

# **ANNUAL REPORT 2017-18**



**SHREEYAM POWER AND STEEL INDUSTRIES LIMITED**

*Certified ISO 9001:2008*



# SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

## ANNUAL REPORT 2017-18

### BANKERS

1. IDBI Bank Ltd.
2. State Bank of India
3. State Bank of Patiala
4. State Bank of Mysore
5. Central Bank of India
6. Oriental Bank of Commerce
7. United Bank of India

### STATUTORY AUDITORS

M/s Rupali Chandak & Company  
Chartered Accountants, Indore

### COST AUDITORS

M/s M. Goyal & Company  
Cost Accountants, Jaipur

### ADMINISTRATIVE OFFICE

"Shri Mahadeo House"  
10/2 South Tukoganj  
Indore - 452 001 (M.P.)  
Phone : (0731) - 4255209  
Fax : (0731) - 4255250

### REGISTERED OFFICE

621, Tulsiani Chambers  
Nariman Point, Mumbai - 400 021  
Phone : (022) 22025098  
Fax : (022) 22025084

### FACTORY

1. 332, GIDC, Industrial Estate  
Mithirohar, Gandhidham  
District Kachchh (Gujarat) - 370201
2. Plot No. 153 A to D  
Industrial Area, Sector - III  
Pithampur, Dist. Dhar (M.P.) - 454774

### BOARD OF DIRECTORS

1. Mr. Santosh Shahra, Chairman
2. Mr. Davesh Khandelwal, Managing Director
3. Mr. Manoj Khetan, Director (F & A) & CFO
4. Mrs. Salonee Vishal Desai
5. Mr. Shravan K Gupta  
(ceased w.e.f. 31.03.2018)
6. Mr. Atul Kumar Gupta

### COMPANY SECRETARY

Mr. Raj Kumar Bhawsar

### WEBSITE

[www.spsil.in](http://www.spsil.in)

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**BOARD'S REPORT**

Dear Members,

Your Directors have pleasure to present the **Twenty Third Annual Report** on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2018.

**FINANCIAL RESULTS****(₹ in Lacs)**

<b>PARTICULARS</b>	<b>Year ended 31.03.2018</b>	<b>Year ended 31.03.2017</b>
Revenue from Operations and Other Income	<b>74,616.88</b>	55,533.01
Earning before, Interest, Tax, Depreciation and Amortisation (EBITDA)	<b>3,519.50</b>	1,390.84
Less : Finance Cost	<b>18,647.61</b>	25,570.66
Less: Depreciation	<b>2,849.15</b>	2,935.50
Profit/(Loss) before Tax (PBT)	<b>(17,977.26)</b>	(27,115.32)
Profit / (Loss) after Taxation (PAT)	<b>(17,977.26)</b>	(27,115.32)
Net Worth	<b>(1,04,265.03)</b>	(86,287.78)

**PERFORMANCE REVIEW**

During the period under review your company has been able to clock a production of 1,65,734 MT of Sponge Iron, 1,92,983 MT of Billets and 92,996 MT of TMT Bars. With consistent capacity utilisation and better realisation, Company has able to achieve an EBITDA of ₹ 3,519.50 Lacs as against ₹ 1,390.84 Lacs for the last year.

For the period under review, finance cost has been provided amounting to ₹ 18,647.61 Lacs as against ₹ 25,570.66 Lacs in the last year provided as per the sanctioned Corporate Debt Restructuring (CDR) scheme. On account of higher financial cost, the company suffered a net loss of ₹ 17,977.26 Lacs (as against ₹ 27,115.32 Lacs in the previous year).

**FUTURE OUTLOOK**

The buoyancy of markets continued in Financial Year (FY) 2017-18 as compared to FY 2016-17. The Indian economic outlook remained positive and encouraging, GDP promising growth at 7.36% and consumption have picked up at more than expected levels. The overall growth in steel consumption growth for FY 2017-18 stood at a healthy 7.8%. Construction sector grew at a robust rate of 6.8% in second half of the FY 2017-18 and is expected to continue with the same momentum during FY 2018-19. This is mainly due to various initiatives undertaken by the Government, in the infrastructure sector. The export markets have also contributed substantially for maintaining domestic steel prices on up swing and India remained a net exporter of steel.

India for the first time moved into the top 100 in the World Bank's Ease of Doing Business global rankings on the back of sustained business reforms over the past several years.

Post GST implementation July 2017, India's tax net expanded by 50%. GST is expected to bring various benefits to businesses and consumers such as compliance, input tax credits, reduced logistic costs and a transportation tax regime. Launched in December 2016, Insolvency and bankruptcy code will be able to protect the interests of small investors and make the process of doing business simpler.



Further, the intention of Government to increase funding in infrastructure, affordable housing (Pradhan Mantri Awas Yozana), smart cities etc will generate positive demand for steel. The Government has also supported the steel industry in curtailing cheap imports and supporting usage of locally made steel. To boost road infrastructure in the country and foster job creation, the Government of India (GoI) announced an investment outlay of ₹ 6.9 Lac crore to construct 83,677 km of road network, over a period of five years. The above factors will have a positive impact for steel industry during FY 2018-19. Expected GDP growth for the FY 2018-19 is 7.79%.

