

EMERALD STEEL INDUSTRIES LIMITED

"CENTRE POINT", 21, HEMANT BASU SARANI, 3RD FLOOR, ROOM NO. 306, KOLKATA- 700 001
E-mail – investors.emerald@gmail.com, Phone No. 033-30288508, Fax : 033-30288499

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 four.

During the year Twelve Board Meetings were held on 23rd April 2012, 14th May 2012, 31st July 2012, 18th August 2012, 4th September 2012, 29th September 2012, 8th November 2012, 27th December 2012, 4th February 2013, 22nd February 2013, 25th March 2013, 30th April 2013.

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 ¹	No. of other Board Committees of which Member/Chairman	Board Meeting Attended	Attendance at the last AGM
Mr. Kamal Kumar Beriwal	NED	3	Nil	12	Yes
Mr. Ramesh Kumar Beriwal	NED	3	Nil	12	Yes
Mr. Shiv Mohan Rai	NED(I)	1	Nil	12	Yes
Mr. Manish Kumar Dubey	ED	8	Nil	1	N.A.

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; ED – Executive Director.
3. Mr. Kamal Kumar Beriwal is liable to retire by rotation at the forth coming Annual General Meeting and being eligible, 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 Beriwal, Ramesh Kumar Beriwal & 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.
- To invite Auditors as when required.

The Audit Committee, as a sub committee of the Board met 5 times during the relevant last year.

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



Name	Position	Category	Attendance
Mr. Ramesh Kumar Beriwala	Chairman	Non Executive Director	5
Mr. Kamal Kumar Beriwala	Member	Non Executive Director	5
Mr. Shiv Mohan Rai	Member	Independent & 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
Mr. Shiv Mohan Rai	Chairman	Independent & Non Executive	4
Mr. Ramesh Kumar Beriwala	Member	Non Executive	4
Mr. Kamal Kumar Beriwala	Member	Non Executive	4



5. GENERAL BODY MEETING

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

Financial Year	Date	Locations	Time
2011-2012	29.09.2012	Registered office	1:30 P.M.
2010-2011	30.09.2011	Registered office	10:30 A.M.
2009-2010	30.09.2010	Registered office	10:30 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.

Non Compliance of the Company, penalty, strictures imposed on the Company by SEBI or Stock Exchange, or any other statutory authority, or any mater 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 published the quarterly, half yearly, annual audited results in the "Business Standard" (English) "Duranta Barta" (Bengali).



9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date : 30th Day of September 2013
Time : 1:30 P.M.
Venue : "Centre Point", 21, Hemant Basu Sarani,
3rd Floor, Room No. 306,
Kolkata - 700 001

Financial Calendar : 1st April, 2012 - 31st March 2013

Book Closure : **Date:** 24th September 2013 to 30th
September 2013.
(Both Days inclusive)

Listed at : The Calcutta Stock Exchange Limited

Correspondences Address : "Centre Point", 21, Hemant Basu Sarani,
3rd Floor, Room No. 306,
Kolkata - 700 001

Registrar & Transfer Agent : In - house

**Script Code of company in
the exchange where listed** : 15083



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.



CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. Kamal Kumar Beriwala Mr. Ramesh Kumar Beriwala Mr. Shiv Mohan Rai Mr. Manish Kumar Dubey
AUDIT COMMITTEE	:	Mr. Kamal Kumar Beriwala Mr. Ramesh Kumar Beriwala Mr. Shiv Mohan Rai
SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE	:	Mr. Kamal Kumar Beriwala Mr. Ramesh Kumar Beriwala Mr. Shiv Mohan Rai
AUDITORS	:	M/S R.K. Tapadia & Co. Chartered Accountants
REGISTERED OFFICE	:	"Centre Point", 21, Hemant Basu Sarani, 3 rd Floor, Room No. 306, Kolkata - 700 001



MANAGEMENT DISCUSSION AND ANALYSIS

Risk and Concerns

The company is essentially a 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 focusing in catering to the needs of its associates and other business links. Investment of the Company if any with 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.

