as August 31, 2015, being the date 30 days prior to the date of this Annual General Meeting.

(e) The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to the Proposed Allottees as mentioned at point no. h below

(f) Intention of the Promoters / Directors / Key Management Personnel of the Company to subscribe to the issue:

None of the promoters or Directors or key managerial personnel of the Company intends to subscribe to the proposed preferential offer.

(g) Proposed time within which allotment shall be completed:

The Company shall complete the allotment of the Warrants within a period of 15 days from the date of passing of the special resolution. Provided that where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of such approval or permission.

(h) Particulars of the proposed allottees and the identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post Preferential Issue capital that may be held by them:

Sr. No.	Name of proposed Allottees	Category	Pre issue holding*		No of equity shares proposed to be allotted	Post issue holding**		Ultimate beneficial owners / entities who ultimately control proposed allottees of the shares proposed to be allotted
			No. of shares	%		No. of shares	%	
1.	West & Best Trading Private Limited	Non-Promoter	0	0.00	20,00,000	20,00,000	3.68	Mr. PremBhogendra Thakur and Mr. Prashant Laxman Rane, the Promoters the Company.
2.	S&D Share & Stock Private Limited	Non-Promoter	0	0.00	20,00,000	20,00,000	3.68	Mr. Surendra Kumar Sharma and Mr. Dineshkumar K Chourasiya, the Promoters of the Company.
3.	Narmada Enterprises Private Limited	Non-Promoter	0	0.00	20,00,000	20,00,000	3.68	Mr. SanjaykumarIshwariprasad Shah and SushilkumarKishanlal Sharma, the Promoters of the Company.
4.	Abhilasha Money Operations Private Limited	Non-Promoter	0	0.00	20,00,000	20,00,000	3.68	Mr. BikramKeshariMohanty and Mrs. SmitaBikramMohanty, the Promoters of the Company.
5.	Alken Management and Financial Services Private Limited	Non-Promoter	0	0.00	20,00,000	20,00,000	3.68	Mr.RavindraRamdasKamble and Mrs. SheetalRavindraKamble, the Promoters of the Company.
Total			0	0.00	1,00,00,000	1,00,00,000	18.40	

* The Shareholding as on August 28, 2015 is considered for pre issue holding.

** The post issue holding is based on the assumption of full subscription of Equity Shares upon conversion of entire warrants.

None of the proposed allottees have sold or dispensed any of the holding during the six (6) months period prior to the relevant date, i.e., August 31, 2015.

(i) The change in control, if any, in the Company that would occur consequent to the preferential offer:

There will be no change in the control or composition of the Board of the Company consequent to the said Preferential Issue.

(j) The pre issue and post issue shareholding pattern of the Company:

Sr. No.	Category of Shareholder	Pre Issue*		No of equity shares proposed to be allotted	Post Issue**	
		No. of Shares	% of Shareholding		No. of Shares	% of Shareholding
A	Promoters' holding :					
1.	Indian Promoters					
	Individual	1,02,31,909	23.07	0	1,02,31,909	18.83
	Bodies Corporate	1,49,50,076	33.71	0	1,49,50,076	27.50
2.	Foreign Promoters	0	0.00	0	0	0.00
	SUB TOTAL (A)	2,51,81,985	56.78	0	2,51,81,985	46.33
B	Non-Promoters' holding :					
1.	Institutional Investors	0	0.00	0	0	0.00
2.	Non-Institution Investors					
	Bodies Corporate	1,75,27,511	39.52	1,00,00,000	2,75,27,511	50.65
	Resident Individuals	16,42,777	3.70	0	16,42,777	3.02
	Others					
	Clearing Members	0	0.00	0	0	0.00
	NRI	27	0.00	0	27	0.00
	SUB TOTAL (B)	1,91,70,315	43.22	1,00,00,000	2,91,70,315	53.67
	GRAND TOTAL (A+B)	4,43,52,300	100	1,00,00,000	5,43,52,300	100

*The Shareholding pattern has taken as on date of August 28, 2015 for the purpose of Preferential Issue.

**The above Post Issue Shareholding Pattern is based on the assumption of full subscription of Equity Shares upon conversion of entire warrants.

The Company will ensure compliance with all applicable laws and regulations including the SEBI ICDR Regulations at the time of allotment of the warrants/equity shares.

(k) Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:

Post 31st March 2014 and upto the date of this Notice, the following preferential allotments have been made:

Date of allotment	No. of Securities allotted	Issue Price	No. of allottee(s)	Remarks
04.04.2015	65,52,000 equity shares of Rs. 10/- each	Rs. 50/- per equity share	8	Equity Shares issued on preferential basis to the Promoters and other then Promoters.
12.08.2015	1,28,49,605 Preference Shares of Rs. 10/- each	Rs. 40/- per preference share	3	Non-cumulative Preference Shares (NCRPS) issued on preferential basis to the Promoters and other then Promoters.

(l) Justification for the allotment proposed to be made for consideration other than cash together with the valuation report of the registered valuer:

This is not applicable in the present case since the proposed allotment is for cash consideration.

(m) Certificate from Statutory Auditors:

A copy of the certificate from Statutory Auditors i.e. M/s SRB & Associates, Chartered Accountants, (Firm Regn. No. 310009E) certifying that the issue is being made in accordance with the requirements of SEBI ICDR Regulations shall be made available for inspection at the registered office of the Company during 10:00 a.m. to 1:00 p.m. on any working day (excluding Saturday) up to the date of the meeting.

(n) Lock-in Period:

The equity shares to be allotted under the proposed offering upon conversion of warrants shall be subject to lock in for a period of 1 year from the date of trading approval, in accordance with the SEBI ICDR Regulations. Further the entire pre-issue shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and in terms of the provisions of the SEBI ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed. The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members. Your Directors, therefore, recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

ITEM NO. 6

The existing Articles of Association (AOA) are based on the Companies Act, 1956. With the enactment of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration and/or deletion. Given this position, it is considered, expedient to wholly replace the existing AOA by a new set of AOA. The new set of AOA is proposed to be substituted in place of the existing AOA. The draft set of AOA is available for inspection to the Shareholders at the Registered Office of the Company during normal business hours (10.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company. The draft set of AOA is also available on website of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

REGISTERED OFFICE:-

104-105, "E-Square", Subhash Road,
Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai - 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email - id: secretarial@scansteels.com

BY ORDER OF THE BOARD FOR SCAN STEELS LIMITED

(Formerly Known as Clarus Infrastructure
Realties Limited)
Sd/-
Prabir Kumar Das
(Company Secretary & Compliance Officer)

Place: Mumbai

Date: 31st August, 2015

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT FOR DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN FORTH-COMING ANNUAL GENERAL MEETING.

Name	Age	Qualification	Experience	Position in the Company	Chairmanship / Directorship in other Public Companies.	Sharehold ings in the Company	Directors inter-se relation
Mr. Rajesh Gadodia	42 years	(B. Tech.) Mechanical Engineer	He has more than 19 years of industrial and business experience, primarily in the steel sector with hands on experience of setting up green field projects. In finance he has the exposure in Treasury, Accounting, MIS, Forex Risk Management, Taxation, IT and all other related areas with exposure in India and overseas.	Managing Director	1. Scan Energy & Power Limited 2. Eco Steel India Limited 3. Pawanjay Sponge Iron Limited	3275531	He is relative of Sri Nimish Gadodia

DIRECTOR'S REPORT

Dear Shareowners,

Your Directors have pleasure in presenting the Twenty Second Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS/RESULTS

Your Directors take pleasure in presenting the 22nd Annual Report on the business and operations of your Company along with the financial statements for the year ended 31 March, 2015.

(Rs. In Lacs)

	2014-2015	2013-2014
Net Turnover and other Income	44,966.04	42,456.31
Profit before Tax	536.68	(1,824.97)
Less : Tax Expenses		
Current Tax	(110.77)	-
Deferred Tax (Charge)/ Credit	(157.58)	(93.71)
Profit After Tax	268.33	(1,918.68)
Less : Prior Period Expenses	-	-
Net Profit for the year	268.33	(1,918.68)
Surplus Brought Forward from last balance sheet	(71.13)	1,875.15
Earlier Year Adjustment (Tax)	-	(27.61)
Adjustment for net carrying amount of tangible fixed assets	(128.48)	-
Balance at the end of the year	68.72	(71.13)

RESULTS OF OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

The gross turnover and net turnover for the year under review was Rs. 494.03 crores and Rs. 447.55 crores, respectively, and showed a growth of 6.07% and 5.75%, respectively. The net profit after tax was Rs. 2.68 crores as compared to previous year loss Rs. 19.18 crores. The remarkable reduction in loss figure is appreciation shows better result would come in future years.

The Company produced 60,350 tonnes (MT) of TMT Rods in FY 2014-15, up 27% over the previous year. Its steel sales touched 66080.030 MT, increasing by 45.53% year on year. The Company took several initiatives during the last financial year that helped in achieving and consolidating growth

in production and sales volumes. It commissioned new facilities to enrich product mix, leverage the export demand, diversify its inputs sourcing strategy and strengthen market penetration through branded and value added special products.

The Company's sustained efforts towards back-end cost control, new product launches and efficiency improvement measures, supported the insulation and limited the impact on the profitability margins. The Company's ability to better utilise capacities and product range will help derive better margins out of the businesses. The outlook of each business has been discussed in detail in the 'Management Discussion & Analysis' which forms a part of this Annual Report.

PRODUCTION & TURNOVER/SALES

The production of steel product during the year under report, compared to the previous year is given below.

Item	Production (Qty in MT)		Turnover (Qty in MT)	
	Years ended 31 st March, 2015	Years ended 31 st March, 2014	Years ended 31 st March, 2015	Years ended 31 st March, 2014
Sponge Iron	125342.000	1,40150.00	80503.570	107464.600
MS Ingot/ Billet	67856.000	46284.00	6589.550	-
Long and Flat Products	60350.000	47482.00	59490.480	45406.55

NEW PROJECTS AND EXPANSION

Your company has emerged as a flourishing and dexterous steel enterprise because of its ability to cope with the changing steel scenario and to contribute to the growth of steel production where the country is aiming to increase the crude steel production to 300 Million tons by 2025-26 from currently 70 Million tones of production. For which your company has obtained necessary clearances from appropriate authorities. The upcoming project compositions are as enumerated below:-

Sr. No.	Unit	Product	Rated Capacity	Annual Production in TPA
1.	DRI Kiln	Sponge Iron	2 X 500 TPD	3,00,000
2.	Blast furnace 175 M ³	HM/Pig Iron	350 TPD	122,500 Hot Metal / 36,750 Pig Iron
3.	Iron Ore Crusher	Sized Iron Ore	50 TPH/ 1000TPD	3,00,000
4.	Captive Power Plant	Power	30 MW (20 MW WHRB +4 MW BF Gas based (TRT) +6 MW AFBC)	-
5.	Coal Washery	Washed Coal (65 %) Middlings (30%) Rejects (5%)	40 TPH/800 TPD	2,40,000 (Coal Input)

6.	SMS <ul style="list-style-type: none"> • Induction Furnace • Elec. Arc Furnace • Ladle Refining Furnace • Continues Casting M/c. 	Billets	2 x30 T 1x30 T 1x4 Strand	3,11,040
7.	Pellet Plant	Iron Ore Pellet	4,000 TPD	12,00,000
8.	Submerged Arc Furnace	Silico Management	2x 7.5 MVA	10,200
9.	Rolling Mill-1	TMT Rods/ Bars	1 x 38 TPH	2,00,000
10.	Rolling Mill-2	Structural .Steel	1 x 38 TPH	2,00,000
11.	Galvanizing Plant	Galvanized Product	20 TPH	108,000
12.	Fly Ash Bricks Unit	Fly Ash Bricks	4x42 TPD	50,400
13.	Oxygen Plant	Oxygen	4800 Nm ³ /hr	622 Mn. Nm ³ /year

GREENFIELD PROJECT

The process of land acquisition work for our project at Gangajal, Budhakata, Sundargarh, Odisha is in progress. Discussion with concerned authorities for allotment of land has been initiated. The environmental clearances for this proposed project has been obtained from the appropriate authorities.

OUTLOOK

Currently, the Steels business account for nearly 100% of its revenues. The outlook for its margins and profitability for this business depends on overall economic outlook. This company is likely to benefit most from an upturn in the business cycle, given its scale of operations and its competitive cost positions. Today, it is truly a market-driven company, making innovative changes and technological improvements, leaving no stone, unturned in fulfilling dreams of its founding fathers, tuning every activity to meet the subtle demands of its customers.

MARKETING ARRANGEMENT

The Company has a Well-organized Marketing Department We have around 50 % market share in Odisha and also catering to outside markets like Bangalore, Hyderabad, Ghaziabad, Raigarh, Raipur, Goa and Kanpur. We are in the process expanding our market plan in India by appointment of Dealers at other major cities across India. We also directly sell to the Customers through our Marketing staffs and agents.

DIVIDEND

During the year the Company was successful in reducing the losses accumulated during the past few years, however the Company does not have any surplus profits yet. Therefore your directors

have expressed inability to recommend dividend for the financial year ending on 31st March, 2015.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not recommended any dividend therefore there were no such funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

TRANSFER TO RESERVE

During the financial year 2014-15, the Company is maintaining a balance of Rs. 1344.12 Lacs in General Reserve, Rs. 59.23 Lacs in Capital Reserve and Rs. 493.71 Lacs in Amalgamation adjustment reserve. An amount of Rs. 68.72 Lacs is proposed to be retained in the surplus.

CONSOLIDATED FINANCIAL STATEMENT

As per the definition in the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments, the company does not have any investment in the Subsidiary Company, Joint Ventures Company or any other Associates Company therefore the Consolidation of Financial Statements is not applicable.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Associates and Joint venture Companies there by; there are no details to be provided under [Rule 8 of the Companies (Accounts) Rules, 2014]. Read with section 129 (3) of the Companies Act, 2013. during the year under review, no company has become or ceased as subsidiary, associate or joint venture companies.

FIXED DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Pursuant to Section 73, 74 & 76 Rule 8(5)(v) of Companies (Accounts) Rules, 2014. The details relating to deposits, covered under Chapter V of the Act are as follows:-

- a. accepted during the year - Rs. 4,39,35,000/-
- b. remained unpaid or unclaimed as at the end of the year - Rs. 2,77,602
- c. whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved -
 - i. at the beginning of the year - Nil
 - ii. maximum during the year - Nil
 - iii. at the end of the year - Nil

There was No default in repayment of deposits or payment of interest thereon during the year by Company and accordingly No details to be provided by the Company in this regard.

The details of deposits which are not in compliance with the requirements of Chapter V of the Act -

Your Company has not accepted any deposits which are not in Compliance with the requirement of Chapter V of the Act.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

The Company was in to Infrastructural Development, but Pursuant to Scheme of Merger of M/s. Scan Steels Limited with M/s. Clarus Infrastructure Realities Limited which was approved by the High Court of Bombay vide its order dated May 11, 2012 and High Court of Orissa vide its order dated 25th February, 2014 and the scheme of amalgamation became effective upon filing of form INC-28 with Registrar of Companies, Maharashtra on 12th August, 2014 Company is now in to Steel Manufacturing Business.

Further, the consent of members for alteration in main object has been obtained through postal ballot and the results of the postal ballot has been announced on 11th August, 2015. The company is now expanding its business activities into Derivatives market .

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

INTERNAL CONTROL SYSTEMS AND AUDIT OVERVIEW

The Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies.

INTERNAL CONTROL

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to the Company's corporate governance policy. Some of the significant features of internal control systems includes:

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Deploying of an ERP system which covers most of its operations and is supported by a defined on-line authorization protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors, comprising Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards and so on.
- Forming a comprehensive Information Security Policy and continuous up-gradation of IT Systems.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

INTERNAL AUDIT

The Company has a strong internal audit department reporting to the Audit Committee comprising Independent Directors who are experts in their field. The scope of work, authority and resources of Internal Audit (IA) are regularly reviewed by the Audit Committee and its work is supported by the services of M /s GRC & Associates, the Internal Auditor of the Company.

The Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Through IA function the Board obtains the assurance it requires to ensure that risks to the business are properly identified, evaluated and managed. IA also provides assurance to the Board on the effectiveness of relevant internal controls.

INTERNAL FINANCIAL CONTROLS

As per Section 134 (5) (e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems and framework of internal financial controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable them to meet these responsibilities, the Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls. These are in turn reviewed at regular intervals.

The Company has developed a framework for designing and assessing effectiveness of internal controls over financial reporting and has already laid down entity level policies and process level standard operating procedures.

The entity level policies comprise anti-fraud policies (code of conduct, including conflict of interest, confidentiality and whistle-blower policy) and other policies (organization structure, roles and responsibilities, insider trading policy, HR policy, related party policy, prevention of sexual harassment policy, IT security policy, business continuity and disaster recovery plan and treasury risk management policy). The Company has also prepared Standard Operating Practices (SOP) for each of its processes of revenue to receive, procure to pay, hire to retire, finance and accounts, fixed assets, treasury, inventory, manufacturing operations, and administrative expenses.

Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and During the year, such controls were tested and no reportable material weakness in the design or operation were observed and such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and Detail of which is furnished in the Annexure 'A' in Form AOC-2 attached with this Report.

Even though approval of the Shareholders not required under the provisions of the Companies Act, 2013 for transactions which are in the ordinary course of the Company's business and are at arm's length basis, but in terms of the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014, the monetary limit of the transaction may exceed the limits as provided under Section 188 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. Therefore, approval of the Shareholders is received by the Company in terms of Section 188 of the Companies Act, 2013 read with the applicable rules as well as the proposed Clause 49 of the Listing Agreement, at an Extra Ordinary General Meeting held on 26th March, 2015, for Purchase/ Sale of Raw Material and Finished Goods, on arm's length basis, for an aggregate amount not exceeding the limit as set out in the resolution.

Further, there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are subject to internal audit and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed, Standard Operating Procedures for purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.scansteels.com/?page_id=2823

Your Directors draw attention of the members to Note No. 2 to the financial statement which sets out related party disclosures.

ISO CERTIFICATION

Your company is having a status of ISO 9001, ISO 14001 and ISO 18001 certification, which is internationally recognized for the production, quality control and Environmental as well as OHSAS respectively.

CREDIT RATING

CARE has reaffirmed "CARE B+ "" (Single B Plus) rating to the long term bank facilities of your Company. Fixed Deposits are also rated "CARE B+" (Single B Plus). The rating reaffirmed to the short-term bank facilities of your Company is " CARE A4 " (A Four Plus).

BRANDING INITIATIVE

The "SHRISTII" brand for its TMT bars are well accepted in the market in varied segments and sectors with wide customer base.

INSURANCE

The Assets of the company are adequately insured against the loss of fire, riot, earthquake, loss of profit etc, and other risk which is considered by management, In addition to this coverage, a statutory public liability insurance policy has been taken to cover by the company for providing against the public liability arising out of industrial accidents for employees working in plants.

INDUSTRIAL RELATIONS AND PERSONNEL

Your Company attaches great importance to human resource. Over a period of time, we have built and nurtured a dedicated and excellent workforce and also recruiting new people in order to meet the revival plans of the company. The processes for attracting, retaining and rewarding talent are well laid down and the systems are transparent to identify and reward performers. Company is committed to the welfare of its people and their families and to improve the quality of their life by providing the required facilities. The Company recognizes the importance and contribution of its people towards achieving the common goal. During the year under the review, industrial relations at all units of the Company continued to be cordial and peaceful.

FINANCE

During the year all the finance commitment were met in time. Liquidity throughout the year was quite comfortable. The company has no unpaid or unclaimed deposit at the end of the year.

BANKERS AND CONSORTIUM ARRANGEMENT

The Company has consortium arrangement of their bankers with State Bank of India as Lead Bank. This consortium arrangement is well defined and take care of company's term loan and working capital requirement from time to time. The consortium members meet regularly at company office quarterly and also visit company's plant from time to time.

SAFETY

The company has continued to scale up safety performance at all locations. Safety measures have been strengthened and employees are being trained to think on hazards/risks associated with their job. Systems have been established to make employees responsible and accountable for safety. Good

safety performance is being rewarded. While Safety has been included as a corporate value, the main objective is to achieve better standard of safety in the shortest possible time.

HUMAN RESOURCE DEVELOPMENT

The company has been given much emphasis on Human Resources Development and thus has been well recognized in the steel industrial for sound Human Resources Management. The Company has emerged as a true national firm with cosmopolitan atmosphere. The company's HR policies and process is as well aligned to effectively suit its expanding business horizons and future manpower requirement. This has been achieved by continuously stressing upon training & development, empowerment and creating a compelling work environment and maintaining well structured reward & recognition mechanism. Company is committed to the welfare of its people and their families and to improve the quality of their life by providing the required facilities.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. As a part of its policy for corporate social responsibility, the Company is associated with charitable and social activities and thereby playing a pro-active role in the socioeconomic growth. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes account guidelines and statements issued by stakeholders and other regulatory bodies.

The management has adopted corporate social responsibility (CSR) well at par with its business with the objective of creating wealth in the community with focus on education, health, water and society. Social welfare, community development, economic and environmental responsibilities are at the core of the CSR of the Company.