The Company is contemplating settlement of its dues with secured lenders. Post FY 2017-18, lenders of about 50% exposure has agreed for compromise/settlement of dues. Impact of the same will be in FY 2018-19. Settlement/compromise will reduce the Interest burden and Company is optimistic about wiping-off the accumulated losses gradually. As a result, Company's net worth will improve, which will act as a morale booster to all stakeholders, for enhance productivity/performance.

#### **STATUS OF COMPANY AS SICK INDUSTRIAL COMPANY AND CDR**

Your Company had been declared as Sick Industrial Company under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) on 10<sup>th</sup> April, 2013 and registered with Hon'ble Board for Industrial and Financial Reconstruction (BIFR) under section 15(1) of SICA. However, provisions of SICA have been repealed w.e.f. 1<sup>st</sup> December, 2016, therefor the proceeding of the Company before the Hon'ble BIFR has been abated.

Further, your Company's account has been exited from Corporate Debt Restructuring (CDR) Mechanism, as informed by CDR Cell vide it's letter No. CDR(DAP)No.386/2017-18 dated January 2, 2018.

#### **DIVIDEND**

In view of continuous losses your Board of Directors do not recommend any dividend on Equity Shares for the year under review.

#### **SHARE CAPITAL**

During the year under review, the Company has not been issued any share capital.

#### **DIRECTORS AND KMP**

During the year under review, pursuant to Section 152(6) of the Companies Act, 2013 (hereinafter shall be referred as 'the Act') and Articles of Association of the Company Mr. Santosh Shakra appointed as Director liable to retire by rotation at the Annual General Meeting (AGM) and appointment of Mr. Atul Kumar Gupta was approved as an Independent Director w.e.f. 24<sup>th</sup> February, 2017 upto 31<sup>st</sup> January, 2022 at the AGM.

Mr. Shravan K. Gupta, Independent Director has resigned w.e.f. closing working hour of 31<sup>st</sup> March, 2018. Your Directors wish to record their gratitude and appreciation for the services rendered by him to the Company and their invaluable suggestions/ contribution to the Board in running the Company especially during the difficult time and supports the Company to sail through.

Mr. Davesh Khandelwal, Managing Director and Mr. Manoj Khetan, Whole-time Director designated as Director – Finance and Accounts of the company have been re-appointed w.e.f. 1<sup>st</sup> February, 2018. Approval has sought from Bankers/Lenders to whom Company has defaulted in payment of dues and same has not been received. The Board at its meeting held on 5<sup>th</sup> September, 2018 has varied their terms and conditions to without remuneration. However, other terms and conditions remained unaltered.

Independent Director(s) have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.



In pursuance of Section 152(6) of the Act and Articles of Association of the Company Mr. Manoj Khetan, Director retires by rotation and being eligible, offers himself, for reappointment at ensuing AGM.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Act on the recommendation of Independent Director(s), the Board has carried out an annual performance evaluation of its own performance, its Committees and the Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as appropriate composition of the Board, manner in which Board Meetings are conducted, adequate information to the Board Members to consider the matter, overall effectiveness of the Board etc.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as preparedness for the Board Meetings, utilisation to their knowledge, experience & expertise, new ideas/insights on business issues etc.

A separate exercise was carried out to evaluate the Committees of the Board, which were evaluated on parameters such as objectives of the Committee are well defined, Committee is delivering on the defined objectives, Committee has the right composition to deliver its objectives, etc.

#### **NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is uploaded on the Company's website i.e. [www.spsil.in](http://www.spsil.in)

#### **BOARD MEETINGS**

During the year under review, four Board Meetings were held on 19<sup>th</sup> May 2017, 4<sup>th</sup> September 2017, 20<sup>th</sup> December 2017 and 27<sup>th</sup> February 2018. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013.

Number of Board Meetings attended by Directors during the year under review is as under:

<b>Name of Directors</b>	<b>No. of Board Meeting Attended</b>
Mr. Santosh Shahra	4
Mr. Davesh Khandelwal	4
Mr. Manoj Khetan	4
Mrs. Salonee Vishal Desai	4
Mr. Shravan K Gupta	4
Mr. Atul Kumar Gupta	4

#### **AUDIT COMMITTEE**

The constitution of the Audit Committee was as under:

1. Mr. Shravan K Gupta\* - Chairman
2. Mrs. Salonee Vishal Desai - Member
3. Mr. Atul Kumar Gupta - Member

\* Ceased w.e.f. 31<sup>st</sup> March, 2018



There are no recommendations of the Audit Committee which have not been accepted by the Board during the period under review.

During the year four Audit Committee Meetings were held on 19<sup>th</sup> May 2017, 4<sup>th</sup> September 2017, 20<sup>th</sup> December 2017 and 27<sup>th</sup> February 2018.

Number of Audit Committee Meetings attended by Directors during the year under review is as under:

<b>Name of Directors</b>	<b>No. of Audit Committee Meeting Attended</b>
Mr. Shravan K Gupta	4
Mrs. Salonee Vishal Desai	4
Mr. Atul Kumar Gupta	4

**EXECUTIVE COMMITTEE**

During the year under review, three Executive Committee Meetings were held on 18<sup>th</sup> May 2017, 11<sup>th</sup> November 2017 and 15<sup>th</sup> January 2018.

