

MAHABIR METALLEX LIMITED

(Formerly known as Apollo Fittings Private Limited)

Corporate Governance Report For Financial Year 2014-15

Corporate Governance Report

Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

In accordance with the Clause 52 of the SME Listing Agreement with BSE Limited and some of the best practices followed on Corporate Governance, the report containing the details of Corporate Governance systems and processes at Mahabir Metallex Limited is as follows:

- **Board of Directors**

Composition and Category of Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with one women director and not less than 50 (Fifty) % of the Board of Directors comprising Non-Executive Directors. The Chairman of the Board is an Executive Director with half of the Board comprising of Independent Directors.

As on March 31, 2015, your Company's Board has strength of Four (4) Directors comprising Two (2) are independent. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

As required under Section 149 of the Companies Act, 2013 Ms. Anju Gupta has been appointed as Women Director on the Board.

None of the Directors is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 52) across all the companies in which he/she is a Director.

Directors' Profile:

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with them a wide range of skill and experience to the Board, which enhance the quality of the Board's decision making process. The brief profile of the Company's Board of Directors is as under:

- **Mrs. Anju Gupta** is the Promoter & Managing Director of our Company. Presently she is taking care of the administration of Our Company. She is a first generation entrepreneur. Her dynamic approach in business gives guidance to our employees in achieving targets in a dynamic and complex business environment.
- **Mr. Manoj Gupta**, aged 49 years, is the Promoter and Non-Executive Director of our Company. Mr. Gupta is a commerce graduate and is in the business since last 25 years. Due to his aggressive, dynamic and competitive business approach, he has been spearheading the company since its inception. He was looking after the family business under the name "Mahabir Steel & Rolling Mills", a partnership firm. This firm was engaged in the business of manufacturing Steel Strips and Steel pipe at Mohan Nagar. Mr. Gupta was looking after the entire affairs of the business as CEO.

- **Mr. Deepak Garg**, is the Non-Executive and Independent Director of our Company. He is an engineer by profession and is having a vast technical experience in his field. From January, 2006 till March, 2008, he was director in M/s SVP Developers Ltd (Formerly Known as Apna Kanaha Industries Limited). Through his professional advice and guidance, the company progressed a lot.
- **Mr. Pradeep Kumar Goel**, is the Non-Executive and Independent Director of our Company. He is Graduate by qualification and is having a vast experience in real estate business. From January, 2006 till March, 2008 he was director in M/s SVP Developers Ltd. (Formerly Known as Apna Kanaha Industries Limited). Through his professional advice and guidance, the company progressed a lot and started a residential project named as Gulmohur Garden under collaboration with M/s SVP Builders (I) Ltd., a real estate company of SVP Group. In May 2008, he joined as director of M/s Paramount Facilities & Services Pvt. Ltd., which is a service & maintenance provider company.

Directors' Induction, Familiarization and Training:

As per Clause 52 of the Listing Agreement the Company has entered into with BSE Limited (BSE), the Company shall provide suitable training to Independent Director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

The Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The Company has been organizing visits of the Directors to its plants at various locations in the country from time to time with a view to enable them to familiarize with the nature of industry, operations, processes and to interact with the management personnel and staff. Directors are regularly briefed about the Industry's specific issues to enable them to understand the business environment in which the company operates. To enhance their skills and knowledge the Directors are regularly updated on the changes in the policies, laws and regulations, developments in the business environment etc.

Efforts are also made to familiarize the Directors about their roles, rights, responsibility in the Company, its business model and the environment in which the Company operates.

Board functions, procedure and Meetings:

The Board plays a pivotal role in ensuring that holistic governance measures are undertaken. Its style of functioning is democratic. The Board members always have had complete freedom to express their opinions and decisions are taken after a consensus is reached following detailed discussions. They are also free to bring any matter up for discussion at the Board Meetings with the permission of the Chairman.

In accordance with the provisions of Clause 52 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Clause 52 of SME Listing Agreement, and if necessary, additional meetings are held. It has always been the Company's policy and practice that apart from matters requiring the Board's approval by law, all major decisions including half-yearly/yearly results of the Company and its divisions, financial restructuring, capital expenditure proposals, sale and acquisition of material nature of assets, mortgage and guarantee, among others, are regularly placed before the Board. This is in addition to information with regard to detailed analysis of operations, major litigations, feedback reports and minutes of all committee meetings.

Meeting of Board of Directors:

During the Financial year 2014-15, the Board of Directors of the Company met 13 times on 27th April, 2014, 3rd July, 2014, 5th August, 2014, 30th August, 2014, 3rd September, 2014, 8th September, 2014, 25th September, 2014, 30th September, 2014, 25th October, 2014, 17th December, 2014, 18th December, 2014, 5th January, 2015 and 16th February, 2015.

The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. The Managing Director makes presentation on the quarterly and annual operating & financial performance. Post meetings, important decisions taken by the Board are communicated to the concerned officials and departments.