The Corporate Social Responsibility Committee (CSR Committee) Composition and Terms of reference of which is detailed in the Corporate Governance Part of this Annual Report. has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified six focus areas of engagement which are as under:

- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behavior.
- Education: Access to quality education, training and skill enhancement.

- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Protection of National Heritage, Art and Culture: Protection and promotion of India's art, culture and heritage.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act.

The disclosures required to be made as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as Annexure 'B'.

The CSR Policy of the Company is available on the company's website and may be accessed at http://www.scansteels.com/?page_id=2823

SHARE CAPITAL

INCREASE IN AUTHORISED SHARE CAPITAL

The Company has increased its authorized share capital from Rs. 58,00,00,000/- (Rupees Fifty Eight Crore only) divided into 5,80,00,000 (Five Crore Eighty Lacs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 7,00,00,000 (Seven Crore) equity shares of Rs. 10/- (Rupees Ten) each, through ordinary resolution passed by the members in the previous AGM held on 30th December, 2014.

RE-CLASSIFICATION OF AUTHORIZED SHARE CAPITAL

In order to facilitate the issue and Allotment Non-cumulative Redeemable Preference Shares (NCRPS), The company had re-classified its Authorised Share Capital from Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 7,00,00,000 (Seven Crore) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 5,50,00,000 (Five Crore Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten) each and 1,50,00,000 (One Crore Fifty Lacs only) Non-cumulative Redeemable Preference Share of Rs. 10/- (Rupees Ten) each, after members approval through Postal Ballot, results announced on 11th August, 2015 and accordingly, the capital Clause of Memorandum of Association of the Company is amended.

ISSUED/SUBSCRIBED/PAID UP CAPITAL

To meet the Working Capital requirements and long term funds for modernization & renovation of the existing plant, your Company raised funds through preferential issue of equity shares.

Pursuant to Preferential Allotment Issued, Subscribed and Paid-up Share Capital of the Company shall stand Increased from Rs. 37,80,03,000/- (Rupees Thirty Seven Crore Eighty Lakhs Three Thousand Only) divided into 37,800,300 (Three Crore Seventy Eight Lakhs Three Hundred) Equity Shares of Rs. 10/- (Rupees Ten) to Rs. 44,35,23,000 (Forty Four Crore Thirty Five Lakhs Twenty Three Thousand) divided into 4,43,52,300 (Four Crore Forty Three Lakhs Fifty Two Thousand Three Hundred) Equity Shares of Rs. 10/- (Rupees Ten).

Further to this the company has also issued and allotted 1,28,49,605 Non-cumulative Redeemable Preference Shares (“NCRPS”) of Rs. 10/- (Rupees Ten) each at a premium of Rs. 30/- (Rupees Thirty) per NCRPS for an aggregate amount of Rs. 51,39,84,200/- (Rupees Fifty One Crore Thirty Nine Lacs Eighty Four Thousand Two Hundred Only), at a Rate of Dividend – 1% p.a., after members approval through Postal Ballot, results announced on 11th August, 2015.

Accordingly, the Company’s paid-up equity share capital remained at Rs. 44,35,23,000 (Forty Four Crore Thirty Five Lakhs Twenty Three Thousand) divided into 4,43,52,300 (Four Crore Forty Three Lakhs Fifty Two Thousand Three Hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only) each and the preference share capital is Rs. 12,84,96,050/- (Twelve Crore Eighty Four Lacs Ninety Six Thousand Fifty) divided into 1,28,49,605 (One crore Twenty Eight Lacs Forty Nine Thousand Six Hundred Five only) fully paid up NCRPS of Rs. 10/- (Rupees Ten) each.

ALTERATION IN THE OBJECT CLAUSE OF THE COMPANY

The Directors of your Company have been considering various proposals to diversify its business portfolio and growing opportunities, the company is planning to enter into certain new business ventures. The Board of Directors in its meeting held on 3rd July, 2015, proposed to carry on the business of merchant, broker, sub-broker of all type of commodities and/ or goods and deal in future and option and in other derivatives in commodity exchange of India including trading in shares, derivatives, currencies and readymade garments including yarns, fabrics of wool, poplin, cotton, jute, silk, rayon, nylon and other natural, synthetics, and/ or fibrous substance etc.

As mentioned in above Company has altered its object clause of the Company in order to include aforementioned New Objectives in the Main Object and said Alteration of Memorandum of Association was approved by the Members through Postal Ballot and results has been announced on 11th August, 2015

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Rajesh Gadodia, Managing Director (DIN 00574465), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The proposal regarding the re-appointment of the aforesaid Director is placed for your approval. The Board of Directors recommend his re-appointment. The brief resume and other information of the concerned directors, in terms of the provisions of clause 49 of the Listing Agreement with stock exchange have been detailed in the notice convening the forthcoming Annual General Meeting.

Mr. R. P. Singh (DIN 03411893) has been resigned and ceased to be Director w. e. f. 28/01/2015. The Board placed on record appreciation of his service to the Company and look forward for his continuance support in future.

During the years under review, the Board based on the recommendation received from the Nomination and Remuneration Committee had posposed the name of Smt. Denjani Sahu as Independent Director and The members approved the appointment of Mrs. Debjani Sahu (DIN: 02674022) as

Independent woman directors of the company at the extra Ordinary General Meeting held on 26th March, 2015, who is not liable to retire by rotation.

Mr. Gobinda Chandra Nayak had been appointed as, Chief Financial Officer with effect from 14th November, 2014.

Mr. Prabir Das had been appointed as, Company Secretary & Compliance Officer with effect from 14th March, 2014 .

Company's policy of appointment and remuneration for directors, KMP and other employees including criteria for determining qualifications, positive attributes, director's independence (read with Sections 178 (1) (3) (4))

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure 'C' and is attached to this report.

Further, Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees 2013 is furnished in Annexure 'D' and is attached to this report.

Declaration by an Independent Director(s)

As required under section 149(7) of the Companies Act, 2013, The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence and / or to qualify themselves to be appointed as Independent Directors as prescribed both under Section 149 (6) of the Companies Act' 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges and the declarations are put up on the website of the Company at the link: http://www.scansteels.com/?page_id=2823

Familliarisation Programme for Independent Directors.

All New Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of our operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure, Board constitution and Procedures, matters reserved for the Board, and our major risks and risk management strategy.

The company familiarises the Independent Directors of the Company with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc and related matters are put up on the website of the Company at the link: http://www.scansteels.com/?page_id=2823

Separate Independent Director Meeting

A separate meeting of the independent directors ("Annual ID meeting") was convened on 28th March, 2015, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the Nomination Remuneration Committee with the Board covering performance of the Board as a whole, performance of the non-independent directors and performance of the Board Chairman.

BOARD ANNUAL EVALUATION

In compliance with the Section 134(3) (p) Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

The Chairperson of the Nomination and Remuneration Committee (NRC) held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as on each of the other Directors.

The Detailed Policy on Performance Evaluation of Independent Directors, Board, Committees and other individual Directors can be accessed from the website of the Company at the link: http://www.scansteels.com/?page_id=2823

MANAGERIAL REMUNERATION:

The following disclosures have been mentioned in detailed under the heading "Corporate Governance", part of this Annual Report : –

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) details of fixed component and performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

CODE OF INDEPENDENT DIRECTORS - SCHEDULE - IV

The Board has considered Code of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. The code is a guide to professional conduct for independent directors' adherence to

these standards by independent directors and fulfillment of their responsibility in a professional and faithful manner will promote confidence of the investment community and regulators.

The broad items for code for independent directors are:

- (i) Guidelines for Professional conduct.
- (ii) Role and Functions.
- (iii) Duties
- (iv) Manner and process of appointment.
- (v) Re-appointment on the basis of report of performance evaluation.
- (vi) Resignation or Removal.
- (vii) At least one Separate meeting of Independent Directors in a year without attendance of non independent directors or members of management.
- (viii) Evaluation mechanism of Independent Directors by entire Board of Directors.

The Detailed Code of Conduct of Independent Directors of the Company and Code of Conduct for Board of Directors and Senior Management of the Company can be accessed on the website of the Company at the link: http://www.scansteels.com/?page_id=2823

KEY MANAGERIAL PERSONNEL

In compliance with the provisions of Section 203 of the Companies Act, 2013 and the requirement of Listing Agreement, the Company has appointed Mr. Rajesh Gadodia as Managing Director, Mr. Prabir Kumar Das, Company secretary & Compliance officer and Mr. Gobinda Chandra Nayak, Chief Financial Officer (CFO) of the company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 134(3)(c) and 134(5) of the Companies Act, 2013, your directors hereby state and confirm that –

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the company for the year ended on that date;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

M/s. SRB & Associates, Chartered Accountant (Firm's Registration No. 310009E) of Bhubaneswar were appointed as Statutory Auditors for a period of five consecutive year in the 21st Annual General Meeting held on 30th December, 2014 and hold office till the conclusion of 26th Annual General Meeting.

In terms of Section 139(1) of the Companies Act, 2013, the appointment of statutory auditors to hold the office from the conclusion of the 21st AGM until the conclusion of 26th AGM, placed for your ratification.

The Company has received necessary consent and certificates under Section 139 from the above Auditors to the effect that they satisfied the criteria provided in section 141 of the Companies Act, 2013 read with Cos. (Audit & Auditors) Rules, 2014.

AUDITORS' REPORT

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board has re-appointed M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, having office at MIG-26, Manorama Estate, Rasulgarh, Bhubaneswar - 751010 (Odisha), as the Cost Auditors of the Company to conduct an audit of the cost records maintained by the Company for the financial year 2015-2016 on a remuneration of Rs. 30,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The Cost Auditor submitted their Cost Audit Reports for the Financial year 2014-2015 to the Board and The report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS AND AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. D

P Associates, a Practicing Company Secretary (CP No-6828) having office at 774, Jayadev Vihar, Lane-3, Bhubaneswar – 751013 to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out is annexed herewith as Annexure “E”. The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board at its meeting held on August 31, 2015, has reappointed M/s. D P Associates, a Practicing Company Secretary (CP No-6828), as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2015-16.

AUDIT COMMITTEE.

Audit Committee is constituted as per provision of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 177 of the Companies Act, 2013. Composition of Audit Committee as per Section 177 (8) of Companies Act, 2013, the Prime Objective of the Committee is to monitor and provide effective supervision of the Management’s financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

Composition and Terms of reference of the Committee is explained in Detail in the Corporate Governance Part of this Annual Report.

There was no recommendation as such in the Financial Year 2014-2015 from the Audit Committee which was not accepted by the Board.

VIGIL MECHNISM

In pursuance of Section 177(9) of the Companies Act, 2013 Vigil Mechanism has been Constituted for directors and employees to report genuine concerns and Audit committee shall oversee the vigil mechanism through the committee and provide adequate safeguards against victimization of employees and directors who availed of the vigil mechanism and have a direct access to the chairman of the audit committee in exceptional case.

In case of repeated frivolous complaints being filed by the director or an employee the audit committee may take suitable action including reprimand if necessary.

CONSTITUTION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders Relationship Committee According to 178 (5) of the Companies Act 2013. The SR Committee is primarily responsible to review all matters connected with the Company’s transfer of securities and redressal of shareholders’ / investors’ / security holders’ complaints. The Committee also monitors the implementation and compliance with the Company’s Code of Conduct for prohibition of Insider Trading.

Composition and Terms of Reference of the SR Committee is Detailed in Corporate Governance Report Part of this Annual Report.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Scan Steels's commitment towards excellence in Health, Safety and Environment is one of the company's core values by complying with the Laws and Regulations first, and then going beyond the mandate to keep our planet safe for future generations. Minimizing the environment impact of our operations assumes utmost priority.

The company is unwavering in its policy of "safety of persons overrides all production targets" which drives all employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities in which Scan Steels operates. Our dedicated measures by conducting the Risk Assessment, Identification of significant environment aspects of all manufacturing plants and signatory commitment of Responsible Care, Greatest emphasis is given to safety measures for minimizing accidents and incidents.

In View of the above The Board has Constituted Corporate Social Responsibility Committee to Comply the Section 135 of the Companies Act, 2013. Composition and Terms of Reference of which is Detailed in Corporate Governance Report Part of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Board has set up a Nomination and Remuneration Committee. This Committee is responsible for making Policy pursuant to Proviso to Section 178 (3) & (4) and / or recommending to the Board, the remuneration package Directors, KMP & other employees, including their annual increment and commission after reviewing their performance and also to decide the Criteria for determining appointment Qualifications, Positive attributes, and Independence of a Director

The Details Regarding the Composition of the Committee, Meetings held and Terms Of reference etc.. is Detailed in Corporate Governance Report Part of this Annual Report. And the Detailed Nomination and Remuneration Policy is attached as Annexure 'D' to this Report.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Corporate Governance Report and the Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

E-VOTING FACILITY AT AGM

In compliance with the provisions of the Clause – 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 22nd Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Risk Management Policy was reviewed and approved by the Committee.

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Scan Steels Management System that governs how the Group conducts the business of the Company and manages associated risks.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by all three being fully aligned across Group wide Risk Management, Internal Control and Internal Audit methodologies and processes.

LISTING ON STOCK EXCHANGE

The Company continues to remain listed with Bombay Stock Exchange Limited and annual listing fee for the same has been paid.

INDUSTRIAL RELATIONS

During the year under review, your Company had cordial and harmonious industrial relations at all levels of the Organization.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, Ten Board Meeting were convened and held, the details of which are given in the Corporate Governance Report part of this Annual Report. The Intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

EXTRACT OF THE ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 and Section 134(3)(a) of Companies Act, 2013 is furnished in Annexure 'F' and is attached to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the reporting under the said provision is not applicable to the Company.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 'G' and is attached to this report.

PARTICULARS OF EMPLOYEES (RULE 5(2), AND 5(3)) AND MANAGERIAL REMUNERATION (RULE 5(1)) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 , AND UNDER SECTION 197(12) OF THE ACT

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Annexure 'H' in this Report.

During the year under review there were no employees receiving remuneration of or in excess of limits prescribed as per the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

In term of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitments have occurred after the close of the year till the date of this Report, which could affect the financial position of the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. There is No Revision of Financial Statement or Board Report Adopted by the Company, thereby there is no Disclosures to be made by the Company u/s 131 of the Companies Act, 2013 for Voluntary Revision of Financial Statement.
5. Your Company has No Holding or Subsidiary Company and thereby, neither managing Director nor Whole time Director of the Company received any commission or remuneration from the same. Accordingly there is no Details to be Provided by the Company pursuant to Section 197 (14) of the Companies Act, 2013.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

Date: 31st August, 2015
Place: Mumbai

FOR AND ON BEHALF OF THE BOARD
Rajesh Gadodia, Managing Director
(DIN: 00574465)
Nimish Gadodia, Director
(DIN: 01258815)

ANNEXURES TO THE BOARD REPORT

ANNEXURE NO.	CONTENTS
ANNEXURE 'A'	Form AOC - 2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 and Related Party Transactions Justification for Entering into Related Party Transactions referred to in sub-section (2) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.
ANNEXURE 'B'	Annual Report on CSR
ANNEXURE 'C' -	Policy for Selection of Directors and determining Directors' independence.
ANNEXURE 'D' -	Nomination and Remuneration Policy
ANNEXURE 'E' -	Secretarial Audit Report (In Form - MR 3)
ANNEXURE- 'F' -	Extracts of the Annual Return (In Form MGT - 9)
ANNEXURE 'G' -	Particulars of Conservation of Energy, Technology Absorption and foreign Exchange Earnings and outgo.
ANNEXURE 'H' -	Rule 5 (1) (2) AND (3) of Companies (Managerial Remuneration) Rules

ANNEXURE 'A'**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 and Related Party Transactions Justification for Entering into Related Party Transactions referred to in sub-section (2) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

a. Name(s) of the related party and nature of relationship	NIL (All the contracts or arrangements or transactions with related parties are at arm's length basis.)
b. Nature of contracts / arrangements / transactions	
c. Duration of the contracts / arrangements / transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. date(s) of approval by the Board	
g. Amount paid as advances, if any:	
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ar rangements /transaction s	(c) Duration of the contracts / arrangemen ts/transacti ons	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advanc es, if any:
Nav Durga Fuel Private Limited, Two Directors are common	Sale of Steel Products, Purchase of Steels etc.	For the financial year 2014-2015 and thereafter, subject to the maximum amount up to Rs. 200 Cr.	Sale of Steel Products, Purchase of Steel/Scrap and allocating common corporate expenditure, providing guarantee, etc. at arms length basis. (for details of transactions during the year refer Note 2(iv) to the financial statements)	Members have approved in its meeting held on 26 th March, 2015	Nil

Scan Energy & Power Limited, Two Directors are common	Sale of Steel Products, Purchase of Steels etc.	For the financial year 2014-2015 and thereafter, subject to the maximum amount up to Rs. 200 Cr.	Sale of Steel Products, Purchase of Steel/Scrap and allocating common corporate expenditure, providing guarantee, etc. at arms length basis. (for details of transactions during the year refer Note 2(iv) to the financial statements)	Members have approved in its meeting held on 26 th March, 2015	Nil
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Date: 31st August, 2015
Place: Mumbai

FOR AND ON BEHALF OF THE BOARD

Rajesh Gadodia, Managing Director
(DIN: 00574465)

Nimish Gadodia, Director
(DIN: 01258815)

ANNEXURE 'B'

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

As a part of its policy for corporate social responsibility, the Company is associated with charitable and social activities and thereby playing a pro-active role in the socioeconomic growth. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes account guidelines and statements issued by stakeholders and other regulatory bodies.

The management has adopted corporate social responsibility (CSR) with the objective of creating wealth in the community with focus on education, health, water and society. Social welfare, community development, economic and environmental responsibilities are at the core of the CSR of the Company.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified six focus areas of engagement which are as under:

- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behaviour.
- Education: Access to quality education, training and skill enhancement.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Protection of National Heritage, Art and Culture: Protection and promotion of India's art, culture and heritage.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. The CSR Policy may be accessed on the Company's website at the link: http://www.scansteels.com/?page_id=2823

2. The Composition of the CSR Committee.

The Committee is constituted in line with the Provision of Section 135 of the Companies Act 2013. It is the commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large give Social Contribution to the Society.

The composition of CSR Committee is as Mentioned below:

- #Shri Vinay Goyal - Non Executive Chairman & Independent Director
 #Shri Ankur Madaan - Member & Independent Director
 #Shri Rajesh Gadodia - Member & Managing Director

3. Average net profit of the company for last three financial years
 There was No Profits Earned by the Company in the Last Three Years.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
 NIL
5. Details of CSR spent during the financial year. Nil
 (a) Total amount to be spent for the financial year; Nil
 (b) Amount unspent, if any; NA
 (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
	NOT APPLICABLE						
	TOTAL						

*Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

As there was No Profits in the Last Three Years of the Company, there was No Amounts to be spent on CSR Activities by the Company. Gradually the Company is reducing its Losses and Making Profit, thereby; in Future the Company shall find out ways and means to spend the same and shall submit the relevant report in the ensuing year.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

The CSR committee of Scan Steels Limited hereby declares that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the company.

Sd/-
Vinay Goyal
Chairman of CSR Committee

Sd/-
Ankur Madaan
Member of committee
& Independent Director

Sd/-
Rajesh Gadodia
Managing Director &
Member of Committee

Date: 31st August, 2015
Place: Mumbai

ANNEXURE 'C' -

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Introduction

- 1.1 Scan Steels Limited (SSL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, SSL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 SSL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SSL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion :

- 2.1 This Policy sets out the guiding principles for, Nomination and Remuneration Committee for identifying person who are qualified to become Director and to determine the independence of Directors, in case of their appointment as independent director of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meaning :

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by SSL's Board in accordance with the provision of section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of section 149 of the companies Act, 2013 and clause 49 (II) (B) of the Equity Listing Agreement.

4. Policy:

- 4.1 Qualification and criteria
 - 4.1.1 The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
 - 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall Endeavour to attend all Board Meetings and wherever he is appointed as a committee members, the committee Meetings;
- Shall abide by the code of conduct established by the Company for Directors and senior Management Personnel;
- Shall disclose his concern or interest in any company or companies bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The Nomination and Remuneration committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The Nomination and Remuneration Committee shall assess the independence of Director at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial year or during the current financial year;
- d. None of whose relatives has or had pecuniary relationship or transaction with the company, its holding subsidiary or associate company, or their promoters, or director, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial years;
- e. Who, neither himself nor any of his relatives –
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial in which he is proposed to be appointed, of –
 - (A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) Any legal or a consulting firm that has or any transaction with the company its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) Holds together with his relative two per cent or more of the total voting power of the company; or
 - (iv) Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoter, directors or its holding, subsidiary or associate company or that holds two per cent or more of more of the total voting power of the company; or
 - (v) Is a material supplier, service provider or customer or a lessor or lessee of the company
- f. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

- g. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013
- h. Who is not less than 21 years of age
- 4.2.3 The Independent Director shall abide by the “Code for Independent Directors” as specified in schedule IV to the Companies Act, 2013

4.3 Other directorship/committee memberships

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorship in other listed public limited companies in such a way that is does not interfere with their role as directors of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director’s service on other Boards, in evaluating the suitability of the individual Directors and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 listed Companies in case he is serving as a whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and stakeholders’ Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

ANNEXURE 'D' -**SCAN STEELS LIMITED (SSL)****NOMINATION AND REMUNERATION POLICY****INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3 Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.5 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8 To develop a succession plan for the Board and to regularly review the plan.
- 1.9 To assist the Board in fulfilling responsibilities.
- 1.10 To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- A. Directors (Executive and Non Executive)
- B. Key Managerial Personnel
- C. Senior Management Personnel

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"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 Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

CONSTITUTION OF COMMITTEE

- The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors.
- The Chairman of the Committee is an Independent Director. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."
- Minimum Two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

FREQUENCY OF COMMITTEE MEETING

The meeting of the Committee shall be held at such regular intervals as may be required.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- 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 to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

- a) Managing Director/ Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director 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 of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry 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.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. 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.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director 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.