Number of Executive Committee Meeting attended by Directors during the year under review is as under:

<b>Name of Directors</b>	<b>No. of Executive Committee Meeting Attended</b>
Mr. Davesh Khandelwal	3
Mr. Manoj Khetan	3

**NOMINATION AND REMUNERATION COMMITTEE**

The constitution of the Nomination & Remuneration Committee (NRC) was as under:

1. Mr. Shravan K Gupta\* - Chairman
2. Mrs. Salonee Vishal Desai - Member
3. Mr. Atul Kumar Gupta - Member

\* Ceased w.e.f. 31<sup>st</sup> March, 2018

During the year under review, two meetings of NRC were held on 19<sup>th</sup> May 2017 and 20<sup>th</sup> December 2017.

Number of NRC Meeting attended by Directors during the year under review is as under:

<b>Name of Directors</b>	<b>No. of NRC Meeting Attended</b>
Mr. Shravan K Gupta	2
Mrs. Salonee Vishal Desai	2
Mr. Atul Kumar Gupta	2



### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 of the Act, your Directors confirm that:

- a. in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. the accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31<sup>st</sup> March, 2018 and of the loss of the Company for that period;
- c. proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts had been prepared on a going concern basis;
- e. proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **INTERNAL CONTROL SYSTEM**

The Company has adequate internal control systems over the affairs of the Company during the year under review.

### **WHISTLE BLOWER / VIGIL MECHANISM POLICY**

Your Company has formulated a mechanism called 'Whistle Blower / Vigil Mechanism Policy' for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and provided a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

The policy permits all the directors and employees to report their concerns to the Competent Authority, Managing Director of the Company and If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee.

The policy with the name and address of the Competent Authority, Managing Director of the Company and Chairman of the Audit Committee has been available to the employees of the Company.

### **RELATED PARTY TRANSACTIONS**

The transactions entered into with all the related parties during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee as also the Board, pursuant to applicable provisions of the Act.

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material. In view of the above, disclosure in FORM AOC-2 is not applicable.

### **CORPORATE SOCIAL RESPONSIBILITY**

During the year under review, the provisions of Corporate Social Responsibility (CSR) are not applicable on the Company.

### **AUDITORS**

#### **(a) Statutory Auditors :**

Pursuant to the provision of Section 139 and other applicable provisions of Companies Act, 2013 and Rules made thereunder the members of the Company in their 22<sup>nd</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2017 had appointed M/s Rupali Chandak & Co., Chartered Accountant, Indore (FRN 015279C) for appointment to held office from conclusion of 22<sup>nd</sup> AGM till conclusion of



27<sup>th</sup> AGM in place of M/s Vijay Rathi & Associates, Chartered Accountants, Indore (FRN 004304C) who retired at the conclusion of 22<sup>nd</sup> AGM. M/s Rupali Chandak & Co. had confirmed that appointment is within the limits as prescribed under Section 141(3) of the Act.

The Auditors' Report to the Shareholders for the year under review read alongwith notes to the accounts are self explanatory therefore needs no further comments.

**(b) Cost Auditors :**

The Board has re-appointed M/s M. Goyal & Co., Cost Accountants, as the Cost Auditor of the Company for the Financial Year 2017-18 pursuant to provisions of Section 148 of the Act. The said Auditors have confirmed that their appointment, if made, shall be within the limits as prescribed under Section 141(3) of the Act. The Cost Audit Report shall be submitted along with full information and explanation on every reservation or qualification contained therein, if any, and Annexure to the Central Government within stipulated time period.

The Cost Audit Report for the Financial Year ended 31<sup>st</sup> March, 2017 has been furnished to Central Government vide SRN G58807348 dated 27<sup>th</sup> October, 2017.

**(c) Secretarial Auditor :**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Shri Ajit Jain, Company Secretary in Practice (CP No. 3933) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure A". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. Observations are self explanatory needs no further comments.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure B".

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments if covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements and are within the limits.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture Company or Associate Companies.

**DETAILS AS PER SECTION 143(12) OF THE ACT**

There is no detail required to be given in terms of provisions of Sub Section 12 of Section 143 of the Act.

**FIXED DEPOSITS**

Your Company did not accept any deposit from the Public during the year under review.

**INSURANCE**

The Company's assets are adequately insured during the year under review.





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

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

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Your Directors wish to place on record their deep appreciation to employees at all levels for their all-round efforts, dedication, commitment and loyal services during the period under review. The Company is privileged to have an excellent pool of human resources working with it. Communication exercises are treated as continuous process to keep the employees informed of the challenges being faced by the Company and also motivate them to take up higher responsibilities, in tune with the requirements of the Company.

During the period under review, the Company maintained healthy, cordial and harmonious industrial relations at all level. Your Directors wish to place on record their appreciation of the co-operation, valuable contributions, enthusiasm and unstinting efforts made by the employees and workers of the Company at all levels in the organization.

**PARTICULARS OF EMPLOYEES**

During the period under review, no employees was in the receipt of remuneration as is required to be disclosed under Sub-rule 2 and 3 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 of the Act.

**MATERIAL CHANGES AND COMMITMENTS**

There is no material change and commitment has occurred, affecting the financial position of the Company, between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2018 and the date of this report except lenders of about 50% exposure has agreed for compromise/settlement of dues. Impact of the same will be in FY 2018-19.

