

# EMERALD STEEL INDUSTRIES LIMITED

## CORPORATE GOVERNANCES REPORT

The Securities & Exchange Board of India (SEBI) ushered a formal code of corporate governance through Clause 49 in the Listing Agreement executed by the Company with the stock exchange. The detailed report on corporate governance as per the format prescribed by SEBI and incorporated in Clause 49 of the listing Agreement is set out below:

## A. MANDATORY REQUIREMENTS

### 1. COMPANY S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company is essential for the long-term enhancement of the shareholders value and interest. The Company believes that action must enhance the shareholders wealth.

### 2. BOARD OF DIRECTORS

The strength of the Board of Director presently is Three.

During the year Nine Board Meetings were held on 30<sup>th</sup> April 2011; 27<sup>th</sup> July, 2011; 31<sup>st</sup> July, 2011; 31<sup>st</sup> August, 2011; 31<sup>st</sup> October, 2011; 4<sup>th</sup> November, 2011; 31<sup>st</sup> January, 2012; and 8<sup>th</sup> February, 2012.

The Composition of the Board and number of Board Meeting held during the year and the last Annual General Meeting, number of directorship in other companies and membership in committees across various companies of which the director is member/chairman:

Name of Director	Category	No. of other Directorship held <sup>1</sup>	No. of other Committees of Member/ Chairman	Board Meeting Attended	Attendance at the last AGM
Mr. Kamal Kumar Beriwala	NED	3	Nil	8	Yes
Mr. Ramesh Kumar Beriwala	NED	3	Nil	8	Yes
Mr. Shiv Mohan Rai	NED (I)	1	Nil	8	Yes



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Notes:

1. This number excludes the directorships/ committee memberships held in private limited companies, foreign companies, companies registered under section 25 of the Companies Act, 1956 and that of the company.
2. NED – Non Executive Director; NED (I) – Non Executive Independent Director.
3. Mr. Ramesh Kumar Beriwala is liable to retire by rotation at the forth coming Annual General Meeting and being eligible, they have offered himself for re-appointment. Relevant details pertaining to him are provided in the Notice of the Annual General Meeting.

## 3. AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of 3 directors including Independent Director, namely, Kamal Kumar Beriwala, Ramesh Kumar Beriwala and Shiv Mohan Rai. The Audit Committee also meets the requirement of Sec.292A of the Companies Act, 1956 as introduced by the Amendment Act 2000.

The Committee is required to review and ensure that financial statements are, sufficient and credible with references to the following points before submission to the board.

- Changes in Accounting Policies and practices.
- Qualification of draft Audit Report.
- Significant adjustment arising out of Audit.
- Compliance of Accounting Standard.
- On going Concern assumptions.
- Material transaction with promoters or management, their subordinate or relatives.
- Discuss with Statutory Auditors after /before the Audit for the Areas of Concern.
- The adequacy of internal Audit.
- Recommendations for the Auditors Control.
- Review of Audit Fees & other Professional Fees payable to the Auditors.
- Recommendations of Auditors Appointment /removal.
- Review the Company Financial and Risk Management Policy.
- To look into reason for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors.

In order to effectively discharge their responsibility, the committee Members has been empowered to:

- To investigate any activity referred.
- To seek information from any employee.
- To obtain outside legal/professional advice.
- To secure attendance of Outsiders.

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- To invite Auditors as when required.

The Audit Committee, as a sub committee of the Board met 5 times during the relevant last year ended 31<sup>st</sup> March, 2012.

The Composition of the Audit Committee and attendance at its meeting is given hereunder:

Name	Position	Category	Attendance
Shri Shiv Mohan Rai	Chairman	Independent & Non Execut	5
Shri Kamal Kumar Beriwal	Member	Non Executive Director	5
Smt. Ramesh Kumar Beriwal	Member	Non Executive Director	5

#### 4. SHARE TRANSFER & SHAREHOLDERS/ INVESTOR GRIEVANCES COMMITTEE

The Securities Transfer & Investor Grievance Committee, as a sub committee of the Board, *inter alia*, reviews shareholders/ investors grievances. The committee met 4 times during the year. The Committee is constituted to look into the redressal of investors' complaints like non receipts of Annual Report, Notices etc. and matter related to share transfer, issue of duplicate share certificates, dematerialisation of shares etc.