2. Remuneration to Non- Executive/ Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees 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.

COMMITTEE MEMBER'S INTEREST

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

MINUTE

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

REVIEW AND AMENDMENT

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

ANNEXURE 'E' -

Form No- MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31st March 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Scan Steels Limited
(Formerly Clarus Infrastructure Realities Limited)
Office No. 104-105, E-square, Subhash Raod,
Opp. Havmor Ice Cream, Vile Parle(E), Mumbai - 400 057

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

Based on our verification of Company's 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 ended on 31st March, 2015, 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 Scan Steels Limited ("The Company") for the Financial Year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period);
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the company during the audit period) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the company during the audit period)
6. All relevant laws applicable to the Company as provided by the management hereunder :

A. INDUSTRIAL & LABOUR LAWS

1. Factories Act, 1948;
2. Industrial Disputes Act, 1947
3. The Apprentices Act, 1961
4. The Contract Labour (Regulation and Abolition) Act, 1970
5. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
6. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
7. The Equal Remuneration Act, 1976
8. The Industrial Employment (Standing Orders) Act, 1946
9. The Maternity Benefit Act, 1961
10. The Minimum Wages Act, 1948
11. The Payment of Bonus Act, 1965
12. The Payment of Gratuity Act, 1972
13. The Payment of Wages Act, 1936
14. The Workmen's Compensation Act, 1923
15. Odisha/ Karnataka Labour Welfare Act

B. ENVIRONMENT RELATED

1. Air (Prevention & Control of Pollution) Act, 1981
2. Water (Prevention & Control of Pollution) Act, 1974
3. Hazardous Waste (Management & Handling) Rules, 1989
4. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
5. Environment (Protection) Act, 1986
6. Water Cess Act, 1977

C. PLANT RELATED

1. Standard of Weights & Measures(General) Rules, 1987
2. The Electricity(Supply) Act, 1948
3. The Indian Boilers Act, 1923: Part of Factories Act
4. The Indian Electricity Act, 2003
5. The Explosive Act, 1884
6. The Gas Cylinder Rules, 2004

D. TAXATION-DIRECT AND INDIRECT TAXATION (INCLUDING SALES TAX AND MUNICIPAL/LOCAL LEVIES)

1. Income Tax Act, 1961
2. Central Sales Tax Act, 1956
3. Odisha Sales Tax Act, 1959/ Karnataka Sales Tax Act
4. Octroi / Entry Tax
5. Cess and other Related Local Levies
6. Electricity Payments (Indian Electricity Act, 2013)
7. Panchayat
8. Motor Vehicles Act
9. Central Excise Act, 1944

E. INSURANCE

Public Liability Insurance Act

F. MOVEMENT RELATED

The Indian Port Act, 1909 & Major Port Act, 1960

G. BRANCH OFFICE RELATED

Shop and Establishment Act

H. APPLICABLE LOCAL/MUNICIPAL LAWS

I. COMPETITION LAW

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

(i) Secretarial Standards

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India are not applicable for the financial year under review and were only optional. Therefore, we have not commented on the said compliances.

(ii) Listing Agreements

The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE).

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 based on the information received and records maintained 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 had the following specific events:

1. The Company has Offered up to 1,33,00,000 (One Crore Thirty Three Lacs Only) Equity Shares of Rs.10/- (Rs Ten only) each for cash at Rs. 50/- (Each) aggregating Rs. 66,50,00,000/- (Rupees Sixty Six Crore Fifty Lacs Only) on preferential basis to the General Investors and promoters and the said offered duly approved the by the Members in the Extraordinary General Meeting held on 26th March, 2015. However the Company has allotted 65,52,000 (Sixty Five Lacs Fifty Two Thousand Only) Equity Shares of Rs.10/- (Rs Ten only) each for cash at Rs. 50/- (Each) aggregating Rs. 32,76,00,000/- (Rupees Thirty Two Crore Seventy Six Lacs Only) on 4th April, 2015.

2. The Company has obtained the members approval by way of Special Resolution u/s 180(1)(a) of the Companies Act, 2013 in the 21st AGM held on 30th December, 2014, for creation of security for an amount not exceeding Rs. 1000.00 crores (Rupees One Thousand Crores only).
3. The Company has obtained the members approval by way of Special Resolution u/s 180(1)(c) of the Companies Act, 2013 in the 21st AGM held on 30th December, 2014, for borrowing limit not exceeding Rs. 1000.00 crores (Rupees One Thousand Crores only).
4. Pursuant to Scheme of Merger of M/s. Scan Steels Limited (CIN: U27106OR1990PLC002685) with M/s. Clarus Infrastructure Realities Limited (Cin: L27209MH1994PLC076015) which was approved by the High Court of Bombay vide its order dated May 11, 2012 and High Court of Orissa vide its order dated 25th February, 2014 and the scheme of amalgamation became effective upon filing of form INC-28 with Registrar of Companies, Maharashtra on 12th August, 2014.

Except of the above there were no specific events/actions such as public/right/ debentures/ sweat equity of securities, buy back, foreign technical collaborations etc. which require compliance of applicable provisions thereof.

For D P & Associates,
Company Secretaries

Place: Bhubaneswar
Date: 24th August, 2015

Sd/-
Dhaneswar Patra
FCS No.: 2815
C.P. No. 6828

*This report is to be read with our letter of even date which is annexed as 'Annexure E-1' and forms an integral part of this report.

'ANNEXURE E-1'

To,
The Members,
Scan Steels Limited
104/105, 'E-Square',
Subhash Road, opp. Havmor Ice- Cream,
Vile- Parle (East), Mumbai – 400057.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed 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 records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

Place : Bhubaneswar
Date : 24th August, 2015

For D P & Associates,
Company Secretaries
Sd/- **Dhaneswar Patra**
FCS No. 2815
C.P. No. 6828

ANNEXURE- 'F' -

Annual Return Extracts in MGT 9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[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:

Sr. No.	Particulars	Details
1.	Corporate Identification Number	L27209MH1994PLC076015
2.	Registration Date	18/01/1994
3.	Name of the Company	Scan Steels Limited (Formerly Clarus Infrastructure Realities Limited)
4.	Category of the Company	Public Company
5.	Sub-Category of the Company	Limited by Shares
6.	Address of the Registered office and contact details	104/105, 'E-Square', Subhash Road, Opp. Havmor Ice-cream, Vile-Parle (East), Mumbai - 400057, Maharashtra. Email: secretarial@scansteels.com Website: www.scansteels.com Tel. Ph. 022-26185461/62 Fax: 022-26185463
7.	Whether listed company	Yes
8.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Pvt Limited 19, Jafferbhoy Industrial Estate, Makwana Lane, Marol Naka, Andheri (E), Mumbai-400 059. Tel Ph. - 022-28596060/ 022-28594060 Email: pratapp@adroitcorporate.com Website www.adroitcorporate.com

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:-

Sr. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ service	% to total turnover of the Company#
1	Manufacturing of TMT Rebars & Sponge Iron	330	84.60%

#% of Total T/o of the Company

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - N.A

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY 2(87)(ii) / ASSOCIATE 2(6)	% of shares held*	Applicable Section
1	N.A	N.A	N.A	N.A	N.A
2	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 of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% of change during the years
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	1841985	7449924	9291909	24.58	9371909	-	9371909	24.79	0.21
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) state Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	12550076	12550076	33.20	12550076	-	12550076	33.20	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A)(1)	1841985	20000000	21841985	57.78	21921985	-	21921985	57.99	0.21
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d)) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB-TOTAL(A)(2)	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER (A)=(A)(1)+(A)(2)	1841985	20000000	21841985	57.78	21921985	-	21921985	57.99	0.21

B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Other	-	-	-	-	-	-	-	-	-
SUB-TOTAL(B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	14097481	42200	14139681	37.41	14201195	42200	14243395	37.68	0.27
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital up to ₹ 1 lakh	461750	214000	675750	1.79	445016	212300	657316	1.74	(0.05)
II) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	912952	26300	939252	2.48	950059	26300	976359	2.58	0.1
c) others	-	-	-	-	-	-	-	-	-

Clearing Member	203555	-	203555	0.54	218	-	218	-	(0.54)
NRI	77	-	77	-	1027	-	1027	-	-
SUB-TOTAL(B)(2)	15675815	282500	15958315	42.22	15597515	280800	15878315	42.01	(0.21)
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	15675815	282500	15958315	42.22	15597515	280800	15878315	42.01	(0.21)
c. SHARE HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	17517800	20282500	37800300	100	37519500	280800	37800300	100	-

ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2014)			Share holding at the end of the year (31-03-2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares*	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares*	
1	ARCHANA GADODIA	1213007	3.21	-	1253007	3.31	-	0.1
2	ARTLINE COMMERCE PRIVATE LIMITED	9566575	25.31	-	9566575	25.31	-	-
3	BAYANWALA BROTHERS PRIVATE LIMITED	2141384	5.66	-	2141384	5.66	-	-
4	BINITA GADODIA	1161662	3.07	-	1161662	3.07	-	-
5	MANJIT MANAGEMENT SERVICES PVT. LIMITED	312786	0.83	-	312786	0.83	-	-
6	NIMISH GADODIA	3188316	8.43	-	3188316	8.43	4.30	-

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7	PEACOCK VINMAY PVT. LIMITED	316797	0.84	-	316797	0.84	-	-
8	RAJESH GADODIA	3235531	8.56	-	3275531	8.67	4.42	0.11
9	SARASWATI DEVI GADODIA	21815	0.06	-	21815	0.06	-	-
10	SAWARMAL GADODIA	471578	1.25	-	471578	1.25	-	-
11	SHIVVANGA N ADVISORY SERVICES PVT. LTD	212534	0.56	-	212534	0.56	-	-
	Total	21841985	57.78	-	21921985	57.99	8.72	0.21

* The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

*Shareholders listed under Sl. No. 1 to 11 are disclosed as promoters under regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as on March 31, 2015.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. N o.	Shareholder 's Name	Shareholding at the beginning of the year		Date of Transaction	Increase/ Decrease in shareholdi ng	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		Number of shares held as on 01.04.2014	% of total shares of the Company				Number of shares held as on 31.03.2015	% of total shares of the Company
1	Bayanwala Brothers Pvt. Ltd.	2141384	5.66					
				Nil	Nil	No Change		
				31.03.2015			2141384	5.66
2	Peacock Vinimay Pvt. Ltd.	316797	0.84					
				Nil	Nil	No Change		
				31.03.2015			316797	0.84
3	Artline Commerce Pvt. Ltd.	9566575	25.31					
				Nil	Nil	No Change		
				31.03.2015			9566575	25.31

4	Manjit Mgt Ser. Pvt. Ltd.	312786	0.83					
				Nil	Nil	No Change		
				31.03.2015			312786	0.83
5	Shivvangan Adv. Ser. Pvt. Ltd.	212534	0.56					
				Nil	Nil	No Change		
				31.03.2015			212534	0.56
6	Nimish Gadodia	1388316	8.43					
				Nil	Nil	No Change		
				31.03.2015			3188316	8.43
7	Sarswati Devi Gadodia	21815	0.06					
				Nil	Nil	No Change		
				31.03.2015			21815	0.06
8	Sawarmal Gadodia	471578	1.25					
				Nil	Nil	No Change		
				31.03.2015			471578	1.25
9	Rajesh Gadodia	3235531	8.56					
				11.04.2014	40000	Purchase	3275531	8.67
				31.03.2015			3275531	8.67
10	Binita Gadodia	1161662	3.07					
				Nil	Nil	No Change		
				31.03.2015			1161662	3.07
11	Archana Gadodia	1213007	3.20					
				11.04.2014	40000	Purchase	1253007	3.31
				31.03.2015			1253007	3.31

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Transaction	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		Number of shares held as on 01.04.2014	% of total shares of the Company				Number of shares held as on 31.03.2015	% of total shares of the Company
1	DECENT VINCOM PRIVATE LIMITED	2547221	6.74					
				Nil	Nil	No Change		
				31.03.2015			2547221	6.74
2	MONO HERBICIDES LIMITED.	1834063	4.85					
				11-04-2014	2435	Purchase	1836498	4.86
				31.03.2015			1836498	4.86
3	BLUE CIRCLE SERVICES LIMITED	1385770	3.67					
				Nil	Nil	No Change		
				31.03.2015			1385770	3.67
4	MONO HERBICIDES LIMITED	1127822	2.98					
				11-04-2014	40000	Purchase	1167822	3.09
				31.03.2015			1167822	3.09
5	*PARAMOUNT FINTRADE PVT. LTD.	292856	0.77					
				31-03-2015	745887	Purchase	1038743	2.75
				31.03.2015			1038743	2.75
6	KARVY STOCK BROKING LIMITED	434975	1.15					
				27-03-2015	-93	Sold	434882	1.15
				31.03.2015			434882	1.15
7	COMFORT SECURITIES LIMITED	376400	1.00					

				Nil	Nil	No Change		
				31.03.2015			376400	1.00
8	TRIPURARI PROPERTIE S PVT. LTD.	385548	1.02					
				16-01-2015	-6039	Sold	379509	1.00
				20-02-2015	-5000	Sold	374509	0.99
				31.03.2015			374509	0.99
9	MANAKCH AND JAIN	371770	0.98					
				Nil	Nil	No Change		
				31.03.2015			371770	0.98
10	PRIME CAPITAL MARKETS LIMITED	367000	0.97					
				Nil	Nil	No Change		
				31.03.2015			367000	0.97
11	#LOOKLINE TRADELIN KS PVT.LTD.	405108	1.07					
				31-03-2015	405108	Sold	0	0
				31.03.2015			0	0

*Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015. – name of the s.h - PARAMOUNT FINTRADE PVT. LTD

#Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2014. – name of the s.h - LOOKLINE TRADELINKS PVT. LTD

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Transaction	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		Number of shares held as on 01.04.2014	% of total shares of the Company				Number of shares held as on 01.04.2014	% of total shares of the Company
A	DIRECTORS							
1	Mr. Rajesh Gadodia, Managing Director	3235531	8.56					
				11.04.2014	40000	Purchase	3275531	8.67
				31.03.2015			3275531	8.67
2	Mr. Nimish Gadodia, Director	1388316	8.43					
				Nil	Nil	No Change		
				31.03.2015			3188316	8.43
3	Mr. Ankur Maddan	-	-	-	-	--	-	-
4	Mr. Vinay Goyal	-	-	-	-	-	-	-
5	Mrs. Debjani Sahu	-	-	-	-	-	-	-
B	KMP'S							
1	Mr. Prabir Das, Company Secretary	-	-	-	-	-	-	-
2	Mr. Gobinda Chandra Nayak, Chief Financial Officer	-	-	-	-	-	-	-

V. INDEBTEDNESS

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

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	47.01	7.64	10.77	65.42
a. Principal amount				
i. Interest due but not paid	-	-	-	-
ii. Interest accrued but not due	0.55	-	-	0.55
Total (i+ii+iii)	47.56	7.64	10.77	65.97
Change in Indebtedness during the financial year				
• Addition	0.77	32.61	4.39	37.77
• Reduction	10.76	-	1.14	11.90
Net Change				
Indebtedness at the end of the financial year	36.88	40.25	14.02	91.15
i. Principal amount				
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.69	-	-	0.69
Total (i+ii+iii)	37.57	40.25	14.02	91.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount (Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Rajesh Gadodia, Managing Director	Mr. Nimish Gadodia, Director	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.00	9.00	24.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under Section 17 (3) of the Income Tax,	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	15.00	9.00	24.00
Ceiling as per the Act		Rs. 53.67 Lacs (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:

Amount (Rs. In Lakhs)

Sr. no.	Name of the Director	Director Remuneration	Sitting fees	Total Compensation
	Non Executive & Independent Director			
1	Mr. Ankur Maddan	Nil	Nil	Nil
2	Mr. Vinay Goyal			
3	Mrs. Debjani Sahu			
	Total	Nil	Nil	Nil
Ceiling as per the Act		Rs. 5.37 Lacs (being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Amount (Rs. In Lakhs)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Prabir Kumar Das, Company Secretary	Mr. Gobinda Chandra Nayak, Chief Financial Officer	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.00	5.00	11.00
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- Others			
5.	Others, please specify	-	-	-
	Total	6.00	5.00	11.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(For the year ended 31st March, 2015)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

ANNEXURE 'G'

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required 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 31st March, 2015.

A) CONSERVATION OF ENERGY:

(i) Steps taken or impact on for conservation of energy:

In addition to the existing measures being practiced, the following steps were taken:-

- i) Education of work at the Head Office regarding use of various office equipments, especially computers in a manner that use less energy.
- ii) Adoption of Policy of Having our heating and cooling equipment serviced regularly.
- iii) Moved to energy efficient compressors and motors along with optimisation of capacity;
- iv) Replacement of conventional lamps to LED for Street lights;
- v) All machines provided with timers to reduce idling;

(ii) Steps taken by the Company for utilising alternate source of energy:

The Company is under process for installation of Solar Power Plant.

(iii) The Capital investment on energy conservation equipments:

The company has made capital investment for utilising alternate source of energy to the extent of Rs. 5.06 Lacs.

B) TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption

Coal Beneficiation:

Introduced "modifier" in flotation cell to increase clean coal yield.

Developed process flow sheet for new washery at Rajgangpur by introducing intermediate coal beneficiation to enhance clean coal recovery.

Research and Development:

Specific areas in which R & D is carried out by your company.

- i) Horizontal and vertical expansion of company's product profile.
- ii) New & Improved Product Development.
- iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Rambahal works to cater to the growing demand of products.

(ii) The benefit derived like product improvement, cost reduction, product development or import substitution:

- Quality of Coal improved and ultimately the production has been improved.

- Customer satisfaction, cost reduction and quality improvement.
- Efficiency and yield improvement, loss reduction and modernization program
- Increased Market share for various products.
- Better market penetration of various products.
- Strength of Products are being developed by up gradation and innovation.

(iii) Information regarding imported technology (imported during last three years reckoned from the beginning of the financial year)

- a) the details of technology imported; Not Applicable
- b) the year of import; Not Applicable
- c) whether the technology been fully absorbed; Not Applicable
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not Applicable

(iv) The expenditure incurred on Research and Development:

Sr. No.	Particulars	Amount (Rs. in Crore)
1	Capital	Nil
2	Revenue	Nil
	Total	Nil

C) FOREIGN EXCHANGE EARNING AND OUTGO:

	Current Year (₹. in Lakhs)	Previous Year (₹. in Lakhs)
Total foreign exchange outgo in terms of actual outflow	58.81	Nil
Total foreign exchange earned in terms of actual inflows	Nil	Nil

ANNEXURE 'H'

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5 (1) (2) & (3) OF COS (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

- (i) The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary during the financial year 2014-2015, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15 and comparison of the remuneration of the each Key Managerial Personnel (KMP) against the performance of the company are as under;

Sr. No.	Name of the Director/ KMP and designation	Remuneration of Director/ KMP for the FY 2014-2015 (*in lacs)	% increase in remuneration in the FY 2014-2015	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Nimish Gadodia, Director	9.00	#	10.71	Not Applicable
2	Mr. Rajesh Gadodia, Managing Director	15.00	25%	17.86	Profit before tax increased by 129.00% and Profit after tax increased by 113.99% in the financial year 2014-2015
3	Mr. Prabir Kumar Das, Company Secretary & Compliance Officer	6.00	Nil	Not Applicable	
4	Mr. Gobinda Chandra Nayak, Chief Financial Officer	5.00	##	Not Applicable	

The salary of Mr. Nimish Gadodia for the financial year 2014-15 is for a part of the year, hence not comparable with FY 2013-14.

Mr. Gobinda Chadra Nayak was appointed as CFO w.e.f. 14.11.2014.

- (ii) The median remuneration of employees of the company during the financial year was Rs.84000.00;
- (iii) In the Financial year, there was an increase of 2.94% in the median remuneration of employees;
- (iv) There were 725 permanent employees on the rolls of Company as on March 31, 2015;
- (v) Relation between average increased in remuneration and company performance: - The Profit after Tax for the financial year ended March 31, 2015 increased by 113.99% whereas the increase in median remuneration was 2.94%. The average increase in median remuneration was in line with the market trends and performance of the company;
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 44.44% from

Rs. 18 lacs in 2013-14 to Rs. 26 lacs in 2014-15 whereas the Profit after Tax increased by 113.99% to Rs. 2.68 crore in 2014-15 (Rs. (-) 19.18 crore in 2013-14). Remuneration of the Key Managerial Personnel as % of Profit after Tax is 9.69%.