**SIGNIFICANT AND MATERIAL ORDERS**

There is no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The report on the Internal Financial Control issued by M/s Rupali Chandak & Company, Chartered Accountants, the Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given elsewhere in this report.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the Central, State Government and Local Authorities, Financial Institutions, Banks, Customers, Dealers, Vendors and all the stakeholders who have extended their valuable support and encouragement during the year under review.

Your Directors also take the opportunity to place on record their deep appreciation of the committed services rendered by the executives, staff and workers of the Company who have contributed significantly to the Company's performance.

For and on behalf of the Board

Place : Indore  
Date : 5<sup>th</sup> September, 2018

**Davesh Khandelwal**  
(Managing Director)  
(DIN 02997266)

**Manoj Khetan**  
(Director - F & A & CFO)  
(DIN 06395265)



Annexure – A to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**SHREEYAM POWER AND STEEL INDUSTRIES LIMITED**

(CIN: U45200MH1995PLC090807)

621, Tulsiani Chambers, Nariman Point,

Mumbai (MH) - 400009

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shreeyam Power and Steel Industries 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 the 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 covering the financial year ended on 31<sup>st</sup> March, 2018 (Audit Period), 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 Shreeyam Power and Steel Industries Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable during the audit period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**so far as made applicable during the audit period**);
- (iv) 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; (**Company has no such transaction during the period under review**);
- (v) The Company being an unlisted company during the audit period, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not 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, 2015;



- (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;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that having regard to adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environment laws on examination of the relevant documents and records in pursuance thereof, on test check basis and as represented by the Company and its officers, the company has complied with the following general laws applicable to the company:
- (a) Electricity Act, 2003 and the rules thereto;
  - (b) The Environment (Protection) Act, 1986 and other laws as prescribed thereunder;
  - (c) Factories Act, 1948;
  - (d) The Payment of Wages Act, 1936;
  - (e) The Payment of Bonus Act, 1965;
  - (f) The Payment of Gratuity Act, 1972;
  - (g) Employees' State Insurance Act, 1948;
  - (h) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
  - (i) Industrial Disputes Act, 1947;
  - (j) The Contract Labour (Regulation and Abolition), 1970;
  - (k) The Workmen Compensation Act, 1923;
  - (l) Equal Remuneration Act, 1976;
  - (m) Prevention of Money Laundering Act, 2002;
  - (n) Water (Prevention and Control of Pollution) Act, 1974;
  - (o) The Air (Prevention and Control of Pollution) Act, 1981;
  - (p) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

We have also examined compliance with the applicable clauses of Secretarial Standards issued by "The Institute of Company Secretaries of India".

**We further report that** as per explanations and representations made by the management and subject to clarification given to us, the company has complied with the provisions of the act, rules, regulations, guidelines.



I further report that:-

1. The Central Government, vide its letter dated 10<sup>th</sup> April, 2017, has rejected the application filed for approval of payment of remuneration w.e.f. 01.02.2016 to Mr. Davesh Khandelwal, Managing Director. The Company has paid/provided the remuneration to Mr. Davesh Khandelwal w.e.f. 01.10.2016 in accordance with the provisions of amended Schedule V of the Act amended vide notification no. S.O. 2922 (E) dated 12<sup>th</sup> September, 2016.
2. The Central Government, vide its letter dated 19<sup>th</sup> April, 2017, has rejected the application filed for approval of payment of remuneration w.e.f. 01.02.2016 to Mr. Manoj Khetan, Whole-time-director designated as Director – Finance and Accounts. The Company has paid/provided the remuneration to Mr. Manoj Khetan w.e.f. 01.10.2016 in accordance with the provisions of amended Schedule V of the Act amended vide notification no. S.O. 2922 (E) dated 12<sup>th</sup> September, 2016.
3. Provisions of the Central Sales Tax Act, 1956, Income Tax Act, 1961, VAT Act have been duly complied by the management except the liabilities undisputed, the details of which are mentioned in Independent Auditors' Report for the Financial Year ended on 31<sup>st</sup> March, 2018.
4. Some of the Forms are filed with Registrar of Companies with Additional Fees.

**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 as per provision of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period, there were no instances of:

- (i) Public/Rights/debentures/sweat equity.
- (ii) Redemption/ buy-back of Securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foreign technical collaborations.

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**For Ajit Jain & Company**

(Company Secretary)

Place : Indore

Date : 5<sup>th</sup> September, 2018

**Ajit Jain**

Proprietor

FCS No.: 3933; C P No.: 2876

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



**Annexure I to Secretarial Audit Report**

To,

The Members,

**SHREEYAM POWER AND STEEL INDUSTRIES LIMITED**

(CIN: U45200MH1995PLC090807)

621, Tulsiani Chambers, Nariman Point,

Mumbai (MH) - 400009

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.

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**For Ajit Jain & Company**  
(Company Secretary)

Place : Indore

Date : 5<sup>th</sup> September, 2018

**Ajit Jain**

Proprietor

FCS No.: 3933

C P No.: 2876



Annexure – B to Board's Report

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

*[Pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies  
(Accounts) Rules, 2014]*

**(A) CONSERVATION OF ENERGY**

**The steps taken or impact on conservation of energy:**

The Company has established the energy conservation practices as a continual improvement process in all manufacturing units. The results have been encouraging. Energy Audit of all utilities was carried out by BEE approved/ Government approved Auditors. In-house training programme on Energy conservation was organized and participated by plant engineers.