The Composition and category of the Directors on Board, their relationship with other Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting, and also number of Directorships and Committee Memberships/ Chairmanships in other companies and number of shares held by them as at March 31, 2015 are as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance in Last AGM	No. of shares held	No. of other Directorships@	Details of other Board Committee /Membership#
Anju Gupta	MD	13	Yes	476000	Nil	-
Manoj Gupta	NE	13	Yes	1668800	1	1
Kanav Gupta*	ED	5	No	1377600	Nil	-
Vikas Aggarwal#	ED	-	Yes	-	Nil	-
Pradeep Kumar Goel	NE& ID	7	Yes	-	Nil	-
Deepak Garg	NE& ID	7	Yes	-	Nil	-

MD=Managing Director, NE= Non-Executive Director, ID= Independent Director, AD= Additional Director, ED= Executive Director

only covers membership/chairmanship of Audit Committee Stakeholders' relationship committee of other Indian public limited companies excluding Mahabir Metallex Limited.

@ Excludes Directorship held in Private Limited Companies, Foreign Companies and Section 8 Companies.

* Resigned from the Directorship of the Company on 03.09.2014.

Resigned from the Directorship of the Company on 27.04.2014.

All the independent Directors fulfill the minimum age criteria i.e. 21 years as specified by the Clause 52 of the Listing Agreement. No Director is related to any to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013, except Mr. Manoj Gupta, Anju Gupta and Kanav Gupta. Mrs. Anju Gupta w/o Mr. Manoj Gupta and their son is Mr. Kanav Gupta.

Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance with the Code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

In line with the amended Clause 52 of the Listing Agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The same has also been placed on the Company's website www.mahabirmetallex.com under the head 'Investor Relations'.

Code of Conduct of Independent Directors:

As per the provisions of Section 149(8) of the Companies Act, 2013 the Company and Independent Directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted for Independent Directors of the Company and the same has also been placed on the website of the Company i.e. www.mahabirmetallex.com.

- **Audit Committee:**

The role and terms of reference of the Committee are in conformity with the provisions Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement with Stock Exchanges. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors.

Role of Audit Committee

The role of the Audit Committee shall include the following:

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

those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

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

The Audit Committee comprises three Directors, of which two are Non-Executive and Independent Directors. The Chairman of the committee is a Non-Executive Independent Director. All the Members of the committee have good financial and accounting knowledge. Auditors and Chief Financial Officer (CFO) are invitees to the meetings and Company Secretary acts as secretary of the committee. The minutes of the Audit Committee Meetings are placed before the subsequent Board Meeting.

During the year, 1 (One) meetings of the Audit Committee of the Company was held on 30th August, 2014.

The composition of the Audit Committee as on March 31, 2015 and the meetings attended by its members are as under:

Name of Director	Status	No. of meetings held
Mr. Deepak Garg	Chairman	1
Mr. Pradeep Kumar Goel	Member	1
Mrs. Anju Gupta	Member	1

- **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, and shall be responsible for:

- Formulate the criteria for determining qualifications, positive attributes and independence of a directors and the Board;
- Formulate of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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.
- The Board has constituted a Nomination and Remuneration Committee to evaluate the performance and remuneration of Directors

The composition of the Remuneration Committee as on March 31, 2015 is as under:

Name of Director	Status
Mr. Deepak Garg	Chairman
Mr. Pradeep Kumar Goel	Member
Mr. Manoj Gupta	Member

Remuneration to the Directors:

During the year ended March 31, 2015 Mrs. Anju Gupta, Managing Director of the Company has forgone her salary. Further, no other benefits, no payment was made to MD or any other Director(s) of the Company.

- **Stakeholders Relationship Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Share Transfer and Shareholders' / Investors' Grievance Committee as the "Stakeholders' Relationship Committee".

Stakeholders' Relationship Committee inter alia approves transfer & transmission of shares, issue of duplicate / re-materialized shares and consolidation & splitting of certificates, redressal of complaints from investors etc. Stakeholders' Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Agreement and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders of the Company including complaints related to non-receipt of balance sheet.

The composition of the Stakeholders Relationship Committee as on March 31, 2015 is as under:

Name of Director	Status
Mr. Deepak Garg	Chairman
Mr. Pradeep Kumar Goel	Member
Mr. Manoj Gupta	Member

In view of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained a user id and password for processing the investor complaints in a centralized web-based SEBI Complaints Redress System 'SCORES'. This enables the investors' online viewing of the actions taken by the Company on the complaints and its current status by logging on the SEBI's website i.e. www.sebi.gov.in.

Details of shareholders' complaints received and replied to their satisfaction: the Company has adequate systems and procedures to handle the investors' grievances and the same are being resolved on priority basis.

During the year no investor's complaints was received. By March 31, 2015 no investor complaint was pending.

- **Independent Directors' Meeting:**

During the year 1 (one) meeting of the Independent Directors was held on 30th August, 2015 inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors, as a whole.
- 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.

- **Details of last three general meetings**

The details of Annual General Meeting held in last three years are as under:

Year	Venue	Date	Time
2013-14	143, Jagriti Enclave, Delhi-110092	30.08.2014	11:00 A.M
2012-13	143, Jagriti Enclave, Delhi-110092	30.09.2013	11:45 A.M
2011-12	143, Jagriti Enclave, Delhi-110092	29.09.2012	11:45 A.M

- **Disclosures**

- a. **Management discussion and analysis**

The detailed report on 'Management Discussion and Analysis' is given separately in the annual report.