(vii) Market capitalization of the company & price earning ratio:

a)

Date	Market Price ₹	EPS in ₹	P/E Ratio	Market Capitalization (₹in crs.)
March 31, 2015	31.50	0.71	44.37	119.07
March 31, 2014	52.95	(5.08)	-	94.25

b) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- The Company has made Initial Public Offer (IPO) in 1994 @ Rs. 10.00 per share. As on 31st March, 2015, the Company's shares was quoted at Rs. 31.50 per share. As on 31st March, 2015, there was 215% increase from IPO.

- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 5.11 % whereas the increase in the managerial remuneration for the same financial year was 25%. The higher increase in managerial remuneration is justified considering the fact that there was no increase in the remuneration of managerial personnel in previous three years. The average increment in salary was on basis of individual performance.
- (ix) The key parameters for any variable component of remuneration availed by the directors:
The Directors had not availed any variable components of remuneration during the year under review.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employee.

FOR AND ON BEHALF OF THE BOARD

Rajesh Gadodia, Managing Director
(DIN: 00574465)

Nimish Gadodia, Director
(DIN: 01258815)

Date : 31st August, 2015
Place : Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

“Demand for iron and steel products is bound to increase in coming years due to strong emphasis of the Government on development of infrastructure in the country”

OVERVIEW

The following operating and financial review is intended to convey the management's perspective on the financial and operating performance of the Company at the end of Financial Year 2014-15. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. The Company's financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India.

STEEL INDUSTRY STRUCTURE AND DEVELOPMENT

Indian steels industry entered into a new development stage from 2006-2007, resulting in India becoming the 4th largest producer of steel globally. Producing about 53 million tones (MT) of steel a year, today India accounts for a little over 7 % of the world's total production.

Despite the strong adverse impact of global economic meltdown, Indian steel demand remains better than in many countries. The construction industry is expected to rise further due to government's stimulus plan. The automotive sector is doing well. Hence, it is expected that domestic steel demand is going to recover soon and for the long term as well.

After a period of 5 years, since the break out of the global financial crisis and with significant liquidity injection by several large economies, the macro data from the developed economies started showing trends of slow improvement during 2014 even though several structural weaknesses still needs to be addressed before these trends can be considered sustainable. Global growth remains below pre-crisis levels and much weaker than during the rebound that took place in 2011 and 2012.

STEEL INDUSTRY IN INDIA - PRESENT SCENARIO

In 2014, India retained its position as the 4th largest steel producing country in the world, behind China, Japan and the USA. The crude steel production grew by 2.3% to 83.2 million tonnes, while steel demand grew by 2.2% to 75.3 million tonnes.

The Indian GDP growth expanded to 7.2% in 2014 due to improving economic sentiments post the election of a new government. However, demand at the grass root level remained stagnant and is only expected to pick up from 2015. Consequently, steel demand grew at 2.2% in the year, though the domestic steel industry suffered due to the influx of cheap imported products, especially from China. This led to India becoming a net importer of steel in the year, a trend which had been successfully reversed in 2013. During the year, steel exports from India were at 5.3 million tonnes while imports registered at 7.8 million tonnes.

Indian GDP is likely to grow at a rate higher than 7.5% in 2015, while steel demand is expected to grow by 6.2% in the year. The automobile sector is on the path to recovery and likely to grow from 3.8% in 2014 to 11.4% in 2015. Meanwhile, the construction sector is expected to grow by 6.9%, compared to a growth rate of 4.1% in 2014.

The Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years. The real estate sector in India assumed greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. It is the second largest employer after agriculture. Over the next decade, the real estate sector is expected to grow by 30 per cent.

FUTURE OUTLOOK AND GROWTH

Currently, the Steels business account for nearly 100% of its revenues. The outlook for its margins and profitability for this business depends on overall economic outlook. This company is likely to benefit most from an upturn in the business cycle, given its scale of operations and its competitive cost positions. Today, it is truly a market-driven company, making innovative changes and technological improvements, leaving no stone, unturned in fulfilling dreams of its founding fathers, tuning every activity to meet the subtle demands of its customers.

BUSINESS REVIEW

The effects of world economic downturn seriously impacted our Company's operation in the year 2014-15. The demand for steel declined by 21% in India this reflected in a sharp downturn in private construction projects, as well as large falls in automotive and mechanical engineering, amplified by severe destocking by both end users and service centers. Indian witnessed a less pronounced drop in demand reflecting the reduced activity in infrastructure and commercial vehicles. There are however signs that the infrastructure and road building activities in India are gaining momentum, as a result of some of the government's action to revive the economy.

The Business has performed well, with productivity gains, growth in volumes and sustained margins notwithstanding rise in inputs costs. The business continues to be successful despite of several environmental constraints. The Company's ability to neutralize cost increase and improve margin together with purchasing efficiencies, improvements in manufacturing yield / usage and expenses control helped in increasing the profitability. The performance had established a new milestone for the company.

Demand and Production of Iron & Steel has increased in 2014-15 but prices remained by and large subdued putting pressure on profit margins. Steel Industry has slowly come out of this temporary reduction in price realizations and prices are now showing marked improvement. Demand for Iron and Steel products is bound to increase in coming years due to strong emphasis of the Government on development of infrastructure in the country.

OPPORTUNITIES AND THREATS

Opportunities abound in growing economies and opening of economy in India has created opportunities for India enterprise to move beyond national boundaries as well to create productive assets. Presently, the Company is consolidating its gains out of creating additional production capabilities.

Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure. Demand is expected to grow at a compound annual growth rate (CAGR) of 19 per cent between 2010 and 2014 and Tier 1 metropolitan cities are expected to account for about 40 per cent of this. The Indian real estate market size is expected to touch US\$ 180 billion by 2020.

Competition in Steel industry is escalating and technological changes will spur or drag the forward march of individual units in steel industry. Supply side could also be an issue in next few years because of increase in production capacity by steel industry in India and expression of interest by foreign companies to set up new steel making units. However, coming years are also going to witness substantial additions particularly in the Asian regions. The Company's thrust on improving productivity and reducing cost of production will, in such a scenario, help in forging ahead in globally competitive environment.

OUTLOOK

The basic aim of the Company is to be able to product Sponge Iron and Steel Products as per market requirements and be able to manage market trends to its advantage.

"Opportunities abound in growing economies and opening of economy in India has created opportunities for Indian enterprise to move beyond national boundaries as well to create productive assets".

The Company is currently engaged in steel and steel related products activity and is looking for new avenues of business in various areas like infrastructure and trading. Since Infrastructure has linkages to other industries like cement, brick and steel through backward and forward linkages. The outlook for the industry looks reasonable, since India has good iron ore deposits, skilled manpower and growing demand for steel. The improved demand is expected to continue in the current fiscal as well on the back of ongoing government funded infrastructure projects. In spite of a downturn in the Global Steel demand, Indian steel demand could survive showing an upward trend, setting a road ahead for the growth of the domestic steel industry in the long run. The upward trend is expected to be continued on account of fiscal measures taken by the Government such as infusion of funds for development of infrastructure sector, introduction of stimulus packages for revival of industry besides factors like increase in consumption and production of steel, upcoming infrastructure and Greenfield projects, stabilization of prices etc. The National Steel Policy has a target for taking Indian Steel production upto 110 MT by 2019-20.

STRENGTH

Company having fully integrated sufficient steel making multi-location manufacturing facilities and the various plants comprises of:

- DRI Unit
- Steel Melting Shop
- TMT Rolling Mills
- Captive Power Plant
- Coal Washery

Company has the production capacity of 300 TPD of TMT Rods under the brand name of “SHRISHTII”. It is the largest TMT manufacturing plant in Odisha with total integration. The Company has already obtained prospecting license (P L) for Iron Ore mines over an area of 29.43 hectares and also have a lime stone & dolomite mines over an area of 98.54 acres in Sundergarh district of Odisha.

RISK AND CONCERNS

Global economic uncertainties have affected India’s economy, Key risks synonymous to industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as , steel and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- shortage of Labour
- rising manpower and material costs,
- Approvals and procedural difficulties.
- Lack of adequate sources of finance.

The Company is exposed to risks from market fluctuation of interest rate and stock market fluctuation of the share prices.

Apart from this there could be an oversupply position due to capacity expansion and setting up new projects in the steel industry and scarcity of raw material. Industry is highly labour intensive and is subject to stringent labour laws. Your Company has identified the major thrust areas to concentrate on, which it believes to be critical to achievement of organizational goals. Company annually reviews the ‘List of Risk Area’ to identify potential business threats and suitable corrective actions are initiated. Confirmations of compliance with appropriate statutory requirements are obtained from the respective units/ divisions. Corporate Governance Policy clearly laying down roles, duties and responsibilities of various entities in relation to risk management is in place.

SEGMENT WISE PERFORMANCE:

The Company is primarily engaged in the business of manufacture, Trading of Sponge Iron, Ingot/ Billet, TMT Rod etc. along with the financial segment also. The Company has identified three primary business segments namely Manufacturing, trading of manufactured goods and sale of shares, which in context of Accounting Standard 17 on Segment Reporting” constitute reportable segment. However, as the turnover of trading segment and financial segments are less than 10% of the total revenue, no such reporting is required.

The company’s manufactured products are dispatched from plants located at Rajgangpur (Odisha), and Bellary (Karnataka) to various parts of the country and considering the customer base which is wide spread all over the country, no such geographical differentiation can be done for presenting the information.

INDUSTRIAL RELATIONS AND HUMAN MANAGEMENT

Human Resources Department (HRD) works continuously for maintaining healthy working relationship with the workers and other staff members. The underlying principle is that workers and staff at all levels are equally instrumental in attaining the Company’s goals. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. Senior management is easily accessible for counseling and redressal of grievances. The HR department continuously strives to maintain and promote harmony and co-ordination among workers, staff and members of the senior management. Social awareness and cultural/sports programmes are arranged regularly to create interest in living a meaningful life and release tensions.

INTERNAL CONTROL SYSTEMS AND AUDIT

The Company believes in systematic working and placing of proper checks. Proper systems are in place and regular reviews are held at higher levels to check efficacy and relevance of these systems. These reviews also prescribe changes wherever required. The internal auditors of the company conducts audit of various department and areas. Their reports are placed before the Audit Committee, which reviews these reports and comments/suggestions of the Internal Auditors. The Audit Committee also oversees financial systems/procedures and internal controls and is competent to call for any information/ document from any department.

OPERATIONS’ PERFORMANCE

The company is engaged in the manufacturing of TMT Bars, Sponge Iron, MS Billets/ Ingots. The Company has Fully Automatic Rolling Mill with an installed capacity of 300 TPD.

Facilities:-

The company has its four Units’ at different places of India:-

Unit -1 is situated at Rambhahal, At- Keshramal, Rajgangpur, Sundergarh (Odisha) with the facilities of Rolling Mills – 2, Sponge Iron-2 and Induction Furnace – 2.

Unit -2 is situated at Gangajal, Budhakata, Sundergarh, Odisha with the facilities of Sponge Iron- 4, Induction Furnace – 3, Captive Power Plant – 1 and Coal Washery -1.

Unit-4 is situated at Bai-bai, Tudalaga, Rajgangpur, Sundergarh, Odisha with the facilities of Induction Furnace – 2.

Unit-6 is situated at Bellary, Veniveerapura, Bellary, Karnataka with the facilities of Sponge Iron 2.

Turn Over:-

Gross Turnover for the year 2015 was Rs. 494.00 Crores. Your company continues with its focus on quality and strength of its products. Your Company has initiated steps to explore new markets in addition to developing existing ones.

Quality:-

Your Company continues to concentrate on quality, the strict adherence to this policy continuing to benefit your company in price realizations.

FINANCIAL MANAGEMENT

Senior management reviews the requirement of funds for projects under implementation periodically and after assessing the financial market, decisions are taken to identify the lenders. A part of fund requirement is arranged by way of borrowing from Banks on competitive terms and balance is met from internal accruals.

Finance department is working at Bhubaneswar & Factory establishment and is manned by qualified and experienced personnel.

The department properly records all financial transactions and proper financial reports are periodically sent to the senior management. Proper controls are in place and audit is conducted regularly.

CORE VALUES AND CULTURE:

Corporate success is based on certain core values and corporate culture developed by the Company. Underlying this is a firm belief that teamwork and motivation rooted in fairness are the key to success in business. The group sets benchmarks for itself in these areas and strives to achieve them, believing in seeking the active participation of everyone in decision-making rather than relying on the imposition of central diktats. Quality, productivity and optimal utilization of resources, human and materials, woven around the concept of the welfare of the community as a whole is central to the management's philosophy.

RESEARCH AND DEVELOPMENT A PRIORITY:

A research and development focus has provided strong scientific support to the group's quantitative growth with continuing enhancement in the quality of the product. The research and development policy keeps the group's long-term interests in view and believes in anticipating the needs of the future. It is committed to modernization and encourages it in every field.

CAUTIONARY STATEMENT

This report contains projections, estimates, and expectations etc., which are just “forward-looking statements”. Actual results could differ from those expressed or implied in this report. Important factors that may have an impact on the Company’s operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, changes in the Government regulations/policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward-looking statements on the basis of any further events or new information. Actual results may differ from those mentioned in the report.

CONCLUSION

Your Company is very conscious that it operates in a highly challenging and dynamic environment, where realities vary between place to place. We believe that the best way to navigate this environment is by constructing a robust strategy that puts consumer needs first, and thereafter focusing on sharp execution of that strategy. You will be happy to note that we have acted on both these priorities – robust strategy and perfect execution – and we believe that this will constitute a winning combination that, along with passion and commitment, will make us the finest natural beverages company on this planet.

FOR AND ON BEHALF OF THE BOARD

Rajesh Gadodia, Managing Director
(DIN: 00574465)

Nimish Gadodia, Director
(DIN: 01258815)

Date : 31st August, 2015
Place : Mumbai

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), the report containing the details of Corporate Governance System and Processes at Scan Steels Limited as follows:

At Scan Steels Limited (SSL) Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities, or policy makers. This approach to value creation emanates from our belief that sound governance System, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of business. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. The Company strongly believes that Good Corporate Governance is a pre-requisite for enhancing shareholder value and its image in the prevailing competitive business scenario. Your Company affirms its commitment to follow good corporate governance practices proactively. The Company has consistently sought to improve its focus by increasing transparency and accountability to all its stakeholders.

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner. SSL's Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 1956 / Companies Act, 2013. The Managing Director (MD) provides overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation. In the operations and functioning of the Company, the MD is assisted by One Executive Directors and a core group of senior level executives.

Audits and internal checks and balances

M/s SRB & Associates, Chartered Accountants, audit firm audit the accounts of the Company. The Company has an Internal Audit Cell besides external firms, and M/s. GRC & Associates, Chartered Accountants, acting as independent internal auditors that review internal controls and operating systems and procedures. A dedicated Legal Compliance Cell ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances.

Best Corporate Governance practices

SSL maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- The Company has a designated Lead Independent Director with a defined role.
- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders' Relationship Committee of Directors.
- The Company's internal audit is also conducted by independent auditors.
- The Company also undergoes quarterly secretarial audit conducted by an independent company secretary who is in whole-time practice. The quarterly secretarial audit reports are placed before the Board and the annual secretarial audit report placed before the Board, is included in the Annual Report.

BOARD OF DIRECTORS:

The Board of Directors (The Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The management committee of the Company is headed by the Managing Director and has functional heads as its members, which looks after the management of the day to day affairs of the Company.

Board Leadership

A majority of the Board, 3 out of 5, are Independent Directors. At SSL, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions, possible risks and risk mitigation measures, financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

Ethics/Governance Policies

At SSL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Directors & Senior Management of Scan Steels Limited
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Corporate Social Responsibility Policy

Policy for Selection of Directors and determining Directors Independence is attached as Annexure 'C' and Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees dependence is attached as Annexure 'D' to the Board Report.

Composition

The Board of Scan Steels Limited Comprises Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors.

- (a) The Company has composition of Executive and Non-Executive Directors. As on 31 March 2015, the Board consists of Five Directors. Out of which 3 (Three) directors is Non-Executive & Independent Directors which include one woman director. The Managing Director is the promoter of Company.
- (b) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies as on March 31, 2015 have been made by the Directors and None of the NEDs serve as IDs in more than Seven Listed Companies and none of the Executive or whole- time Directors serve as IDs on any Listed company.
- (c) The Company had no pecuniary relationship or transactions with the Non-Executive Directors during FY 2015. The Independent Directors are not related to promoters or persons occupying management positions at the Board level or any level below the Board; they were neither in employment for the last three years nor they are material suppliers, service providers, customers, a lessor, or a lessee of the Company, which may affect their independence. They do not hold substantial shares in the Company. All these directors are above 21 years of age.
- (d) All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.
- (e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorship and Committee Chairmanships/ Memberships held by them in other Companies are given herein below. Chairmanships/ Memberships of the Board Committees include only Audit and Stake Holders Relationship Committee.

(f)

Name	Designation	Category	Outside Directorships & Committee Position		
			Directorships*	Committee Memberships#	Committee Chairmanships #
Mr. Rajesh Gadodia	Managing Director	Executive	2	1	-
Mr. Nimish Gadodia	Director	Executive	1	1	-
Mr. Vinay Goyal	Independent	Non Executive & Independent	-	-	-
Mr. Ankur Maddan	Independent	Non Executive & Independent	1	1	-
Mrs. Debjani Sahu	Independent	Non Executive & Independent	-	-	-

* Directorship includes only Public Companies.

in accordance with Clause 49 of the Listing Agreement , Memberships/Chairmanships of only Audit Committee, Stakeholders Relationship Committee in all public limited companies excluding Scan Steels Limited have been considered.

Note: As required under the Accounting Standard 18 transaction with related parties are furnished under note 2 of notes on accounts. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

PROFILE OF THE BOARD OF DIRECTORS

MR. RAJESH GADODIA

Mr. Rajesh Gadodia (DIN: 00574465) aged about 42 years is a Mechanical Engineer and has more than 19 years of industrial and business experience, primarily in the steel sector with hands on experience of setting up green field projects. He is primarily involved in business development activities of the company and manages the distribution network of the company in the coastal, northern and southern region of Odisha and southern India operation. In finance he had the exposure in Treasury, Accounting, MIS, Forex Risk Management, Taxation, IT and all other related areas with exposure in India and overseas. He is responsible for transforming Scan Steel into a leading player in the steel industry.

MR. NIMISH GADODIA

Mr. Nimish Gadodia (DIN 01258815) aged about 36 years is an MBA from IIMS, Pune and has more than 14 years of industrial and business experience in steel sector. He is involved in administration, production, & purchase. In marketing he is exposed to Brand management / Channel and direct sales. "SHRISHTII TMT" is a renowned name in the eastern part of India due to quality product produced by the Company.

MR. ANKUR MADAAAN

Mr. Ankur Madaan (DIN: 07002199) is a Non Executive & Independent Director of the company. He is a commerce graduate having more than 4 years experience in the steels and cement sector business.

MR. VINAY GOYAL

Mr. Vinay Goyal (DIN: 07002206) is a Non Executive & Independent Director of the company. He is a commerce graduate and having more than 5 years experience in the corporate sector and has excellent Command in the field of Finance, Legal and Administration.

MRS. DEBJANI SAHU

Mrs. Debjani Sahu, (DIN:02674022) aged about 37 years, is a Independent Woman Director of the Company. She is a Graduate in Arts and having over decades of experience in the field of Human Resource, Administration, Sales & Marketing in retails and Steel Sectors.

INDEPENDENT DIRECTORS

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law

The Lead Independent Director's role is as follows:

- To preside over all meetings of Independent Directors
- To ensure there is an adequate and timely flow of information to Independent Directors
- To liaise between the Chairman and Managing Director, the Management and the Independent Directors
- To preside over meetings of the Board and Shareholders when the Chairman and Managing Director is not present, or where he is an interested party
- To perform such other duties as may be delegated to the Lead Independent Director by the Board/ Independent Directors

Code of Conduct

The Company has prescribed Code of Conduct for its directors and senior management. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put on the Company's website (www.scansteels.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

The declaration from the Managing Director stating that as on 31 March 2015 all the board members and the senior management personnel of the Company have adhered to the code of conduct for FY 2015 and the same has been included in this report duly signed by the Managing Director of the Company.

BOARD AGENDA

Scheduling and Selection

The Board meets at regular intervals to discuss and decide on company /business policy and strategy apart from other Board business. The Board / Committee meetings are pre-scheduled and notice and Agenda of each Board and Committee meetings is circulated to the directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. The company has video conferencing facilities to enable director's participation at board meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/ Committee Meetings. All such matters are communicated to the Secretarial Department of the Company in advance so that the same could be included in the agenda for the Board/ Committee Meetings. The agenda for the Board / committee meetings is generally accompanied by background notes and other material information which is circulated to directors in advance to facilitate discussion for taking an informed decision.

The Managing Director appraise the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India. The Board also takes on record the declaration made by the company secretary, chairman and managing director and the chief financial officer regarding compliances of all laws on a quarterly basis.

The Board is given presentations covering Finance, Sales, Marketing, the Company's major business segments and their operations, overview of business operations, global business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly / annual financial results.

The Managing Director and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board meetings.