Following energy conservation steps have been taken during the year:

- a) As a policy, only efficient lighting systems are under use and all new extensions are provided with CFL. All admin office and production offices are using LED lamps. Complete Thermal Power Plant is installed with LED.
- b) In sponge iron motors reducing power consumption are installed.
- c) VFD are installed at Thermal Power Plant for reducing auxiliary power consumption.
- d) Pollution Control Equipment's are successfully installed in TPP.

**The steps taken by the Company for utilising alternate sources of energy :**

During the year under review no alternate source of energy has been utilised.

**Capital investment on energy conservation equipments**

During the year under review no capital investment has been made on energy conservation equipments.

**(B) TECHNOLOGY ABSORPTION**

**1) RESEARCH & DEVELOPMENT**

The Company undertakes on a continuous basis, various activities such as the development of new products and processes, cost reduction, improvement in quality and productivity and import substitution.



During the year under review the Company has made improvement in the plant. Sponge Iron plant is using various types of coal and the results are encouraging.

Development is underway for feasibility of feeding and rolling of HOT billets directly from casting machine.

In Steel melting shop new grades have been successfully developed.

## 2) **TECHNOLOGY ABSORPTION**

The Company has adopted Indian technology for all its manufacturing Units which have been fully absorbed. All the machines are supplied by renowned Indian Suppliers; The Company is having policy of providing training and induction to employees and all shift supervision is done by qualified Engineers, the Technology is well transmitted and absorbed by Operational and Maintenance (O&M) staff. The Thermal Power Plant O&M staff is fully trained & Chinese equipment technology is fully absorbed, training was given by Chinese Engineers & Indian consultants.

## C) **FOREIGN CURRENCY EARNINGS AND OUTGO**

During the year, Company has earned ₹ 341.92 Lacs towards foreign exchange. The Company imported certain components and raw material of ₹ 740.38 Lacs as against previous year of ₹ 1344.53 Lacs.



## Annexure – C to Board's Report

**FORM NO. MGT- 9****EXTRACT OF ANNUAL RETURN**As on financial year ended 31<sup>st</sup> March, 2018*[pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS**

i)	CIN	U45200MH1995PLC090807
ii)	Registration Date	19 <sup>th</sup> July, 1995
iii)	Name of the Company	SHREEYAM POWER AND STEEL INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	Public Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	621, Tulsiani Chambers, Nariman Point, Mumbai (Maharashtra) - 400021 Telephone No: 022-22025098
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Sponge Iron	27120	4.80
2	Billets	27141	44.95
3	TMT Bars	27152	48.94

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Not applicable

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Shareholding**





S. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2018)				% Change during the year
		Demat Form	Physical Form	Total	% of Total Shares	Demat Form	Physical Form	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/ HUF	-	3086840	3086840	1.88	-	3086840	3086840	1.88	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	115245882	115245882	70.13	-	115245882	115245882	70.13	-
(e)	Banks / FIs	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	400000	400000	0.24	-	400000	400000	0.24	-
	<b>Sub - Total (A)(1)</b>	-	<b>118732722</b>	<b>118732722</b>	<b>72.25</b>	-	<b>118732722</b>	<b>118732722</b>	<b>72.25</b>	-
<b>(2)</b>	<b>Foreign</b>									
(a)	NRI - Individuals	-	1000000	1000000	0.61	-	1000000	1000000	0.61	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (A)(2)</b>	-	<b>1000000</b>	<b>1000000</b>	<b>0.61</b>	-	<b>1000000</b>	<b>1000000</b>	<b>0.61</b>	-
	<b>Total (A) = (A)(1)+(A)(2)</b>	-	<b>119732722</b>	<b>119732722</b>	<b>72.86</b>	-	<b>119732722</b>	<b>119732722</b>	<b>72.86</b>	-
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	-	8482444	8482444	5.16	-	8482444	8482444	5.16	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (B)(1)</b>	-	<b>8482444</b>	<b>8482444</b>	<b>5.16</b>	-	<b>8482444</b>	<b>8482444</b>	<b>5.16</b>	-
<b>(2)</b>	<b>Non -Institutions</b>									
(a)	Bodies Corporate									
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	36108680	36108680	21.98	-	36108680	36108680	21.98	-
(b)	Individuals									
	i) Individual share holders holding nominal share capital upto ₹ 1 Lac	-	1000	1000	0.00	-	1000	1000	0.00	-
	ii) Individual share holders holding nominal share capital in excess of ₹ 1 Lac	-	-	-	-	-	-	-	-	-
(c)	Others (specify)									
	(i) Non Resident Indians	-	-	-	-	-	-	-	-	-
	(ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	(iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
	(iv) Clearing Members	-	-	-	-	-	-	-	-	-
	(v) Trusts	-	-	-	-	-	-	-	-	-
	<b>Sub - Total (B)(2)</b>	-	<b>36109680</b>	<b>36109680</b>	<b>21.98</b>	-	<b>36109680</b>	<b>36109680</b>	<b>21.98</b>	-
	<b>Total Public (B) = (B)(1)+(B)(2)</b>	-	<b>44592124</b>	<b>44592124</b>	<b>27.14</b>	-	<b>44592124</b>	<b>44592124</b>	<b>27.14</b>	-
<b>(C)</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
	<b>GRAND TOTAL (A+B+C)</b>	-	<b>164324846</b>	<b>164324846</b>	<b>100.00</b>	-	<b>164324846</b>	<b>164324846</b>	<b>100.00</b>	-