- b. **Disclosure on materially significant related party transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 52 of the Listing Agreement during the financial year were in the ordinary course of business and on arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the Note no.23 to the Financial Statements.

- c. **Disclosure on accounting treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

d. Detail of non-compliance, penalties and strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authority on any matters related to Capital Markets

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures were imposed by SEBI, Stock Exchanges or any statutory authority on matters relating to Capital Markets during the last three years.

e. Risk Management

The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which was presented to the Audit Committee and reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

f. Vigil Mechanism / Whistle Blower policy

In compliance with provisions of Section 177 (9) of the Companies Act, 2013 and Clause 52 of the Listing Agreement the company has framed a Vigil Mechanism / Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

g. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the applicable mandatory requirements. Compliance status about Non-mandatory requirements of listing agreement is appearing separately elsewhere.

• 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's 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 is responsible for implementation of the Code.

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

• CEO & CFO Certification

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate pursuant to Clause 52 of the Listing Agreement with the Stock Exchanges and the same is attached and forms part of the Annual report.

• Compliance Certificate of the Auditors

Certificate from the Company's Statutory Auditors M/s VAPS & Co. confirming compliance with conditions of Corporate Governance as stipulated under Clause 52 of the Listing Agreement with the Stock Exchanges is attached and forms part of the Annual Report.

- **Means of Communication**

The half yearly and the annual financial results are furnished to the Stock Exchanges, with whom the Company has listing arrangements to enable them to put them on their website. The Company has its own website i.e. www.mahabirmetallex.com wherein all relevant information is available.

- **General Shareholders' Information**

Annual general meeting

Date and time : 28th September, 2015 at 11:30 A.M.

Venue : A-3, NDSE, Part-I, New Delhi-110049

Book Closure : 14th September, 2015 to 18th September, 2015

Period	Board Meetings
Results for half year ended September 30, 2015	Within 45 days of the end of first half year
Results for half year and year ended March 31, 2016	Within 60 days of the end of Financial Year

Listing of Shares:

The Equity Shares of the Company is listed with the following Stock Exchanges

1. BSE Limited (Scrip Code: 539041)

The Listing Fees of the Stock Exchange has been paid by the Company for the financial years 2015-16 and 2014-15.

ISIN Code for the Company's Equity Shares : INE919P01029

Corporate Identity Number (CIN) : U28112DL2003PLC118413

Distribution Schedule as at March 31, 2015

Shareholding Nominal Value (Rs.)	No. of Shareholders	% to Total	Share Amount	% of Total
40001 - 50000	4	2.0513	200000	0.1918
50001- 100000	64	32.8205	6200000	5.9447
100001 - 9999999999	127	65.1282	97894000	93.8635
G. TOTAL	195		104294000	100.00

No. of equity shares held

Category	No. of shares held	% of total voting rights	% of total holding
Indian Promoters	3607400	34.5888	34.5888
Foreign Institutional Investors(FII)	-	-	-
Mutual Funds	-	-	-
Bodies Corporate	20000	0.1918	0.1918
Indian Public	6432000	61.6718	61.6718
Market Maker	340000	3.2600	3.2600
NRIs/OBCs	-	-	-
Clearing Member	30000	0.2876	0.2876
Total	10429400	100	100

Registrar and Share Transfer Agent

M/s Bigshare Services Private Limited
 E2, Ansa Industrial Area, Sakivihar Road,
 Sakinaka, Andheri East,
 Mumbai-400072
 Tel: +91 22 40430200
 Fax: +91 22 28475207
 Email Id: ashok@bigshareonline.com

Share Transfer System

Share transfer and related operations for Mahabir Metallex Limited are conducted by M/s Bigshare Services Limited, which is registered with the SEBI as Category I Registrar.

Share transfer is normally affected within stipulated period, provided all the required documents are submitted.

Dividend history for the last 5 years

No dividend declared since incorporation.

Dematerialization of Shares

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

As on March 31, 2015, 90.88% of the Company's total Equity Shares representing 9478400 Shares were held in dematerialized form and 951000 shares representing 9.12% of paid-up share capital were held in physical form.

Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a Practicing Company Secretaries carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit carries out every quarter and the report thereon is submitted to Stock Exchanges and is also placed before the Board of Directors.

Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments

GDRs/ ADRs: There were no outstanding GDRs/ ADRs, as on March 31, 2015

Warrants and other convertible instruments

There were no warrants outstanding for conversion as on March 31, 2015

Investors Correspondence

Investor's correspondence can be made on Regd. Office of the Company as given under:

Investor cell

Mahabir Metallex Limited
A-3, NDSE, Part-1, new Delhi-110049
CIN: U28112DL2003PLC118413
Phone: +91-11-41070148
Mail Id: info.mahabirmetallex.com

**For and on behalf of the Board
Mahabir Metallex Limited**

**Anju Gupta
Managing Director**

**Place: New Delhi
Date: 03.09.2015**