Familiarization programmers for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The Details of such Familiarizations Programmer for Independent Directors are posted on the Website of the Company and can be accessed at http://www.scansteels.com/?page_id=2823

Post Meeting follow up System:

The Governance processes in the Company include an effective post meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Decisions are promptly communicated to the concerned departments. Action taken report on decisions / minutes of previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR:

During the financial year 2014-15, Ten meetings of the Board were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

Sr. No.	Date	Board Strength	No. of Directors Present
1	30 th May 2014	6	6
2	13 th August 2014	6	6
3	30 th August 2014	6	6
4	18 th October 2014	6	6
5	24 th October 2014	6	6
6	14 th November 2014	5	5
7	29 th November 2014	5	5
8	28 th January 2015	4	4
9	25 th February 2015	4	4
10	28 th March, 2015	5	5

Annual Report 2014-2015

Attendance of each Director in the Board Meetings and the Last Annual General Meeting is detailed herein below :

Sr. No.	Date	No. of Board Meeting Attended	Attendance at the Last AGM held on 30.12.2014	No. of Shares held in the Company
1	Mr. Rajesh Gadodia	10	Yes	3535531
2	Mr. Nimish Gadodia	10	Yes	3408316
3	Mr. Ankur Madaan	5	Yes	NIL
4	Mr. Vinay Goyal	5	Yes	NIL
5	Mr. Ramendra Pratap Singh	2	No	NIL
6	Mr. Manekchand Jain	5	No	371770
7	Mr. Akhilesh Jain	5	No	NIL
8	Mr. Harsh Jain	5	No	300000
9	Mr. Ajit Keshri	5	No	NIL

*Mr. Rajesh Gadodia was appointed on 14.03.2014 and Designated as Managing Director w.e.f 24.10.2014

*Mr. Nimish Gadodia was appointed on 14.03.2014 and Designated as Executive Director of the Company w.e.f 24.10.2014

* Mr. Ankur Maddan and Mr. Vinay Goyal Appointed on the Board as Non- Executive Independent Directors of the Company as on 24.10.2014

* Mr. Ramendra Pratap Singh Appointed on the Board as an Executive Director of the Company as on 24.10.2014 and he Resigned from the Board as on 28.01.2015

*Mr. Manekchand Jain , and Mr. Harsh Jain had Resigned from the Board as on 24.10.2014

*Mr. Akhilesh Jain and Mr. Ajit Keshri Non – Executive Directors of the Company had Resigned from the Board as on 24.10.2014.

The Board ensures compliance of all laws applicable to the company and takes steps to rectify non-compliance, if any.

The Board has constituted various Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Vigil Mechanism. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Managing Director.

The Independent Directors of the Company had met during the year on 28.03.2015, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

The Company had also further during the year, conducted Familiarisation Programme for Independent Directors of the Company and the details of such Familiarisation Programmes are disseminated on the website of the Company http://www.scansteels.com/?page_id=2823

Procedure at Committee Meetings

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor and cost auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings.

The audit committee comprised of the following directors for the year ended 31st March 2015:

Composition, names of members and Chairperson

Pursuant to Merger and Re- Composition of Board of the Company, the Audit Committee of the Company is Re-constituted in line with provision of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 177 of the Companies Act, 2013 which is headed by Mr. Vinay

Goyal. All the members of the Audit Committee are financially literate as defined in Clause 49.II.(A).(ii) of the Listing agreement.

The Company's Audit Committee comprises of the following Directors:-

Mr. Vinay Goyal - Chairman

Mr. Ankur Madaan - Member

Mr. Rajesh Gadodia - Member

#The Committee was Re-Constituted and Member of the Committee was Appointed on : 24/10/2014

All the current members of the Committee are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitees to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The company secretary acts as the secretary to the committee. The composition of the audit committee is as per clause 49 of the listing agreement. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 30th December, 2014.

DETAILS OF AUDIT COMMITTEE MEETINGS DURING THE FINANCIAL YEAR:

During the year under review, the committee met six times during the financial year ended 31st March, 2015 on 30.05.2014, 13.08.2014, 24.10.2014, 14.11.2014, 28.01.2015 and 25.02.2015. The Composition of the Committee and the attendance at each Committee Meetings are as follows :-

Name	Category	No of Meetings during the Year 2014-2015	
		Held	Attended
Mr. Vinay Goyal	Chairman	6	3
Mr. Ankur Madaan	Member	6	3
Mr. Rajesh Gadodia	Member	6	6
Mr .Akhilesh Jain	Chairman	6	3
Mr. Harsh Jain	Member	6	3
Mr. Manek chand Jain	Member	6	3

* Shri. Akhilesh Jain Chairman of the Audit Committee Prior to Merger and / or Re- Constitution of Audit Committee had Resigned from the Board and/ or Committee as on 24.10.2014.

* Shri.. Harsh Jain and Shri. Manek chand Jain Members of the Audit Committee Prior to Merger had Resigned from the Board and/ or Committee as on 24.10.2014.

*Shri Vinay Goyal Chairman of the Audit Committee and / or Re-constituted Audit Committee appointed in the Committee and / or Become Chairman of the Existing Audit Committee w.e.f 24.10.2014

* Shri Ankur Madaan, Member of the Committee and Shri Rajesh Gadodia, Managing Director of the Company appointed in the Existing Audit Committee w.e.f 24.10.2014

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

- Efficiency and effectiveness of operations;
 - Safeguarding of assets and adequacy of provisions for all liabilities;
 - Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The Company has an independent Control Assurance Department assisted by dedicated internal auditors' team.

The internal audit covers all the factories, sales offices, warehouses and businesses and functions controlled centrally. Every quarter, the Audit Committee of the Board is presented with key control issues and actions taken on past issues.

Business risk assessment procedures have been set in place for self assessment of business risks, operating controls and compliance with corporate policies. There is an ongoing process to track the evolution of the risks and delivery of mitigation action plan.

Power of Audit Committee

The audit committee shall have powers which should include the following:

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

The broad terms of reference of Audit Committee are:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, cost auditors of the Company.
- c) Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- d) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
 - 1) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act.

- 2) Changes, if any, in accounting policies and practices and reasons for the same.
 - 3) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - 4) Significant adjustments made in the financial statements, if any, arising out of audit findings.
 - 5) Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.
 - 6) Disclosure of any related party transactions.
 - 7) Qualification in the draft audit report, if any.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - h) Approval or any subsequent modification of transactions of the company with related parties;
 - i) Scrutiny of inter-corporate loans and investments;
 - j) Valuation of undertakings or assets of the company, wherever it is necessary;
 - k) Evaluation of internal financial controls and risk management systems;
 - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - m) 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;
 - n) Discussion with internal auditors of any significant findings and follow up there on;
 - o) 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;
 - p) 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;

- q) 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;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE :

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has re-constituted the Remuneration Committee into the Nomination & Remuneration Committee.

The terms of reference of the Committee inter alia, include the following:

- a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- b) Formulating a criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- c) Formulating a criteria for evaluation of Independent Directors and the Board.
- d) Devising a policy on Board diversity.
- e) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- f) 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;

- g) To perform such other functions as may be necessary or appropriate for the performance of its duties.

I. Composition of the Committee Members.

As of 31st March 2015, the Nomination and Remuneration Committee consisted of 3 Non – Executive Independent directors, Mr. Ankur Maddan , Mr. Vinay Goyal and Mrs. Debjani Sahu, Non-Executive Independent Directors of the Company.

Mr. Ankur Maddan Independent Director is the Chairman of the Committee. The company secretary is the secretary to the committee.

The Nomination and Remuneration Committee comprises of the following Directors:-

- # Mr. Ankur Madaan - Chairman
Mr. Vinay Goyal - Member
Mrs. Debjani Sahu - Member

II. Meeting and Attendance during the year

During the year under review, the committee met Three times during the financial year ended 31st March, 2015 on 24.10.2014, 25.02.2015 and 28.03.2015. The Composition of the Committee and the attendance at each Committee Meetings are as follows :-

Name	Category	No of Meetings during the Year 2014-2015	
		Held	Attended
Mr. Ankur Maddan	Chairman	3	2
Mr. Vinay Goyal	Member	3	2
Mrs. Debjani Sahu	Member	3	1
Mr. Akhilesh Vijaychand Jain	Chairman	3	1
Mr. Manakchand Jain	Member	3	1
Mr. Harsh Jain	Member	3	1

*Mr. Akhilesh Vijaychand Jain, Independent Director and the Chairman of the Committee Prior to Merger and / or Re-constitution of Committee had resigned from the Board / Committee w.e.f 24.10.2014.

*Mr. Manakchand Jain, and Mr. Harsh Jain, Members of the Committee Prior to Merger and / or Re-constitution of Committee had resigned from the Board / Committee w.e.f 24.10.2014

*Mr. Ankur Maddan , Chairman of the existing Committee had been appointed as Member of the Board / Committee w.e.f 24.10.2014

*Mr. Vinay Goyal, Member of the Existing Committee had been appointed as Board / Member of the Committee w.e.f 24.10.2014

* Mrs. Debjani Sahu Member of the Existing Committee had been appointed as Board / Member of the Committee w.e.f 28.03.2015

III. Remuneration policy

The remuneration of the Whole-time/ Executive Directors and Senior Executive Officers is decided by the Board based upon the recommendations of the Nomination and Remuneration Committee, subject to the approval of the Company in general meeting, which inter-alia is based on the criteria such as industry benchmarks, the Company's performance, and the performance of the individual concerned. Remuneration of the Executives and employees largely consists of basic salaries, perquisites and incentives. The component of the total remuneration varies from grades and is governed by the industry pattern, qualifications, experience and the responsibilities carried on by the individual employee concerned. The objectives of the remuneration policy are to motivate the deserving employee in improving their performance, along with recognizing their contributions, retain best talent in the organization and record the merits.

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure D to the Board Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The details relating to remuneration of Directors, as required under Clause 49 of the Listing Agreement,

Remuneration paid to the Chairman and Managing Director and Whole-time Directors during 2014-15:

Name of the Director	Designation	Remuneration Paid during the year
Mr. Rajesh Gadodia	Managing Director	15,00,000.00
Mr. Nimish Gadodia	Director	9,00,000.00

The Managing Director's compensation has been set at Rs. 24.00 Lacs as approved, reflecting his desire to continue to set a personal example for moderation in managerial compensation levels.

Performance criteria for one Executive Director, entitled for Performance Linked Incentive (PLI), are determined by the, Nomination and Remuneration Committee.

The tenure of office of the Managing Director is for five years from their respective dates of appointments, and can be terminated by either party by giving three months notice in writing. There is no separate provision for payment of severance fees. Nor there is any service Contracts.

Sitting fee and commission paid on net profit to Non-Executive Directors:

No Sitting Fees been paid to Non- Executive Directors of the Company. There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

Criteria for making payments to non- executive directors:

The Company has created laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available in the Remuneration Policy disseminated on the website of the Company, www.scansteels.com and / or the Nomination & Remuneration Policy is also annexed as Annexure D to Board Report.

Details of shareholding of Directors as on 31st March 2015.

As on 31st March 2015, the company had two executive directors and Three non-executive directors, The Executive Directors, Mr. Rajesh Gadodia, holds 3275531 equity shares and Mr. Nimish Gadodia, holds 3188316 equity shares in the company. and the Non-Executive directors do not hold any shares in the company.

PERFORMANCE EVALUATION

In compliance with the Section 134(3) (p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors and the policy has been approved by the Nomination and Remuneration Committee.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow “best practices” in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board’s time and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

Some of the key criteria for performance evaluation, as laid down by the Company are as follows-

Performance evaluation of Directors:

- Contribution at Board / Committee meetings
- Guidance / Support to Management outside Board / Committee Meetings

Performance evaluation of Board and Committees:

- Board structure and composition
- Degree of fulfillment of key responsibilities
- Establishment and delineation of responsibilities to Committees
- Effectiveness of Board Processes, Information and Functioning
- Board Culture and Dynamics
- Quality of relationship between the Board and Management
- Efficacy of communication with External Stakeholders
- Committees – strengths and areas of improvement

The Directors expressed their satisfaction with the evaluation process.

STAKE HOLDERS RELATIONSHIP COMMITTEE

Section 178(5) of the Companies Act, 2013 prescribes that a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at

any time during a financial year shall constitute a Stakeholders' Relationship Committee. The Company has complied with this provision and the Stakeholders' Relationship Committee carries the mandate as was decided upon in the erstwhile Shareholders' Grievance Committee. Further, the Company has merged the erstwhile Share Transfer Committee with the Stakeholders' Relationship Committee.

The committee met twelve times during the financial year ended 31st March, 2015 to oversee and review all matters related to the transfer of securities of the company and other Shareholders Grievances if any. The composition and attendance of each member of the Committee is given below.

Name	Category	No of Meetings during the Year 2014-2015	
		Held	Attended
Mr. Vinay Goyal	Chairman	12	6
Mr. Ankur Maddan	Member	12	6
Mr. Rajesh Gadodia	Member	12	12
Mr. Akhilesh Vijaychand Jain	Member	12	6
Mr. Manakchand Jain	Member	12	6
Mr. Harsh Jain	Member	12	6

#The Committee had been Re-constituted and Members were appointed on 14/11/2014.

*Mr. Vinay Goyal was Appointed as Member and Chairman of the Re-Constituted Committee w.e.f. 24.10.2014 with his Appointment on the Board of the Company.

* Mr. Ankur Maddan was Appointed as Member of the Re-Constituted Committee w.e.f. 24.10.2014 with his Appointment on the Board of the Company.

*Mr. Rajesh Gadodia was Appointed as Member of the Re-Constituted Committee w.e.f 24.10.2014

*Mr. Manak Chand Jain who was the Chairman of the Committee (Investor Grievance / Share Transfer Committee as per Companies Act, 1956) before Re-Constitution cease to be the Member and / or Chairman of the Committee w.e.f 24.10.2014 due to his resignation from the Board w.e.f 24.10.2014

*Mr. Akhilesh Vijaychand Jain and Mr. Harsh Jain Members of the Committee (Investor Grievance / Share Transfer Committee as per Companies Act, 1956) before Re-Constitution cease to be the Member of the Committee w.e.f 24.10.2014 due to their resignation from the Board w.e.f 24.10.2014.

The powers (terms of reference) delegated to the committee are as under:

- to review statutory compliance relating to all security holders,
- consider and resolve the grievances of security holders of the company including complaints related to transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet,

- oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund,
- oversee and review all matters related to the transfer of securities of the company ,
- approve issue of duplicate certificates of the company,
- review movements in shareholding and ownership structures of the company,
- ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent,
- Recommend measures for overall improvement of the quality of investor services and set forth policies relating to and oversee implementation of the Code of Conduct for prevention of Insider Trading.
- To scrutinize and take on records the shares / securities transfers and transmission of shares / securities etc. made by the Registrar and Transfer Agent of the Company and authorize the registration of transfers in the Register of Members as well as in the Register of Transfers of the Company and to take all other consequential and incidental actions and measures.
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

Complaints received and redressed during the year 2014-2015

Sr.No.	Nature of Complaints	Number of Complaints	
		Received	Redressed
1	Non-receipt of Share Certificate after Transfer	NIL	NIL
2	Non-receipt of Dividend Warrant	NIL	NIL
3	Non - receipt of Annual Report	NIL	NIL
4	Grievance Received through SCORES	NIL	NIL
5	Grievance Received through SCORES - Non receipt of Dividend	NIL	NIL
6	Grievance Received through SCORES-Non receipt of Share Certificate after Transfer	NIL	NIL

Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. Prabir Kumar Das, company secretary is the compliance officer of the company. For any clarification / complaint the shareholders may contact company secretary at secretarial@scansteels.com at the registered office of the company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

SSL is committed to create value for the nation and enhance the quality of life across the entire socio-economic spectrum. SSL believes that Corporate Social Responsibility extends beyond the ambit of business and should focus on a broad portfolio of assets – human physical, environmental and social. SSL gives utmost importance to conservation of the natural capital at its operations. SSL is committed to responsible stewardship of the natural resources to conduct its operations in a sustainable manner.

The Committee is constituted in line with the Provision of Section 135 of the Companies Act 2013. It is the commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large give Social Contribution to the Society.

The composition of CSR Committee is as Mentioned below:

#Shri Vinay Goyal – Chairman

#Shri Ankur Madaan – Member

#Shri Rajesh Gadodia – Member

#The Committee was Constituted and Members were Appointed on: 14/11/2014

As there was Loss and / or No sufficient Profit in the Last three years there is No Fund with the Company to be Spent on CSR activities, there by Committee did not met during the Year under review. And as the Company Gradually reduce its Losses and start making Profit in Future the Company shall find out ways and means to spend the same and shall submit the relevant report in the ensuing year.

The powers (terms of reference) delegated to the committee are as under:

- a. To formulate and recommend to the board , a CSR policy which shall indicate the activities to be undertaken by the company as per the companies act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the company from time to time; and
- d. Other matter as the CSR committee may deem appropriate after approval of the board of directors or as may be director by the board of director from time to time.

RISK MANAGEMENT COMMITTEE

A) RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify access and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

B) RISK MANAGEMENT COMMITTEE:

Committee was Constituted on 14th November, 2014 in Compliance with Companies Act, 2013 and Clause 49 (VI)(C) of the Listing Agreement, and The composition of the Risk Management Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 25.02.2015
Mr. Rajesh Gadodia	Chairman and Executive Director	Present
Mr. Nimish Gadodia	Executive Director	Present
Mr. Gobinda Chandra Nayak	Chief Financial Officer	Present

*Mr. Rajesh Gadodia was Appointed as Chairman of the Committee w.e.f 14.11.2014

*Mr. Nimish Gadodia was Appointed as Member of the Committee w.e.f 14.11.2014

* Mr. Gobinda Chandra Nayak was Appointed as Member of the Committee w.e.f 14.11.2014

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
 - Reviewing the RMC policy and framework in line with local legal requirements and SEBI guidelines;
 - Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
 - Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- C) The Company has also formulated a Risk Management policy which can be accessed on the link : http://www.scansteels.com/?page_id=2823

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

Sexual harassment can have a devastating effect upon the health, confidence, morale and performance of those affected by it and the best way to prevent sexual harassment is to adopt a comprehensive sexual harassment policy. The Company is an equal employment opportunity provider and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has formulated a policy known as Vigil Mechanism / 'Whistle Blower Policy' to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Chair man of the Audit Committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

The Details Vigil Mechanism / 'Whistle Blower Policy' may be accessed on the Company's website at the link: http://www.scansteels.com/?page_id=2823

Vigil Mechanism Policy was formulated on 14th November, 2014

CEO/CFO CERTIFICATE :-

A certificate from Managing Director and the Chief Financial Officer of the Company, in terms of the listing agreements, have been duly submitted, is attached to this Report.

COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from Practicing Company Secretary, M/s. K K Giri & Associates., confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for its employees at all levels including Senior Management and Directors. The code has been circulated to all the members of the Board and senior management. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director of the Company appointed in terms of the Companies Act, 1956 / 2013 (i.e. the CEO within the meaning of clause 49-V of the Listing Agreement) is annexed separately to this report.

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the http://www.scansteels.com/?page_id=2823.

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

DETAILS OF GENERAL BODY MEETINGS

- a) The company held its last Three Annual General Meeting as under along with the details of special resolutions passed in AGM in the last 3 years is as follows:

FINANCIAL YEAR	DATE	TIME	VENUE	SPECIAL RESOLUTION PASSED
2011-2012	26.11.2012	09.30 A.M.	Pranjali School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kemp's Corner, Mumbai- 400036	No Special Resolution was passed in the meeting
2012-2013	25.09.2013	10.30 A.M.	Pranjali School Auditorium, Ground Floor, 155/157, August Kranti Marg, Next to Stephens Church, Kemp's Corner, Mumbai- 400036	No Special Resolution was passed in the meeting
2013-2014	30.12.2014	10.00 A.M.	104/105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057	<ul style="list-style-type: none"> • Consent to hypothecation/ mortgage and/or charge all or any part of the movable and /or immovable properties of the company u/s 180(1)(a) of the Companies Act, 2013. • Increase in borrowing powers of the Board to upto ₹1000.00 Cr. u/s 180(1)(c) of the Companies Act, 2013. • for accepting of Fixed Deposits u/s 73 & 76 of the Companies Act, 2013 • for Increase of authorized share capital of the company • for issue of equity shares on preferential basis under section 42 and 62 of the Companies Act, 2013

b) Extraordinary General Meeting:

The company held its last Extra Ordinary General Meeting on 26.03.2015 for seeking Members Approval for the Following Special Business which was Soughed Successfully:

FINANCIAL YEAR	DATE	TIME	VENUE	SPECIAL RESOLUTION PASSED
2014-2015	26.03.2015	11.00A.M.	104/105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057	<ul style="list-style-type: none"> To offer, issue and allot up to 1,33,00,000 (One Crore Thirty Three Lacs Only) Equity Shares of ₹. 10/- (Rs Ten Only) each for cash at ₹. 50/- (Each) aggregation ₹. 66,50,00,000/- (Rupees Sixty Six Crore Fifty Lacs Only) on preferential basis to the General Investors and Promoters under section 42 and 62 of the Companies Act, 2013. And in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009. For entering into the contract with related parties under Section 188 of the Companies Act, 2013.

c) POSTAL BALLOT

During the year ended 31st March, 2015, no resolution was passed by the Company's shareholder requiring voting by Postal Ballot. Thereby, there is no Voting Pattern required to be disclosed by the Company. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

However A Postal Ballot, including E-Voting was conducted after the Financial Year 2014-15 pursuant to section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 for obtaining approval of the shareholders for the following:

1. Ordinary Resolution u/s 13 and 61 of the Companies Act, 2013 for Re-Classification of Authorized Share Capital
2. Special Resolution u/s 42, 55 and 66 of the Companies Act, 2013 for Issue and Allotment of Non-cumulative Redeemable Preference Share (NCRPS)

3. Special Resolution under section 13 of the Companies Act, 2013 for alteration of main object in the Memorandum of Association of the Company.