## (ii) Shareholding of Promoter/Promoters' Group

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	Mrs. Aditi Gowani	200000	0.12	0.12	200000	0.12	0.12	-
2	Mr. Santosh Shakra	1786700	1.09	0.27	1786700	1.09	0.27	-
3	Mrs. Ushadevi Shakra	300000	0.18	0.18	300000	0.18	0.18	-
4	Mr. Vishesh Shakra	800000	0.49	0.49	800000	0.49	0.49	-
5	NSIL Infotech Limited	25533286	15.54	15.54	25533286	15.54	15.54	-
6	NSIL Finance Limited	2000000	1.22	1.22	2000000	1.22	1.22	-
7	NSIL Power Limited	25850532	15.73	15.73	25850532	15.73	15.73	-
8	Mr. Mathew Kurain	128800	0.08	0.08	128800	0.08	0.08	-
9	Madam Sharon Marie Mathew	126400	0.08	0.08	126400	0.08	0.08	-
10	Mrs. Thomas Anjula Khandelwal	124000	0.08	0.08	124000	0.08	0.08	-
11	Mr. Easaw Thomas	120000	0.07	0.07	120000	0.07	0.07	-
12	National Steel & Agro Ind. Ltd.	1333332	0.81	0.81	1333332	0.81	0.81	-
13	Mr. Arun Tatia	20	0.00	0.00	20	0.00	0.00	-
14	Mr. Sanjay Khandelwal	20	0.00	0.00	20	0.00	0.00	-
15	Mr. Shailendra Jhalani	20	0.00	0.00	20	0.00	0.00	-
16	Mr. Ashok Agrawal	20	0.00	0.00	20	0.00	0.00	-
17	Mr. Amit Nakra	20	0.00	0.00	20	0.00	0.00	-
18	Mr. Manish Jain	20	0.00	0.00	20	0.00	0.00	-
19	Mrs. Laxmi G. Krishnan	20	0.00	0.00	20	0.00	0.00	-
20	Ms. Vidhya Maria Thomas Vadaketh	126400	0.08	0.08	126400	0.08	0.08	-
21	Mr. V. Thomas James	131200	0.08	0.08	131200	0.08	0.08	-
22	Adidev Foundation	400000	0.24	0.24	400000	0.24	0.24	-
23	Benco Finance & Investments Pvt. Ltd.	45596906	27.75	27.75	45596906	27.75	27.75	-
24	Shriyam Industries Pvt. Ltd.	8931826	5.44	5.44	8931826	5.44	5.44	-
25	Ms. Ho Li Ling	119200	0.07	0.07	119200	0.07	0.07	-
26	Mr. Sudhir Thomas Vadaketh	124000	0.08	0.08	124000	0.08	0.08	-
27	East West Finvest India Limited	2000000	1.22	-	2000000	1.22	-	-
28	Purvi Finvest Limited	2000000	1.22	-	2000000	1.22	-	-
29	Trimurthi Finvest Limited	2000000	1.22	-	2000000	1.22	-	-



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

S. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
	At the beginning of the year	01/04/2017		119732722	72.86	119732722	72.86
	Changes during the year			-	-	119732722	72.86
	At the end of the year	31/03/2018		119732722	72.86	119732722	72.86

## (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	<b>Name : Soucano Holdings Co. Limited</b>						
	At the beginning of the year	01/04/2017		18567712	11.30	18567712	11.30
	Changes during the year			-	-	18567712	11.30
	At the end of the year	31/03/2018		18567712	11.30	18567712	11.30
2.	<b>Name : HBS India Investments (Mauritius) Ltd. (Formerly known as Amas India Investments (Mauritius) Ltd.)</b>						
	At the beginning of the year	01/04/2017		8482444	5.16	8482444	5.16
	Changes during the year			-	-	8482444	5.16
	At the end of the year	31/03/2018		8482444	5.16	8482444	5.16
3.	<b>Name : East West Global Ltd.</b>						
	At the beginning of the year	01/04/2017		16701482	10.16	16701482	10.16
	Changes during the year			-	-	16701482	10.16
	At the end of the year	31/03/2018		16701482	10.16	16701482	10.16
4.	<b>Name : Arab Asia Trade Inc.</b>						
	At the beginning of the year	01/04/2017		839486	0.51	839486	0.51
	Changes during the year			-	-	839486	0.51
	At the end of the year	31/03/2018		839486	0.51	839486	0.51
5.	<b>Name : Mr. Vijay Unde</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00



S. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
6.	<b>Name : Mr. Navneet Pawar</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
7.	<b>Name : Mr. Narendra Agarwal</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
8.	<b>Name : Mr. Satish Nagar</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
9.	<b>Name : Mr. K.S.N. Murthy</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
10.	<b>Name : Mr. Deepak Kulkarni</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
11.	<b>Name : Mr. P.S. Dodia</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
12.	<b>Name : Mr. Santosh S Solanki</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
13.	<b>Name : Mr. I. M. Pandey</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00
14.	<b>Name : Mr. G. M. Rameshan</b>						
	At the beginning of the year	01/04/2017		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2018		100	0.00	100	0.00