The Composition of the Securities Transfer & Investor Grievance Committee and attendance at its meeting is given hereunder:

Name	Position	Category	Attendance
Shri Kamal Kumar Beriwal	Chairman	Non Executive	4
Shri Shiv Mohan Rai	Member	Independent Non Executive Director	4
Smt. Ramesh Kumar Beriwal	Member	Non Executive Director	4

#### 5. GENERAL BODY MEETING

The Details of Last Three Annual General Meeting are as follows:

Financial Year	Date	Locations	Time
2010-11	30.09.2011	Registered office	10.30 A.M.
2009-10	30.09.2010	Registered office	10.30 A.M.
2008-09	29.09.2009	Registered office	1030 A.M.

#### 7. DISCLOSURES

Material Significant Related Parties Transaction

None of transaction with any of the related party was in conflict with the interest of the Company.

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Non Compliance of the Company, penalty, strictures imposed on the Company by SEBI or Stock Exchange, or any other statutory authority, or any matter related to capital market during the last three year.

There are no instances of Non Compliance of any of the above matter.

## 8. MEANS OF COMMUNICATION

(a) The Company has agreed to publish the quarterly, half yearly, annual audited results in the "The Financial Express" (English) "Kalantar" (Bengali).

## 9. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

Date : 29<sup>th</sup> Day of September 2012  
Time : 10.30 A. M.  
Venue : 167, Chittaranjan, Avenue, Fourth Floor  
Kolkata- 700 007

Financial Calendar : 1<sup>st</sup> April, 2011-31<sup>st</sup> March 2012

Book Closure : Date: 22<sup>nd</sup> September, 2012 to 29<sup>th</sup>  
September 2012.  
(Both Days inclusive)

Listed at : The Calcutta Stock Exchange Association Limited

Correspondences Address : 167, Chittaranjan, Avenue, Fourth Floor  
Kolkata- 700 007

Registrar & Transfer Agent : In-house

cript Code of company in : 15083  
the exchange where listed

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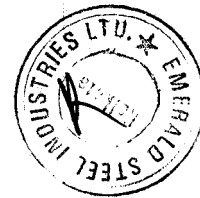
## B. NON-MANDATORY REQUIREMENTS

### Shareholders Right

As the Company's quarterly, half yearly and annual results are published in news papers (In English & Bengali), the same are not sent to the shareholders.

### Postal Ballot

The provision relating to Postal Ballot will be complied with respect of matters wherever applicable.



# EMERALD STEEL INDUSTRIES LIMITED

## CORPORATE INFORMATION

**BOARD OF DIRECTORS** : Shri Kamal Kumar Beriwal  
Shri Ramesh Kumar Beriwal  
Shri Shiv Mohan Rai

**AUDIT COMMITTEE** : Shri Kamal Kumar Beriwal  
Shri Ramesh Kumar Beriwal  
Shri Shiv Mohan Rai

**SHARE TRANSFER &  
INVESTORS' GRIEVANCE  
COMMITTEE** : Shri Kamal Kumar Beriwal  
Shri Ramesh Kumar Beriwal  
Shri Shiv Mohan Rai

**AUDITORS** : M/s. R.K Tapadia And Co.  
Chartered Accountants

**REGISTERED OFFICE** : 167, Chittaranjan Avenue, Fourth Floor,  
Kolkata- 700 001

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Risk and Concerns

The company is essentially an Commercial Company. Its source of income is from commercial activities on business done and held by it with other parties and the capital appreciation of investments. Any adverse financial impact on the operation / business of the invested companies may impact the revenues of the company and also the result in diminution in the value of investments.

### Management Perception

The business of the company are done in the ordinary course of business and are mainly focussing in catering the needs of its associates and other business links. Investment of the Company if any with the other companies shares are shown in the books of accounts at cost of acquisition. The listed investment should generally have a good capital appreciation looking to the capital market trends. However, the sudden and high volatility in the stock markets based on several factors including global factors may affect the market values of the investments.

### Adequacy of internal control system

The company's internal control system and procedures are commensurate with the size of operation and are adequate to ensure –

- safeguard its assets and resources against loss, unauthorized use or disposition,
- compliance with the statutes and regulatory policies and framework, and
- all transactions are authorised, recorded and reported correctly.

**The Audit Committee of Directors continually reviews adequacy of internal controls.**