Procedure for Postal Ballot:

In compliance with Clause 35B of the Listing Agreement and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its Members, to enable them to cast their votes electronically.

The Company engages the services of CDSL for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices dated 03.07.2015 and forms along with postage prepaid business reply envelopes to its Members whose names appear on register of members / list of beneficiaries as on a cut-off date i.e. 03rd July, 2015. The postal ballot notice is sent to Members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding).

All the resolution has been duly passed and the results of the Postal Ballot has been announced by the Chairman on 11th August, 2015 at the registered office of the company.

SUBSIDIARY COMPANIES

As Your Company has No Subsidiaries there are no details to be provided for the same.

DEMATERIALISATION OF SECURITIES

The Company's Shares are available for trading in the Depository System both at the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat Status of the Company as on March 31, 2015 is as under

Particulars	No. of Shareholders	No. of Shares	%
CDSL	648	27478365	72.69
NSDL	864	10041135	26.56
PHYSICAL	1174	280800	.74
TOTAL	2686	37800300	100.00

REMATERIALISATION OF SHARES

It is the process through which shares held in electronic form are converted into physical form by issuance of share certificate(s).

DISCLOSURES

I) DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE:-

The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large. However, the related party relationships and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures prescribed under the Companies Act, 1956 are disclosed in Note No. 2 of notes to the Accounts for the year ended 31st March, 2015 may be referred.

All related party transactions are negotiated on an arms-length basis, and are intended to further the Company's interests.

The Company has also formulated a policy on dealing with the Related Party Transactions which can be accessed on the link: http://www.scansteels.com/?page_id=2823. and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

Details of Related Party Transactions in form AOC 2 attached to Board Report may also be referred to.

II) STATUTORY COMPLIANCES, PENALTIES & STRICTURES

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

III) WHISTLE BLOWER POLICY

The Company has established the necessary mechanism in line with Clause 7 of the Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No personnel have been denied access to the Ethics Counselors/Chairman of the Audit Committee.

IV) RECONCILIATION OF SHARE CAPITAL AUDIT

- i) Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- ii) A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central De-

pository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

V) MANAGEMENT DISCUSSION & ANALYSIS REPORT (MD&A REPORT)

The MD&A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc., are discussed in the said Report.

VI) INTIMATION TO STOCK EXCHANGES

All price sensitive information and matters which are material and relevant to shareholders are intimated to all the Stock Exchanges where the securities of the Company are listed.

VII) CORPORATE FILING AND DISSEMINATION SYSTEM (CFDS), BSE ONLINE

In accordance with Clause 52 of the Listing Agreement, all disclosures and communications to BSE Limited are filed electronically through CFDS, website www.corpfiling.co.in. and also by e- mail corp.relations@bseindia.com and also Physical Copy be submitted at BSE Limited.

VIII) LISTING ON STOCK EXCHANGES

The Company's Ordinary shares are listed on BSE Limited in India:

Stock Exchange	ISIN	Stock Code	Address	Website
BSE Limited	INE099G01011	511672	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	www.bseindia.com

IX) REGISTRARS AND TRANSFER AGENTS

For communications regarding share transfer and dematerialization requests and All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 10-12 days of lodgement., Members are requested to correspond with the Company's Registrars and Transfer Agents – Adroit Corporate Services Pvt Limited quoting their folio no./DP ID & Client ID at the following addresses:-

Adroit Corporate Services Pvt Limited

19, Jafferbhoy Industrial Estate, 1st Floor, Makwana Lane, Marol Naka, Andheri (E), Mumbai- 400 059.

Tel: +91 22 28596060 / 4060/ 4428 / 4442 / 0942

Fax: +91 22 2850 3748

Email: pratapp@adroitcorporate.com

Web Site: www.adroitcorporate.com

X) SHARE TRANSFER SYSTEM

Share Transfers in physical form can be lodged with Adroit Corporate Services Pvt Limited at the above mentioned addresses. The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

XI) NOMINATION FACILITY

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under the Companies Act, 2013, may obtain from Adroit Corporate Services Pvt Limited, the prescribed Form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant (DP).

XII) SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the DP.

XIII) SHARES HELD IN PHYSICAL FORM

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company's RTA viz. Adroit Corporate Services Pvt. Limited.

XIV) ADDRESS FOR CORRESPONDENCE

Name, designation & address of Compliance Officer:

Mr. Prabir Kumar Das,

104/105, E-Square, Subhash Road, Vile - Parle - (E), Mumbai - 400057

Phone - 022-26185461/62

Fax - 022-26185463

Email - secretarial@scansteels.com

XV) OTHER INFORMATION TO THE SHAREHOLDERS GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, Quarterly, Half-yearly results etc., to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/ Company/ Registrars & Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Adroit Corporate Services Pvt Limited, by sending a letter, duly signed by the first/ sole holder quoting details of Folio No.

XVI) DEPOSITORY SERVICES

Shareholders may write to the respective Depository or to Adroit Corporate Services Private Limited for guidance on depository services.

Address for correspondence with Depositories are as follows:

1. National Securities Depository Limited – Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Road, Lower Parel, Mumbai-400 013. Telephone: (022) 2499 4200, Facsimile: (022) 2497 6351, E-mail: info@nsdl.co.in, Website: www.nsdl.co.in
2. Central Depository Services (India) Limited – Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai-400 001. Telephone: (022) 2272 3333, Toll free: 1800-200-5533, Fax: (022) 2272 3199, E-mail: helpdesk@cdslindia.com, Website: www.cdslindia.com

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner

- a. The quarterly / annual results are communicated to the Bombay Stock Exchange Limited where the Company's shares are listed and published in Financial Express (English Newspaper) and Mumbai Mitra (Marathi Newspaper)
- b. The quarterly / half yearly financial results are being sent to all the Stock Exchanges, where the shares of the Company are listed for putting in their own website.
- c. The Company has not made any presentation to any institutional investors or to analysts during the year.

The company's website address is: www.scansteels.com. The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id secretarial@scansteels.com in to enable the shareholders to register their grievances.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website (www.scansteels.com).

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

GENERAL SHAREHOLDERS INFORMATION

Date and Time of AGM	30 th September, 2015 at 10.00 A.M.	
Venue of AGM	104/105, E-Square, Subhash Road, Vile- Parel-(E), Mumbai-400 057	
Book closure Date	Wednesday, the 23 rd Day of September, 2015 to Wednesday, the 30 th Day of September, 2015 (both days inclusive)	
Dividend Payment Date	Not Applicable	
Date of declaration		
Rate of dividend		
Book Closure Date		
Date of payment of dividend		
Amount of dividend paid		
Share Capital		
Company Registration Details	The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27209MH1994PLC076015	
Listing on Stock Exchange	The Bombay Stock Exchange Limited	
Stock /Scrip Code	511672	
ISIN Numbers	INE099G01011	
Financial Calendar	1st April, 2015 – 31st March, 2016	
	First Quarter Results	Up to 15 th August , 2015
	Second Quarter Results	Up to 15 th November, 2015
	Third Quarter Results	Up to 15 th February, 2016
	Fourth Quarter Results	Up to 30 th May, 2016
E-Voting	Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by Central Depository Services India Limited.	
Share transfer system	Share transfer would be registered and returned within a prescribed period from the date of receipt, if the documents are in order in all respects.	

Annual Report 2014-2015

Registrar & Transfer Agents.	Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Street, Makwana Road, Marol Naka, Andheri(E), Mumbai- 400 059
Outstanding GDS/ADRs	Nil
Market Price Data : High, Low during each month in the Financial Year 2014-2015	Refer Table No. 1
Distribution of Shareholding	Refer Table No. 2
Shareholding Pattern	Refer Table No. 3
Plant Locations	Unit -1 is situated at Rambahal, At- Keshramal, Rajgangpur, Sundergarh (Odisha) Unit -2 is situated at Gangajal, Budhakata, Sundergarh, Odisha Unit-4 is situated at Bai-bai, Tudalaga, Rajgangpur, Sundergarh, Odisha Unit-6 is situated at Bellary, Veniveerapura, Bellary, Karnataka
Address for Correspondence	104-105, E Square, Subhash Road,, Opp. Havmor Ice Cream , Vile Parle (E) , Mumbai , Maharashtra - 400057
Payment of Listing Fees	Annual listing fee for the year 2015-16 has been paid by the Company to BSE.
Payment of Depository Fees	Annual Custody/Issuer fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

TABLE - 1: STOCK MARKET PRICE DATA

High and Low of market price of the Company's Shares traded on Bombay Stock Exchange Limited, During the Financial Year - 2014 - 2015:-

	Highest (₹)	Lowest (2)	No. of shares Traded	BSE High	BSE Low
April, 2014	50.35	37.10	23463	22,939.31	22,197.51
May, 2014	46.20	36.10	5868	25,375.63	22,277.04
June, 2014	46.70	38.10	1178	25,725.12	24,270.20
July, 2014	45.20	34.40	7000	26,300.17	24,892.00
August, 2014	34.40	29.15	2186	26,674.38	25,232.82
September, 2014	32.15	21.70	19363	27,354.99	26,220.49
October, 2014	35.15	29.00	4581	27,894.32	25,910.77
November, 2014	30.45	23.75	7099	28,822.37	27,739.56
December, 2014	44.35	20.80	23774	28,809.64	26,469.42
January, 2015	55.60	45.20	25011	29,844.16	26,776.12
February, 2015	49.90	39.95	13395	29,560.32	28,044.49
March, 2015	41.80	29.20	4642	30,024.74	27,248.45

TABLE - 2: DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

Range (No. of shares held)	Share Holders		Shares Held	
	Number	% of Total	Numbers	% of Total
UPTO - 500	2377	88.50	303051	0.80
501 - 1000	106	3.95	90896	0.24
1001 - 2000	69	2.57	108184	0.29
2001 - 3000	17	0.63	42138	0.11
3001 - 4000	16	0.60	55555	0.15
4001 - 5000	10	0.37	46380	0.12
5001 - 10000	15	0.56	110588	0.29
10001 - Above	76	2.83	37043508	98.00
Total	2686	100.00	37800300	100.00

TABLE - 3: SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

CATEGORY	No. of Shares Held	% of Shareholding
Promoters	21921985	0.41
Corporate Bodies	14243395	5.33
Indian Public	1633675	94.04
NRI	1027	0.15
Clearing Members	218	0.07
Total	37800300	100.00

REQUEST TO INVESTORS

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form SH-13. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

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

To,
The Members,

As required under Clause 49 II (E) of the Listing Agreement with the Stock Exchanges, I, Rajesh Gadodia, Managing Director of Scan Steels Limited hereby declare that all the Board Members and Senior Management Personnel i.e. employees in the grades of General Manager and above, of the Company have complied with the Code of Conduct of the Company for financial year ended 31st March 2015.

For Scan Steels Limited

Date: 31st August, 2015
Place: Mumbai

Rajesh Gadodia,
Managing Director
(DIN: 00574465)

CEO / CFO CERTIFICATE

To
The Members of
Scan Steels Limited
(Formerly Clarus Infrastructure Realities Limited)

Sub: CEO/ CFO certification to the Board Pursuant to Clause 49(IX) of the Listing Agreement

We, Rajesh Gadodia, Managing Director and Gobinda Chandra Nayak, CFO, of Scan Steels Limited, hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2015 and that to the best of our 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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 or operation of such internal control, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - I) That there are no significant changes in internal control over financial reporting during the year;
 - II) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III) That there are no instance of significant fraud of which we have become aware.

For Scan Steels Limited

Date: 31st August, 2015
Place: Mumbai

Gobinda Chandra Nayak
Chief Financial Officer

Rajesh Gadodia,
Managing Director
(DIN: 00574465)

**CERTIFICATE OF COMPLIANCES WITH CORPORATE GOVERNANCE REQUIREMENT
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members,
Scan Steels Limited
(Formerly Clarus Infrastructure Realities Limited)

We have examined the compliance of conditions of Corporate Governance by SCAN STEELS LIMITED, ("the Company") for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

For **M/s. K K Giri & Associates**

CS Kamala Kanta Giri
Company Secretary
M. No.:A34449
C.P. No. : 14459

Date: 24th August, 2015
Place: Bhubaneswar

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 2013 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. SRB & Associates Chartered Accountants, Bhubneswar, the Statutory Auditors of the Company.

Date: 31st August, 2015
Place: Mumbai

For and on Behalf of the Board
Rajesh Gadodia, Managing Director
(DIN: 00574465)

Independent Auditor's Report

To the Members of Scan Steels Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Scan Steels Limited (Formerly Known as Clarus Infrastructure Realities Limited) ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2(1) to the financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SRB & Associates
Chartered Accountants
Firm Regn. No: 310009E

Bhubaneswar
29th May, 2015

B. Mohanty
Partner
M.N-056264

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the Management in phased periodic manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification
 - (c) Fixed assets disposed off during the year were not substantial, and therefore, don't affect the going concern assumption.
2. In respect of its Inventories:
 - (a) As explained to us, Stocks have been physically verified by the management at regular interval during the year. The frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.
3.
 - (a) The Company has not granted any loan during the year to the Related parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). However the company has taken loan from parties where maximum outstanding as on 31.03.2015 is Rs.2,52,41,699.00
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
 - (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. We have not observed any major weaknesses in internal control system of the Company.
5. The Company has accepted deposits from the public and in our opinion and according to the information and explanation given to us, the directives issued by Reserve Bank of India with respect to relevant provisions of Companies Act, 2013 and rules framed there under, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, in this context.

6. According to information and explanations given to us, the company is maintaining cost records as prescribed by Central Government under section 148(1) of the Act, for the products of company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

STATEMENT OF DISPUTED DUES

Sl. No.	Name of the Statute	Nature of dues	Amount(₹)	Period to which the amt relates	Forum where dispute is pending
1	OVAT Act.	OVAT	56,67,306.00	2007-08, 2008-09 & 2009-10	Additional Commissioner of Commercial Tax
2	OVAT Act.	OVAT	69,40,305.00	2002-03, 2003-04 & 2004-05	Assistant Commissioner of Commercial Tax, RKLA
3	OVAT Act.	OVAT	6,53,111.00	2009-10 & 2010-11	Deputy Commissioner of Commercial Tax, Rourkela II Circle.
4	OVAT Act.	OVAT	4,33,82,725.00	2005-06 & 2006-07	High Court of Odisha, Cuttack.
5	OVAT Act.	OVAT	3,17,563.00	2008-09 & 2010-11	Joint Commissioner of Commercial Tax.
6	OVAT Act.	OST	18,79,165.00	2001-02, 2003-04 & 2004-05	Sales Tax Tribunal, Cuttack.
7	Income Tax Act.	Income Tax	88,93,575.00	2009-10 & 2011-12	The Commissioner of Income Tax
	TOTAL		6,77,33,750.00		

* net of amounts paid under protest.

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.
- 8 The company has no accumulated losses at the end of the financial year and has incurred cash profit of 17,67,18,631.00 during the financial year covered by our audit and in the immediately preceding financial year.
- 9 The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- 10 In our opinion and according to the information and explanations given to us, the Company The Company has given guarantee for loans taken by its sister concern from banks or financial institutions.
- 11 The Company has raised term loan Nil during the year and the same has been applied for the purpose for which they were raised.
- 12 According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For SRB & Associates
Chartered Accountants
Firm Regn. No: 310009E

Bhubaneswar
29th May, 2015

B. Mohanty
Partner
M.N-056264

SCAN STEELS LIMITED
(Formerly Clarus Infrastructure Realities Limited)
(CIN-L27209MH1994PLC076015)

BALANCE SHEET AS AT 31 ST MARCH 2015

PARTICULARS	NOTES	Amount (₹) As at 31st March'15	Amount (₹) As at 31st March'14
I. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
a. Share Capital	3	37,80,03,000	37,80,03,000
b. Reserves & Surplus	4	1,21,54,95,576	1,20,15,09,531
2. Share application money pending allotment		32,76,00,000	66,50,00,000
3. Non-current liabilities			
a. Long-term borrowings	5	72,21,21,658	49,55,05,975
b. Deferred Tax Liabilities (Net)	6	20,56,93,193	19,56,76,897
c. Other Long-term Liabilities	7	-	5,55,000
4. Current liabilities			
a. Short-term borrowings	8	1,60,90,72,207	1,54,11,29,182
b. Trade payables		98,68,17,841	84,02,16,265
c. Other current liabilities	9	46,57,96,281	50,31,89,420
d. Short-term provisions	10	5,49,29,688	5,01,27,115
TOTAL :		5,96,55,29,445	5,87,09,12,385
II. ASSETS			
1. Non-current assets			
a. Fixed assets	11		
(i) Tangible assets		2,64,40,22,353	2,56,36,38,049
(ii) Intangible assets		28,870	28,870
(iii) Capital work-in-progress		28,58,96,156	28,60,68,465
b. Non-current investments		-	-
c. Deferred tax assets (net)		-	-
d. Long-term loans and advances	12	16,73,92,362	13,12,97,291
2. Current assets			
a. Current investments		-	-
b. Inventories	13	1,51,55,15,327	1,55,55,41,710
c. Trade receivables	14	86,45,70,294	96,73,43,569
d. Cash and Bank Balance	15	11,11,12,471	12,54,32,396
e. Short-term loans and advances	16	36,29,36,481	23,62,47,028
f. Other current assets	17	1,40,55,129	53,15,008
TOTAL :		5,96,55,29,445	5,87,09,12,385

Significant Accounting Policies and Notes to Account 1 & 2
Notes forming part of Balance Sheet 3 to 17

As per our report of even date attached.
For SRB & Associates
Chartered Accountants
F. Regd. No.310009E

For and on behalf of the Board of
M/s. Scan Steels Limited

B. Mohanty
Partner
M.No.056264

Vinay Goyal
Director
DIN: 07002206

Rajesh Gadodia
Managing Director
DIN: 00574465

29th May, 2015
Bhubaneswar

Prabir Kumar Das
Company Secretary

Gobinda Chandra Nayak
Chief Financial Officer

SCAN STEELS LIMITED
(Formerly Clarus Infrastructure Realities Limited)
(CIN-L27209MH1994PLC076015)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH, 2015

PARTICULARS	NOTES	Amount (₹) for The Year Ended 31st March'2015	Amount (₹) for The Year Ended 31st March'2014
INCOME :			
a. Revenue from Operations	18	4,94,03,49,978	4,65,76,24,508
Less: Excise Duty		46,48,27,974	42,54,85,205
Net Revenue from Operations		4,47,55,22,004	4,23,21,39,303
b. Other Incomes	19	2,10,81,527	1,34,91,392
Total Revenue		4,49,66,03,531	4,24,56,30,695
EXPENDITURE :			
a. Cost of Materials Consumed	20	2,68,73,60,977	2,66,73,27,230
b. Purchase Of Stock In Trade		42,13,87,722	42,24,23,035
c. Change in Inventory (Increase) / decrease	21	7,41,81,389	24,97,27,330
d. Employee Benefit Expenses	22	9,94,41,606	7,61,65,450
e. Finance cost	23	35,27,80,093	32,84,03,535
f. Depreciation and Amortization expenses	11	12,13,63,712	17,10,77,433
g. Other Expenses	24	68,47,33,114	51,30,03,829
TOTAL :		4,44,12,48,613	4,42,81,27,843
Profit Before exceptional and extra ordinary items and tax		5,53,54,919	(18,24,97,148)
Exceptional items		16,86,580	-
Profit Before extraordinary items and tax		5,36,68,339	(18,24,97,148)
Extraordinary items		-	-
Profit before Taxes		5,36,68,339	(18,24,97,148)
Provision for Taxes			
a. Current Tax		1,10,76,519	-
b. Deferred Tax		1,57,57,731	93,70,703
Profit (Loss) for the period from continuing operations		2,68,34,089	(19,18,67,851)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		2,68,34,089	(19,18,67,851)
Earnings per equity share:			
(1) Basic		0.71	(5.08)
(2) Diluted		0.71	(5.08)

Significant Accounting Policies and Notes to Account: 1 & 2
Notes forming part of Statement of Profit and Loss A/ 18 to 24

As per our report of even date attached.