## (v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	<b>Name : Mr. Santosh Shakra</b>						
	At the beginning of the year	01/04/2017		1786700	1.09	1786700	1.09
	Changes during the year			-	-	1786700	1.09
	At the end of the year	31/03/2018		1786700	1.09	1786700	1.09
2.	<b>Name : Mr. Davesh Khandelwal</b>						
	At the beginning of the year	01/04/2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2018		-	-	-	-
3.	<b>Name : Mr. Manoj Khetan</b>						
	At the beginning of the year	01/04/2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2018		-	-	-	-
4.	<b>Name : Mrs. Salonee Vishal Desai</b>						
	At the beginning of the year	01/04/2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2018		-	-	-	-
5.	<b>Name : Mr. Shravan K Gupta</b>						
	At the beginning of the year	01/04/2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2018		-	-	-	-
6.	<b>Name : Mr. Atul Kumar Gupta</b>						
	At the beginning of the year	01/04/2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2018		-	-	-	-
7.	<b>Name : Mr. Raj Kumar Bhawsar</b>						
	At the beginning of the year	01/04/2017		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2018		-	-	-	-

**V. INDEBTEDNESS**

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

(Amount ₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtednes
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	96,307.62	8,669.36	-	1,04,976.98
ii) Interest due but not paid	37,223.86	-	-	37,223.86
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,33,531.48</b>	<b>8,669.36</b>	<b>-</b>	<b>1,42,200.84</b>
<b>Changes in Indebtedness during the Financial Year</b>				
* Addition	12,402.83	-	-	12,402.83
* Reduction	-	-	-	-
<b>Net Change</b>	<b>12,402.83</b>	<b>-</b>	<b>-</b>	<b>12,402.83</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	96,307.62	8,669.36	-	1,04,976.98
ii) Interest due but not paid	49,626.69	-	-	49,626.69
iii) interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,45,934.31</b>	<b>8,669.36</b>	<b>-</b>	<b>1,54,603.67</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹ in Lacs)
		Name	Name	
		Designation	Designation	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	39.43	46.25	85.68
	(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 the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	39.43	46.25	85.68
	Ceiling as per the Act	63.05	63.05	126.10

**B. Remuneration to other Directors :**

S.No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lacs)
		Mr. Santosh Shahra	Mrs. Salonee Vishal Desai	Mr. Shravan K Gupta	Mr. Atul Kumar Gupta	
1	Independent and Other Non-Executive Directors					
	- Fee for attending board /committee meetings	0.08	0.16	0.16	0.16	0.56
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total</b>	0.08	0.16	0.16	0.16	0.56
	<b>Total(B)</b>	0.08	0.16	0.16	0.16	0.56
	Total Managerial Remuneration	-	-	-	-	86.24

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :**

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (₹ in Lacs)	
		Name	-	Manoj Khetan#		Raj Kumar Bhawsar
		Designation	CEO	CFO		CS
1	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	9.37	9.37	
	(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 the Income Tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	- as % of profit	-	-	-	-	
	- Others, specify	-	-	-	-	
5	Others, please specify	-	-	-	-	
	<b>Total</b>	-	-	9.37	9.37	

# Remuneration paid as WTD

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

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





**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF SHREEYAM POWER AND STEEL INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SHREEYAM POWER AND STEEL INDUSTRIES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flow 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March 2018, its loss and its cash flow for the year ended on that date.

**Emphasis of Matters**

We Draw attention to the following matters in the Notes to the Financial Statements :

- a(i). Note No. 28 (9) to the financial Statements regarding the Company having accumulated losses and its net worth has been fully eroded. The Financial Statements indicates that the Company has incurred net loss during the previous years and, the Company's current liabilities exceeded its current assets as at the current and previous year balance sheet date. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, as also Company's major part of Pithampur and Structural Mill at Gandhidham are not in operation since 2012 and 2010 respectively.
- a(ii). Note No. 28 (9) to the financial Statements about the assignment of entire dues in respect of the various facilities and assistance provided respectively by State Bank of Travancore and State Bank of Hyderabad to Edelweiss Assets Reconstruction Company Limited.  
Though the company's liability exceeds its' assets, with the improved efficiency and proposed settlement of debt with its' lenders, company's Account has been prepared "on going concern" basis.
- b. Note No. 28 (8) to the financial Statements about the doubtful debtors and advances to creditors, pending recovery suit filed by the company for recovery of debtors and advances, company had made provision for doubtful debtors amounting to ₹ 1105.86 Lacs and provision for advances amounting to ₹ 80.31 Lacs.

**Report On Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A statement on the matters Specified in paragraphs 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - B to this report;
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company doesn't have pending litigation which would impact its financial position except as shown in note No. 28 (4) (Contingent Liabilities) of notes to the accounts.
  - ii. The company didn't have any long term contract including derivatives contracts for which there were any material forceable losses.
  - iii. There were no amount which is required to be transferred by the company to the Investor Education and Protection fund.

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For **Rupali Chandak & Company**  
*Chartered Accountants*  
(FRN-015279C)

Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**CA Rupali Chandak**  
*(Proprietor)*  
(Membership No. 411550)

**ANNEXURE "A" TO THE AUDITORS' REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Shreeyam Power and Steel Industries Ltd. on the accounts of the company for the year ended 31<sup>st</sup> March, 2018)**

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that :

**(i) In respect of its Fixed Assets :**

- (a) Company has maintained records showing full particulars, including quantitative details and situation of the fixed assets,
- (b) On the basis of our examination of the records of inventory the title deeds of immovable properties are held in the name of the company.
- (c) Fixed Assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management, which provides for physical verification of all the fixed assets at reasonable intervals. and no material discrepancies were noticed on such verification.