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E

For and on behalf of the Board of
M/s. Scan Steels Limited

B. Mohanty
Partner
M.No.056264

Vinay Goyal
Director
DIN: 07002206

Rajesh Gadodia
Managing Director
DIN: 00574465

29th May, 2015
Bhubaneswar

Prabir Kumar Das
Company Secretary

Gobinda Chandra Nayak
Chief Financial Officer

SCAN STEELS LIMITED
(Formerly Clarus Infrastructure Realities Limited)
(CIN-L27209MH1994PLC076015)

CASH FLOW STATEMENT
(Prepared Pursuant to AS-3)

Amount (₹)

	Particulars	For The Year Ended 31st March'2015	For The Year Ended 31st March'2014
A	Cash flow from operating activities		
	Net Profit after tax	2,68,34,089.33	(19,18,67,851.36)
	Adjustments for:		
	Depreciation and amortisation expenses	12,13,63,711.70	17,10,77,433.00
	(Profit)/Loss on Sale of Assets	-	(88,574.00)
	Divident Income	-	(4,560.00)
	Compensation Received	(61,24,828.00)	-
	Deffered Expenses Written Off	1,57,57,730.54	93,70,703.00
	Exceptional Items	16,86,580.00	-
	Miscellaneous Income	5,55,000.00	-
	Income Tax Provision	1,10,76,519.00	-
	Finance cost	35,27,80,093.03	33,97,32,712.33
	Interest Income	(1,37,80,992.00)	(77,96,259.00)
	(Profit)/Loss on Sale of investments		
	Operating profit before working capital changes	51,01,47,903.59	32,04,23,603.98
	Changes in working Capital:		
	(Increase) / Decrease in Inventories	4,00,26,383.01	53,10,50,743.00
	(Increase) / Decrease in Trade Receivables.	10,27,73,275.24	(15,28,37,784.00)
	(Increase) / Decrease short term Loans & Advances	(12,02,67,462.18)	18,46,17,625.00
	Increase / (Decrease) Short Term Borrowings.(Net.)	6,79,43,025.04	(7,64,38,758.00)
	Increase / (Decrease) in Other Current Assets	(87,40,121.29)	
	Increase / (Decrease) in Current Liabilities	11,28,52,628.90	(17,61,02,826.00)
	Cash generated from operations.	70,47,35,632.32	63,07,12,603.98
	Income Tax paid	(64,21,991.00)	(27,60,695.00)
	Net Cash flow from/(used in) Operating activities	69,83,13,641.32	62,79,51,908.98
B	Cash Flows from Investing Activities		
	Purchase of Fixed Assets	(23,28,79,904.91)	(27,42,05,893.00)
	Increase/(Decrease) in long-term loans and advances	(3,60,95,071.00)	
	Proceeds from sale of fixed assets	-	1,63,30,000.00
	Divident Income	-	4,560.00
	Interest received	1,37,80,992.00	77,96,259.00
	Compensation Received	61,24,828.00	-
	Net Cash from/(used in) Investing activities	(24,90,69,155.91)	(25,00,75,074.00)
C	Cash Flows from Financing Activities		
	Increase/(decrease) in Secured Loan	(13,12,62,988.00)	(10,90,76,545.00)
	Increase/(decrease) in Unsecured Loan	34,45,02,671.00	(5,41,61,958.00)
	Increase/(decrease) in Deposits	1,33,76,000.00	-
	Share Application Money	(33,74,00,000.00)	9,77,00,000.00
	Finance Cost	(35,27,80,093.03)	(33,97,32,711.98)

D	Net Cash from/(used in) Financing activities		(46,35,64,410.03)		(40,52,71,214.98)
	Net Increase/ (Decrease) in Cash and Cash Equivalents		(1,43,19,924.62)		(2,73,94,380.00)
	Cash and Cash equivalents at the beginning of the year	12,54,32,396.00		15,28,26,776.00	
	Cash and Cash equivalents at the end of the year	11,11,12,471.38	(1,43,19,924.62)	12,54,32,396.00	(2,73,94,380.00)

Notes :

- 1 Cash & Cash equivalent includes Cash & Bank Balances
- 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India
- 3 Figures are in brackets indicates Cash outgoing. This is the Cash Flow Statement referred to, in our report of even date

For SRB & Associates
Chartered Accountants
Firm Regn. No:310009E

For and on behalf of the Board
M/s. Scan Steels Limited

B. Mohanty
Partner
M.No.056264

Vinay Goyal
Director
DIN: 07002206

Rajesh Gadodia
Managing Director
DIN: 00574465

29th May, 2015
Bhubaneswar

Prabir Kumar Das
Company Secretary

Gobinda Chandra Nayak
Chief Financial Officer

Notes forming part of financial statements for the Year ended 31st March 2015

Corporate Information:

M/s Scan Steels Limited is a public limited company domiciled in India. The company has its primary listings on the BSE Limited in India. The company is engaged in manufacturing and filling of sponge iron, billet / ingot and TMT bars and in generation of power for captive consumption. The company is also involved in derivative contracts that are intended for trading.

1. Significant Accounting Policies :

i Basis of Accounting :

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting stands as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounting) Rules, 2014 the provisions of the Act (to the extent notified) and guidelines issued by the Securities and exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii. Use of Estimates :

The preparation of the financial statements in conformity with GAAP requires management to make judgment estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and action uncertainty above these consumptions and estimates could not in the outcomes requiring a material adjustments to the carrying amounts of assets and liabilities in future periods.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iii. Classification of Assets and Liabilities :

All the asset and liabilities of the companies are segregated into current and non-current based on the principles and definitions as set out in the schedule III of the Companies Act, 2013 as amended. The company has adopted a period of twelve months as its operating cycle.

iv Fixed Assets :

- a. Tangible Assets are stated at cost net of CENVAT credit after deducting the accumulated depreciation. The cost of an asset comprises its purchase price and any attributable costs of bringing such assets to its working condition for intended use.
- b. Intangible assets are recorded at the consideration paid for acquisition of such assets and an claimed at cost less accommodated amortization and impairment.
- c. Capital Work-In-Progress comprises of the cost of Fixed Assets that are not yet ready for their intended use at the reporting date.
- d. The whole of the finance charges paid on assets acquired under Hire Purchase Scheme are considered as "Un matured finance charges" under the head "Other Current Assets" in the Balance sheet. Subsequently, at the end of the year the portion of finance charges is transferred to profit & loss account on the basis of the number of installments due during the year.

v. Inventories :

- a. a. Raw materials, components and stores & spares are valued at cost following FIFO method. Cost includes purchase price, freight, handling charges and other directly attributable costs to bring the material to its present location and are net of duties and taxes wherever applicable.
- b. b. Work-in-progress and finished goods are valued at lower of cost or Net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on average cost of production.
- c. Cost of finished goods inside the plant includes excise duty.
- d. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.
- e. Shares held as stock-in trade are valued at current market price.

vi. Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be readily measured. The company adopts the following criteria as for recognizing the revenue:-

- a. Sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods, net of Value-added taxes.
- b. Sale of traded goods is recognized when the goods are despatched to the customers.
- c. Sale of Share is accounted when contract for sale is entered into.
- d. Net gain arising from trading of derivatives contracts is recognized after considering the offsetting effect of the net loss if any.

vii. Provisions and Contingent Liabilities :

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognised.

viii Foreign Currency Transactions :

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

ix. Cash and Cash equivalents :

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity of less than twelve months and that are readily convertible to known amounts of cash to be cash equivalents.

x. Excise Duty:

Excise duty is accounted for on dispatch of products from the factory and on closing stock.

xi Purchase:

Purchase of materials is recognized on dispatch of such goods by the suppliers based on certainty irrespective of receipt of such goods at the factory. It is shown net of CENVAT/VAT credit wherever applicable.

xii. Employee Benefits:**a. Short Term Employee Benefits:**

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Profit and Loss Statement.

b. Defined Contribution Plan:

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Profit and loss Statement on accrual basis.

c. Defined Benefit Plan:

The company has not made any provision with regard to gratuity and superannuation benefits on actuarial basis in compliance to the provisions laid in accounting standard on accounting for retirement benefits. However, the Company has taken a group gratuity policy with Life Insurance Corporation of India in respect of retirement benefits of its employees, the annual premium of which is charged to the profit and loss statement

xiii. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the respective asset. All other borrowing costs are expensed in the period they occur.

xiv. Depreciation:

- a. The Company has with effect from 01.04.2014 revised the method of charging depreciation based on the useful life of its various tangible assets as prescribed in Part D of Schedule II to the Companies Act, 2013. As a result, depreciation for the year ended 31st March, 2015 calculated on straight line method has been reduced by Rs. 5,13,40,175/-. Similarly in the case of those tangible assets, whose useful life has been completed as on 31st March, 2014 the carrying value (net of residual value) of those fixed assets amounting to Rs. 1,28,48,045/- (net of deferred tax of Rs. 57,41,435.00) have been debited to the opening balance of retained earnings.
- b. Assets that are acquired during the year are depreciated fifty percent of the amount calculated for one year based on the new method and the balance is proposed to be in the year of disposal.
- c. Intangible Assets are amortized on written down value method basis, commencing from the date the asset is available to the company for its use.

xv. Tax Expenses:

- a. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability. The company offsets on a year on basis, the current tax assets and liabilities, where it intends to settle such assets and liabilities on a net basis. The current tax expense recognised in the financial statements is net off MAT credit utilised during the period.
- b. Deferred tax liability or asset is recognised on timing difference related to depreciation on fixed assets being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in subsequent periods. Deferred tax assets and liabilities are calculated using the tax rates and tax laws prevailing on the balance sheet date.

xvi Segment Reporting:

- a. The Company is primarily engaged in the business of manufacturing of steel and power for captive consumption and Trading of Sponge Iron. The Company has identified two primary business segments namely Manufacturing and trading, which in context of Accounting Standard 17 on Segment Reporting” constitute reportable segment. However, as the turnover of trading segment is less than 10% of the total revenue, no such reporting is required
- b. The company’s products are dispatched from plants located at Rajgangpur (Odisha), and Bellary (Karnataka) to various parts of the country and considering the customer base which is wide spread all over the country, no such geographical differentiation can be done for presenting the information.

2. Notes on Accounts**i. Contingent Liabilities**

SI No.	Nature of Contingent Liability	2014-15	2013-14
1	Estimated amount of contracts remaining to be executed on capital accounts and not provided for.	Nil	Nil
2	The company has accepted the bills under Letter of Credit and MSME RFS limit in aggregate, which is due for payment on or before 30 th June 2015.	₹ 27,03,52,082.00	₹ 20,53,56,205.00
3	Bank Guarantees	₹ 27,882,713.00	₹ 2,39,17,079.00
4	Claims not acknowledged by the company relating to Statutory dues	₹ 6,77,33,750.00	₹ 5,88,40,175.00

ii. Earnings per Share (EPS):

Basic and diluted earnings per share are computed by dividing the net profit after tax by the weighted average no of equity shares outstanding during the period.

Particulars	2014-15	2013-14
a) Net Profit/(Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	₹ 2,68,34,089	(₹ 19,18,67,851)
b) Weighted Average number of equity shares used as denominator for calculating EPS	3,78,00,300	3,78,00,300
c) Basic and Diluted Earnings per share	₹ 0.71	(₹ 5.08)
d) Face value per equity share	₹ 10	₹ 10

iii. Foreign Currency Transactions :

SI No.	Party	Nature of Expenditure	2014-15		2013-14	
			Amount (USD)	Amount (₹)	Amount (USD)	Amount (₹)
1	Changzhou Changde Machinery Co. Ltd	Consumables	8,360	5,15,101.00	Nil	Nil
2	Lithomelt Co. Ltd	Consumables	21,580	13,35,475.64	Nil	Nil
3	Shimadzu (Asia Pacific) PTE Ltd	Advance against fixed assets	65,000	40,31,300.00	Nil	Nil

iv. Related Party Disclosures :
A. Listed of Related Parties :

SI No.	Description of Relationship	Name of related parties	
1.	Key Management personnel (KMP)	i. ii	Mr. Rajesh Gadodia Mr. Nimish Gadodia
2	Relatives of KMP	iii. iv.	Mr. Sawarmal Gadodia Mrs. Archana Gadodia
3	Companies in which KMP / Relatives of KMP have significant influence	i. ii. iii.	Artline Commerce Pvt. Ltd. Scan Energy & Power Limited Nav-Durga Fuel Private Limited

B. Transaction with Related Parties :

Sl. No	Nature of Transaction	Name of the Related parties	KMP (₹)	Relatives of KMP (₹)	Significant being influential persons (₹)	Balance Outstanding (₹)
1	Loans Given	Scan Energy & Power Ltd.				1,48,05,971 (1,48,05,971)
2	Loans Taken	Mr. Rajesh Gadodia	Nil (60,00,000)			Nil (60,00,000)
		Mrs. Archana Gadodia				Nil (40,00,000)
3	Deposits Receipt	Mr. Rajesh Gadodia	1,60,00,000 (47,00,000)			8,32,00,000 (6,72,00,000)
		Mr. Nimish Gadodia	7,00,000 (Nil)			1,95,00,000 (1,88,00,000)
		Mr. Swarnal Gadodia		80,00,000 (Nil)		80,00,000 (Nil)
		Mrs. Archana Gadodia		75,00,000 (Nil)		1,15,00,000 (Nil)
4	Repayment of Loan	Artline Commerce Pvt Ltd			58,00,000 (Nil)	2,13,67,903 (2,52,41,699)
5	Purchase of Goods	Scan Energy & Power Ltd.			7,17,35,921 (2,94,56,061)	Nil (25,27,827)
		Nav Durga Fuel Private Limited			3,16,25,518 (20,21,835)	Nil (Nil)
6	Sale of Goods	Scan Energy & Power Ltd.			909,791,537 (675,852,668)	3,75,90,656 (15,15,04,299)
		Nav Durga Fuel Private Limited			1,65,95,922 (5,56,22,721)	8,59,87,158 (30,61,78,805)
7	Rent	Mrs. Archana Gadodia		9,60,000 (2,00,000)		10,20,000 (1,80,000)
8	Directors Remuneration	Mr. Rajesh Gadodia	15,00,000 (12,00,000)			21,200 (49,600)
		Mr. Nimesh Gadodia	9,00,000 (12,00,000)			Nil (1,99,400)

Note: Figures shown in brackets represents figures of previous year.

v. The exceptional items represents expenses of LC Usance Interest and Stores, Spares and Consumables related to earlier years.

vi. **Amalgamation:**

Pursuant to the scheme of Arrangement (the scheme) approved by the shareholders and sanctioned by the Hon'ble High Court of Odisha and at Bombay whereby Scan Steels Ltd. the transferor company are amalgamated with M/s Clarus Infrastructure Realities Ltd. the transferee company. The scheme became effective on 1st of April, 2010. Under the provisions of the Companies Act 1956 ('the Act'), the transferor company was transferred to and vested in the company as a going concern basis.

The Amalgamation has been accounted for in the books of account of 'Clarus Infrastructure Realities Ltd. under "Pooling of Interest Method m" as prescribed under Accounting Standard (As) 14 "Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India.

vii. Auditors Remuneration(net of service tax)

Particulars	Amount (₹)	
	2014-15	2013-14
a) Audit Fees	14,00,000	13,00,000
b) Tax Audit	2,00,000	2,00,000
c) Internal Audit	3,60,000	3,60,000
d) Other Matters	8,427	56,180
Total	19,68,427	19,16,180

- viii.** Trade Payable includes acceptances of bill representing liability towards Letter of Credit and MSME RFS limit from Banks. The Letter Of credit is primarily secured with hypothecation of merchandise covered under said LC on pari-passu basis with Consortium member Banks. The MSME RFS limit solely sanctioned by SIDBI is primarily secured with pledge of Fixed Deposit, personal guarantee of directors along with other collateral securities.
- ix.** The company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. and hence disclosures, relating to amount unpaid as at the year end together with the interest paid /payable as required under the said act have not been given.
- x.** Debtors & Creditors balances are subject to confirmation.
- xi.** Previous year figures have been regrouped and/or rearranged wherever necessary, confirming to current year. Figures in bracket represent previous year figure.

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E

For & on behalf of the Board of

M/s Scan Steels Ltd

B. Mohanty
Partner
M. No.56264

Rajesh Gadodia
Managing Director
DIN: 00574465

Vinay Goyal
Director
DIN: 07002206

Bhubaneswar
29th May 2015

Prabir Kumar Das
Company Secretary

Gobinda Chandra Nayak
Chief Financial Officer

Notes Forming Part of Financial Statements

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Note - 3		
Share Capital		
a) Authorised		
700,00,000 Nos of Equity shares of 10/- each (580,00,000 Nos of Equity shares of 10/- each)	70,00,00,000	58,00,00,000
b) Issued, Subscribed and Paid Up*		
378,00,300 Nos of Equity shares of 10/- each fully paid up (378,00,300 Nos of Equity shares of 10/- each fully paid up)	37,80,03,000	37,80,03,000
Total	37,80,03,000	37,80,03,000

*The paid up capital includes 2,00,00,000 nos of fully paid up equity shares of Rs.10 each allotted for consideration otherwise than in cash as per the scheme of amalgamation approved by the high court of Bombay and Cuttack.

c) Reconciliation of Number of shares outstanding is set out below:		
PARTICULARS	As at 31 st March'15	As at 31 st March'14
i) Shares outstanding at the beginning of the financial year.	3,78,00,300	3,78,00,300
ii) Issued during the year	-	-
iii) Shares outstanding at the end of the financial year	3,78,00,300	3,78,00,300

d) Details of shareholders holding more than 5% of shares

NAME OF THE SHARE HOLDERS	As at 31st March'15		As at 31st March'14	
	No of Shares	% held	No of Shares	% held
i) Rajesh Gadodia	3275531	8.67%	32,35,531	8.56%
ii) Nimish Gadodia	3188316	8.43%	31,88,316	8.43%
iii) Artline Commerce Pvt Ltd	9566575	25.31%	95,66,575	25.31%
iv) Bayanwala Brothers Pvt. Ltd.	2141384	5.66%	21,41,384	5.66%
v) Decent Vincom Pvt Ltd	2547221	6.74%	25,47,221	6.74%
vi) Mono Herbicides Ltd	3004320	7.95%	29,61,885	7.84%

The Company has a single class of Equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the company's residual assets.

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Note-4		
Reserves & Surplus		
a. Profit and Loss Statement		
Opening Balance	(71,13,463)	18,75,15,082
Add: Profit during the year	2,68,34,089	(19,18,67,851)
Less: Adjustment of net carrying amount of tangible fixed assets on account of change in useful lives	(1,28,48,045)	-
Less: Income Tax of Earlier years	-	(27,60,695)
Sub Total	68,72,581	(71,13,464)
b. Securities Premium		
Opening Balance	1,01,89,15,764	1,01,89,15,764
Add:-Received During the Year	-	-
Sub Total	1,01,89,15,764	1,01,89,15,764
c. General Reserve		
Opening Balance	13,44,11,859	13,44,11,859
Add:-Received During the Year	-	-
Sub Total	13,44,11,859	13,44,11,859
d. Capital Reserve		
Opening Balance	59,23,982	15,00,000
Add:-Received During the Year	-	44,23,982
Sub Total	59,23,982	59,23,982
e. Amalgamation Adjustment Reserves		
Opening Balance	4,93,71,390	4,93,71,390
Add:-Received During the Year	-	-
Sub Total	4,93,71,390	4,93,71,390
Total(a+b)	1,21,54,95,576	1,20,15,09,531

Note- 5

PARTICULARS	Amount (₹) As at 31st March'15		Amount (₹) As at 31st March'14	
	Non Current Maturities	Current Maturities	Non Current Maturities	Current Maturities
Long-term borrowings:				
Secured Loan:				
(a) Term Loan From Banks	20,31,89,474.00	15,72,12,945.00	33,50,51,912	12,91,75,000
(b) Financial Lease Obligations	39,13,912.00	44,74,562.00	33,14,462	25,05,961
Un Secured Loan:				
(a) Loan from Related Parties	2,13,67,903.00		3,52,41,699	-
(b) Loan from Others*	38,10,84,767.00	-	2,27,08,300	1,84,80,000
Other Loans and Advances				
Deposits(Unsecured)				
(a) Deposits from Public	1,27,27,602.00	51,58,000.00	1,70,51,602	44,91,000
(b) Deposits from Related Parties	9,98,38,000.00	2,25,00,000.00	8,21,38,000	40,00,000
Total	72,21,21,658.00	18,93,45,507.00	49,55,05,975	15,86,51,961

* Loan from Others includes loan from bodies corporate.

i) Details of Security

Particulars	Security Details
Term Loan From Banks	a) Secured by first charge on plant & Machinery acquired out of bank finance on paripassu basis with consortium members and equitable mortgage of land and building on which the plant is located(both present & future). It is further secured against personal guarantee of Promoters' and Corporate Guarantee from M/s Artline Commercial Pvt. Ltd. b) Extension charge over current assets and pledge of fixed deposit of face value of Rs 47.00 Lakhs on paripassu basis with consortium members.
Leased assets financed	Secured by hypothecation of respective fixed or movable assets.

ii) Maturity Profile of Secured Loan:

Amount in Rs.

Particulars	Maturity Profile		
		F:Y-2016-17	F:Y-2017-18
a) Term Loan from Banks		7,50,00,000	7,50,00,000
			5,31,89,474

iii) Deposits from public and related parties carries interest rates on cumulative and non-cumulative basis and are repayable after 1-3 years from the respective dates of deposits.

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Note- 6		
DEFERRED TAX(LIABILITY)\ASSET		
(a) Opening Balance (Timing difference related to Depreciation)	19,56,76,897	18,63,06,194
(b) Deferred Tax Liability/(Asset) recognised in the statement of profit and Loss Account	1,57,57,731	93,70,703
(c) Adjustment of Tax effect on carrying amount of tangible assets on account of change in useful lives	(57,41,435)	-
Total	20,56,93,193	19,56,76,897

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Note- 7		
Other Long term liabilities		
(a)Security Deposit	-	5,55,000
Total	-	5,55,000

Note- 8

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Short-term borrowings		
Secured:		
Cash Credit	1,60,90,72,207	1,54,11,29,182
Total	1,60,90,72,207	1,54,11,29,182

Details of Security

Particulars	Security Details
Cash credit	Secured by hypothecation of whole of current assets both present and future namely: raw Materials, stock in process, semi finished and finished goods, consumable stores and spares, book debts of the company on pari passu basis with consortium members.

Note- 9

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Other current liabilities		
(a) Current maturities of long-term debt	15,72,12,945	12,91,75,000
(b) Current maturities of finance lease obligations	44,74,562	25,05,961
(c) Current maturities of Deposits	2,76,58,000	78,50,337
(d) Interest accrued and due on borrowings	69,30,818	55,09,863
(e) Advance from customers	12,48,73,805	26,73,06,949
(f) Statutory dues payable.	2,15,91,374	52,89,776
(g) Liabilities for expenses	12,30,54,777	8,55,51,534
Total	46,57,96,281	50,31,89,420

Note- 10

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Short-term provisions		
(a) Provision for Taxation	1,10,76,519	-
(b) Provision of Excise Duty on Closing Stock of Finished Goods	4,38,53,169	5,01,27,115
Total	5,49,29,688	5,01,27,115

NOTE-11

FIXED ASSETS SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2015

SL NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		UPTO 01.04.2014	ADDITIONS	SALE/ADJ.	UPTO 31.03.2015	UPTO 01.04.2014	DEPRFOR THE YEAR	SALE/ADJ.	UPTO 31.03.2015	ASON 31.03.2015	ASON 31.03.2014
1	LAND & LAND DEVELOPMENT	2,30,31,067	16,37,12,301	-	18,67,43,368	-	-	-	-	18,67,43,368	2,30,31,067
2	FACTORY SHED & BUILDING	71,00,73,331	1,47,81,385	-	72,48,54,966	12,30,22,853	2,23,54,484	-	14,53,77,337	57,94,77,629	58,70,50,728
3	NON FACTORY BUILDING	13,01,67,638	-	-	13,01,67,638	66,75,472	20,54,254	-	85,29,726	12,16,37,912	12,26,92,166
4	PLANT & MACHINERY	1,67,99,84,729	283,03,726	-	1,70,82,88,455	47,62,38,928	5,61,63,184	-	53,24,32,112	1,17,58,56,344	1,20,37,58,011
5	CAPITEX POWER PLANT	65,85,74,344	-	-	65,85,74,344	-	1,25,44,950	-	23,45,22,306	42,40,51,888	43,65,96,788
5	ELECTRICAL INSTALLATION & EQUIPMENT	8,17,99,211	52,22,768	-	8,70,21,979	42,57,575	77,09,536	1,53,39,701	6,54,06,672	2,16,15,307	3,94,41,836
6	LABORATORY EQUIPMENT	1,38,74,363	-	-	1,38,74,363	26,36,265	16,25,408	1,22,921	42,44,624	96,29,778	1,13,78,088
7	COMPUTER & PERIPHERALS	1,23,28,226	1,18,000	-	1,24,46,226	1,11,11,121	5,48,077	-	1,16,49,198	7,97,028	12,27,105
8	OFFICE & FACTORY EQUIPMENTS	14,50,278	56,000	-	15,06,278	4,36,485	3,39,110	1,87,329	10,12,923	4,93,355	9,65,793
9	HEAVY & XEROX	2,93,261	-	-	2,93,261	1,35,033	33,488	55,037	2,23,567	69,694	1,38,228
10	WATER SUPPLY INSTALLATION	21,39,855	-	-	21,39,855	4,38,511	63,860	-	5,02,371	16,37,484	17,01,344
11	FURNITURE & FIXTURES	37,48,460	-	-	37,48,460	13,48,951	4,63,847	5,800	18,18,598	19,29,861	23,99,538
12	VEHICLES	5,10,92,363	-	-	5,10,92,363	2,47,38,903	48,74,532	1,08,949	2,97,42,383	2,13,49,980	2,63,33,461
13	DUMPER & TRIPPER	5,24,09,927	54,25,045	-	5,78,34,972	3,38,75,163	40,87,578	18,94,403	3,98,57,145	1,79,77,828	1,85,34,764
14	WIRELESS COMMUNICATION	14,30,981	-	-	14,30,981	6,57,166	1,39,435	3,36,463	11,93,064	2,37,917	7,75,815
15	TUBE WELL	40,87,537	-	-	40,87,537	8,30,847	23,66,338	90,846	32,88,086	7,99,450	32,36,689
16	POLLUTION CONTROL EQUIPMENT	10,05,70,563	-	-	10,05,70,563	2,98,28,732	34,15,978	-	3,27,44,710	6,78,25,853	7,12,41,831
17	ENERGY SAVING DEVICES	25,22,814	-	-	25,22,814	3,26,367	2,92,736	-	6,19,160	19,03,664	21,96,447
18	AIR CONDITIONER	27,16,336	1,94,000	-	29,10,616	5,35,670	4,93,116	8,294	10,97,079	18,13,536	21,31,916
21	DIESEL GENERATOR	1,01,47,728	25,24,241	-	1,26,71,969	38,13,670	15,15,997	3,79,737	57,09,405	69,62,564	63,34,058
22	MUCH BRIDGE	21,23,481	-	-	21,23,481	6,33,846	2,77,622	-	9,11,468	12,12,013	14,89,635
	TOTAL (A)	3,54,45,66,992	22,03,37,496	-	3,76,49,04,488	75,89,51,387	12,13,63,712	1,85,89,480	1,12,08,82,135	2,64,40,22,353	2,56,36,38,099
INTANGIBLE ASSETS											
1	TRADE MARK	5,77,400	-	-	5,77,400	5,48,530	-	-	5,48,530	28,870	28,870
	TOTAL (B)	5,77,400	-	-	5,77,400	5,48,530	-	-	5,48,530	28,870	28,870
	TOTAL (A+B)	3,54,51,44,392	22,03,37,496	-	3,76,54,81,888	75,94,99,917	12,13,63,712	1,85,89,480	1,12,14,30,665	2,64,40,51,223	2,56,36,66,919
	PREVIOUS YEAR	3,55,69,09,881	48,09,888	1,70,04,649	3,54,47,15,121	81,18,30,942	17,10,46,959	17,79,384	58,11,18,517	2,56,35,96,603	2,74,50,38,999



Note -12

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Long-term loans and advances (Unsecured Considered Good, recoverable in cash or in kind, or for value to be received)		
(a) Security Deposits	10,14,09,469	8,55,21,588
(b) Advance Against property	5,11,76,922	3,09,69,732
(c) Advance to Related Party	1,48,05,971	1,48,05,971
Total	16,73,92,362	13,12,97,291

Note -13

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Inventories (As taken, valued and certified by the Management)		
(a) Raw Materials	97,46,56,701	99,43,78,733
(b) Finished goods	40,21,38,532	46,05,04,945
(c) Work - in - Process	1,40,84,985	2,60,56,227
(d) Stock In Trade- Material	73,00,493	2,03,400
(e) Stock in Trade- Securities	1,90,26,672	2,99,67,499
(f) Stores,spares and consumables	9,83,07,945	4,44,30,906
Total	1,51,55,15,327	1,55,55,41,710

Note -14

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Trade Receivables: (Un secured Considered good recoverable in cash or in kind or for value)		
More than Six months	8,59,87,158	24,78,23,841
Less than Six months	77,85,83,136	71,95,19,728
Total	86,45,70,294	96,73,43,569

Note -15

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Cash & Bank Balance		
(i) Balance with Scheduled Banks		
In Current Accounts	74,74,714	1,55,62,903
In Fixed Deposit Accounts*	8,95,05,992	9,19,94,080
In Accrued Interest	95,54,459	1,00,90,753
(ii) Cash in hand	45,77,307	77,84,660
Total	11,11,12,471	12,54,32,396

*Balances with bank in form of Fixed Deposits carries more than 12 months maturity.

Details of Balances with banks to the extent held as margin Money or Guarantees.

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
a) Margin Money L.C & B.G	3,94,50,000	4,87,50,000
b) Others - Fixed deposit	5,00,55,992	4,32,44,080
Total	8,95,05,992	9,19,94,080

Note -16

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Short Term Loans & Advances (Unsecured, Considered Good)		
(a) Balance with Govt. Authorities		
Central Excise	2,11,54,677	1,93,97,356
Sales tax	5,99,55,233	6,63,01,452
Income Tax	1,05,65,477	41,94,932
(b) Advances to Suppliers	26,60,04,970	14,47,39,555
(c) Others Advances*	52,56,124	16,13,733
Total	36,29,36,481	23,62,47,028

*Other advances includes advance for expenses

Note -17

PARTICULARS	Amount (₹) As at 31 st March'15	Amount (₹) As at 31 st March'14
Other Current Assets		
Insurance Claim Receivable	69,67,337	5,00,000
Unmatured Financial Charges	8,87,654	5,88,613
Advance To staff	5,28,029	27,590
Prepaid Expenses	56,72,109	41,98,805
Total	1,40,55,129	53,15,008

Note -18

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Revenue from Operations :		
(a) Sale of Products	4,31,07,54,924	4,13,42,94,202
(b) Sale of Traded Goods	44,99,11,637	52,27,47,128
(c) Sale of Power	4,21,085	5,83,178
(d) Other Operating Revenue*	17,92,62,332	-
Total	4,94,03,49,978	4,65,76,24,508

* Other Operating Revenue Includes Derivative Income



Details of Sale of Products

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
(c) Sales - TMT Re Bar	2,28,90,67,295	1,69,69,25,218
(b) Sales - M.S. Billet/ Ingot*	21,49,18,409	-
(c) Sales - Sponge Iron	1,67,56,35,223	2,09,77,00,534
(d) Sales - Trading Materials	44,99,11,637	52,27,47,128
(e) Sales - Power	4,21,085	5,83,178
(f) Shares	-	4,18,99,968
(g) Other Sales**	31,03,96,329	29,77,68,482
Total	4,94,03,49,978	4,65,76,24,508

* Sale Of M S Ingot Includes, amounting to Rs.67,00,340.00 Removed As Such, for which Excise Duty has duly

** Other sales includes sale of Iron Ore fines, Ash Char ,Waste mill scale etc.

Note -19

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Other Income :		
(a) Interest Income -Fixed Deposit	85,84,905	77,96,259
(b) Interest Income -Security deposit	51,96,087	-
(c)Profit/(Loss) on Sale of Fixed Asset	-	88,574
(d) Compensation Received	61,24,828	54,72,723
(e) Dividend Income	-	4,560
(f) Miscellaneous Income	11,75,707	1,29,276
Total	2,10,81,527	1,34,91,392

Note -20

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Cost of Materials Consumed		
(a)Opening Stock	99,43,78,733	1,26,85,51,797
(b)Add: Raw Materials purchased	2,74,46,27,102	2,55,63,07,906
(c)Less: Realisation	7,69,88,158	16,31,53,740
(d)Closing Stock	97,46,56,701	99,43,78,733
Total	2,68,73,60,977	2,66,73,27,230

Details of Material Consumed

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
a) Iron Ore /Pellet	1,48,27,33,551	1,67,43,65,395
b)Pig Iron	31,40,60,381	14,25,59,926
c)Scrap	25,59,84,402	9,67,03,898
d)Sponge Iron	6,91,33,915	-
e) Coal	56,54,48,728	75,36,98,011
Total	2,68,73,60,977	2,66,73,27,230

Note -21

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Change in Inventories		
Opening Stock		
Stock - in - Process	2,60,56,227	2,41,74,912
Finished Goods	46,05,04,945	63,86,90,695
Stock In Trade-Material	2,03,400	3,14,04,450
Stock In Trade-Securities	2,99,67,499	7,21,89,344
Sub-total	51,67,32,071	76,64,59,401
Less : Closing Stock		
Stock - in - Process	1,40,84,985	2,60,56,227
Finished Goods	40,21,38,532	46,05,04,945
Stock In Trade-Material	73,00,493	2,03,400
Stock In Trade-Securities	1,90,26,672	2,99,67,499
Sub-total	44,25,50,682	51,67,32,071
Net increase/(Decrease) in inventories	7,41,81,389	24,97,27,330

Note -22

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Employee Benefit Expenses:		
Salaries,Wages & Bonus	8,89,03,039	6,91,66,279
Contribution to Provident and other Funds	98,10,167	60,50,228
Staff Welfare Expenses	7,28,400	9,48,943
Total	9,94,41,606	7,61,65,450

Note -23

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Financial Cost		
Interest on Borrowing	30,17,87,729	28,61,39,055
Other Borrowing Costs	4,53,07,203	3,23,86,365
Other Interest	56,85,161	98,78,115
Total	35,27,80,093	32,84,03,535



Note -24

PARTICULARS	Amount (₹) for the year ended 31 st March'15	Amount (₹) for the year ended 31 st March'14
Other Expenses :		
Net increase/ (Decrease) in Excise duty On closing Stock	(62,73,945)	(1,87,36,481)
Consumption of Stores,Spares	3,60,16,140	5,03,85,817
Power and Fuel	59,00,73,669	41,97,56,004
Operational Expenses	2,18,47,754	2,28,78,450
Security Service Charges	49,01,300	43,17,042
Repairs And Maintenance	38,25,895	37,59,540
Water Charges	27,95,856	52,03,406
Insurance	41,61,721	19,08,445
Bank Charges	38,95,100	1,13,29,178
Rent Rates and Taxes	66,15,759	12,46,445
Auditors' Remuneration	19,68,427	19,16,180
Advertisement & sales promotion	72,92,265	25,27,337
Professional & Consultancy	18,97,541	20,80,194
Share Issue Expenses	11,40,000	-
Telephone Expenses	8,07,085	4,89,182
License & Renewal Fees	22,88,043	15,88,139
General Expenses	14,80,504	23,54,952
Total	68,47,33,114	51,30,03,829

SCAN STEELS LIMITED

**Regd. Office: Off. No. 104,105, E-Square, Subhash Road, Opp. Havmor Ice- Cream,
Vile Parle (East), Mumbai - 57.**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholder are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, Adroit Corporate Services Pvt Limited or to the company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
Adroit Corporate Services Private Limited
19, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E),
Mumbai-400 059.

Dear Sir,
I/We _____ shareholder (s) of Scan Steels Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No...../DP ID No.*.....and Client ID No.*

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : _____

Name of the Joint Shareholders (if any) : _____

No. of Shares held : _____

E-mail id for receipt of documents in Electronic mode : _____

Date :

Place:

Signature: _____
(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

SCAN STEELS LIMITED

Regd. Office: Off. No. 104,105, E-Square, Subhash Road, Opp.Havmor Ice- Cream,
Vile Parle (East), Mumbai – 57.
(CIN L27209MH1994PLC076015)

ATTENDANCE SLIP

DP ID:

Client ID:

Folio No:

No. of Shares:

Name of the Shareholder

.....

Joint Holder 1

.....

Joint Holder 2

.....

Registered address of the Shareholder

.....

Name of the Proxy / Representative

.....

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company to be held at office no 104-105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (East), Mumbai – 400057 on Wednesday, the 30th Day of September, 2015 at 10.00 A.M.

Signature of the Share Holder/Proxy:.....

NOTES:

- 1) Please complete the Folio/ DP ID-Client ID No. and name of the Member/ Proxy, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
- 2) Shareholder/ Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.
- 3) Members are requested to Bring their Identity Cards or details of Shares held by them in the Company (i.e. Folio no. , DP ID, CLIENT ID) while Coming to attend the Annual General Meeting for easy identification.

PROXY FORM**(Form No. MGT-11)**

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

CIN	L27209MH1994PLC076015
Name of the Company	Scan Steels Limited
Registered office	104 - 105, E Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057.
Name of the Member(s)	
Registered Address	
Email - id	
Folio No. / Client ID	

I/We, being the member(s) of shares of the above named company, hereby appoint or

1.	Name
	Address
	E-mail Id
	Signature
	failing him
2.	Name
	Address
	E-mail Id
	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on the 30th September 2015 at 10.00 A.M at office no 104-105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (East), Mumbai - 400057 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS
1.	Ordinary resolution for adoption of Audited Financial Statements, Report of the Board of Directors and Auditors for the year ended 31-03-2015
2.	Ordinary resolution for re-appointment of director in place of Mr. Rajesh Gadodia (DIN: 00574465), who retires by rotation and being eligible, offers himself for re-appointment.
3.	Ordinary resolution for ratification of appointment of the auditors (M/s. SRB & Associates, Chartered Accountants) of the company and their remuneration fixed at the twenty first Annual General Meeting of the company held on December 30, 2014.
4.	Ordinary Resolution for ratification of Remuneration of Cost Auditors under section 148 of the companies Act, 2013
5.	Special resolution for offer, issue and allotments of warrants convertible into equity shares on preferential basis under section 42 and 62 of the Companies Act, 2013
6.	Special Resolution for adoption of new set of Articles of Association (AOA) of the company in conformity with provisions of companies act, 2013.

Signed this.....day of.....2015

Signature of shareholder :.....

Signature of proxy holder(s) :.....

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

AFFIX
REVENUE
STAMP

SCAN STEELS LIMITED

(Formerly Known as Clarus Infrastructure Realities Limited)

Registered Office : Office No. 104/105, E-Square, Subhash Road, Opp. Havmor Ice cream, Vile Parle (East),
Mumbai – 400057, (CIN-L27209MH1994PLC076015) **Website :** www.scansteels.com

Email: secretarial@scansteels.com ; **Telephone :** +91 02226185461; 02226185462; **Fax :** +91 02226185463

BALLOT FORM FOR VOTING ON RESOLUTIONS IN THE 22ND ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2015 AT 10.00 A.M.

1. Name(s) Registered Address :
of the sole / first named Member

2. Name(s) of the Joint Holder(s) if any :

3. Registered Folio No. :

4. Number of Share(s) held :

I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 31ST August, 2015, by conveying my / our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below :

Sr. No.	RESOLUTIONS	No. of Shares	I/We assent to the Resolution (FOR)	I /We dissent to the Resolution (AGAINST)
ORDINARY BUSINESS				
1.	Ordinary resolution for adoption of Audited Financial Statements, Report of the Board of Directors and Auditors for the year ended 31-03-2015			
2.	Ordinary resolution for re-appointment of director in place of Mr. Rajesh Gadodia (DIN: 00574465), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary resolution for ratification of appointment of the auditors (M/s. SRB & Associates, Chartered Accountants) of the company and their remuneration fixed at the twenty first Annual General Meeting of the company held on December 30, 2014.			
SPECIAL BUSINESS				
4.	Ordinary Resolution for ratification of Remuneration of Cost Auditors under section 148 of the companies Act, 2013			
5.	Special resolution for offer, issue and allotments of warrants convertible into equity shares on preferential basis under section 42 and 62 of the Companies Act, 2013			
6.	Special Resolution for adoption of new set of Articles of Association (AOA) of the company in conformity with provisions of companies act, 2013.			

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event No.)	User ID	Password

Signed this.....day of.....2015

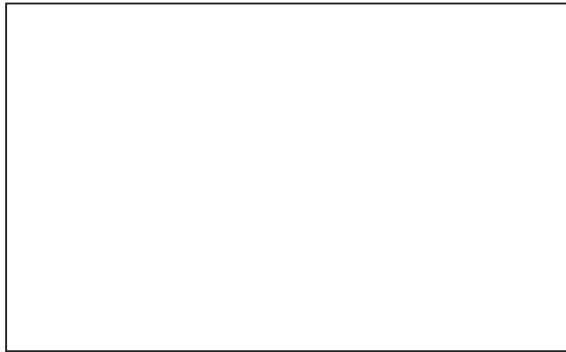
Signature of shareholder :.....

INSTRUCTION

1. In case of those members, who do not have access to e-voting facility, they can use this Ballot form and convey their assent / dissent to each one of the items of business to be transacted at the ensuing AGM.
2. A Member desiring to exercise vote by physical ballot form may complete this Ballot form and send it to the Company at its registered office in the name of Scrutinizer, on or before 29th September, 2015 (05.00 p.m.)
3. The voting shall be reckoned in proportion to a Member's share of the paid up equity share capital of the Company as on 23rd September, 2015.
4. The Scrutinizer's decision on the validity of Ballot form will be final.
5. **The Company is pleased to offer e-voting facility as an alternative, for all the shareholders of the Company to enable them to cast their votes electronically instead of dispatching Ballot Form. E-voting is optional. The detailed Procedure of e-voting is enumerated in the Notice of Annual General Meeting.**
6. If a shareholder has opted for Physical Ballot Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical Ballot form and e-voting, then vote cast through e-voting shall be considered, and vote cast through Ballot form subject to the form being found to be valid shall be treated as invalid.
7. The Scrutinizer shall make a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman.
8. The Results declared along with Scrutinizer's Report shall be available at the registered office of the Company and on the website of CDSL not later than 3 days of the passing of the resolutions at the AGM of the Company and communicated to Stock Exchanges where the shares are listed.

BOOK-POST
(Printed Matter)

To,



If undelivered, please return to :

SCAN STEELS LTD.

Off. No. 104,105, E-Square, Subhash Road,
Opp.Havmor Ice- Cream, Vile Parle (East), Mumbai - 57
Tel: 022-26185461/62 Fax 022-26185463

Web site: www.scansteels.com, E-mail: scansteels@scansteels.com