**(ii) In respect of its Inventories :**

- (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at reasonable intervals, and the frequency of verification is reasonable.
- (b) On the basis of our examination company is maintaining proper records of inventories. The discrepancies noticed were not material and have been properly dealt with in the books of account.

**(iii)** Company has not granted any loans to companies, Partnerships firms including LLP or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable.

**(iv)** Company has not provided any loan to directors hence the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security is not applicable to the company.

**(v)** Company has not received any deposits within the meaning of Sec 73 to 76 of the Companies Act 2013 and the rules framed thereunder.

**(vi)** We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.

**(vii)** According to the information and explanations given to us, in respect of statutory dues ;

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees' state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), IGST, CGST, SGST, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it, with the appropriate authorities. There are no undisputed statutory dues as referred to above as on 31<sup>st</sup> March, 2018 outstanding for a period of more



than 6 months from the date they become payable except the following:

Sr. No.	Particulars	Financial Year	(₹ in Lacs)
A	VAT payable (Faridabad)	2012-13	125.73
B	VAT payable (Taloja)	2012-13	90.18

- (b) Details of dues of Income Tax, Sales Tax, Customs Duty, and Value Added Tax which have not been deposited as on 31.03.2018 on account of disputes are given below :

Name of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount unpaid (₹ in Lacs)	Amount paid under protest (₹ in Lacs)
The Customs Act, 1962	Customs Duty	Commissioner of Customs, Kachchh		85.19	-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax, (Appeals), Mumbai	2013-14	107.93#	22.70
Foreign Trade Development Act, 1992	Customs Duty	Office of the Development Commissioner SEZ, Kandla		665.16**	-

# Company has preferred appeals against the order on ground of various reason, both factual and technical

\*\* Company has filed appeals against the order with Dy. Director General of Foreign Trade, New Delhi

- (viii) Corporate Debt Restructuring Cell (CDR) vide it's letter No. CDR (DAP) No.386/2017-18 dated January 2, 2018 has informed the company that "The account of Shreeyam Power & Steel Industries Limited (SPSIL) stands exited from CDR mechanism on account of failure of the approved CDR package". Accordingly, interest has been provided

Accordingly, Company has calculated default in meeting its obligation towards payment of principal and Interest there on as under

(₹ in Lacs)

Name of Banks	Nature of Facility	Accumulated Principal Loan and Interest Amount of Default as at 31.03.2018	Period since Last to first default in days
IDBI Bank Limited	Term Loan	4,246.00	730-2466
	Devolved LCs	674.72	2440-2479
	Interest	6,030.79	01-2527
State Bank of India	Term Loan	2,373.00	730-2466
	Corporate Loan	1,800.00	1826-2557
	Devolved LCs	9,328.00	2465-2545
	Interest	10,112.29	01-2527



(₹ in Lacs)

Name of Banks	Nature of Facility	Accumulated Principal Loan and Interest Amount of Default as at 31.03.2018	Period since Last to first default in days
State Bank of Mysore	Term Loan	4,980.88	730-2466
	Devolved LCs	4,182.96	2405-2553
	Interest	11,703.20	01-2527
State Bank of Patiala	Term Loan	4,998.41	730-2466
	Devolved LCs	5,388.89	1067-1071
	Interest	6,102.45	01-2527
*State Bank of Hyderabad	Term Loan	2,500.00	730-2466
	Devolved LCs	2,657.00	2313-2431
	Interest	6,188.75	01-2527
*State Bank of Travancore	Term Loan	2,498.80	730-2466
	Interest	3,340.65	01-2527
Central Bank of India	Term Loan	9,952.44	730-2466
	Devolved LCs	3,823.77	1352-1400
	Interest	15,221.18	01-2527
Oriental Bank of Commerce	Term Loan	4,984.67	730-2466
	Interest	6,818.75	01-2527
United Bank of India	Term Loan	5,000.00	365-2466
	Interest	6,895.56	01-2527

\* The Account has been transferred to Edelweiss Asset Reconstruction Company Limited.

- (ix) According to the records of the company, the company has neither raised any monies by way of Initial Public Offer or Further Public Offer nor has the company obtained any term loan. Hence, the requirements of clause (ix) of Paragraph 3 of the Order do not apply to the Company
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule 5 to the Companies Act, 2013.
- (xii) We are of the opinion that the company is not a nidhi company; the requirements of clause (xii) of Paragraph 3 of the Order do not apply to the company.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;



- (xiv) The company has not made any preferential allotment or private placement of shares during the year under review. Hence, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) To the best of our knowledge and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the records of the Company examined by us the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.
- 

For **Rupali Chandak & Company**  
*Chartered Accountants*  
(FRN-015279C)

Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**CA Rupali Chandak**  
*(Proprietor)*  
(Membership No. 411550)

**ANNEXURE "B" TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of Shreeyam Power and Steel Industries Limited

We have audited the internal financial controls over financial reporting of Shreeyam Power and Steel Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year on that date.

**Management's Responsibility for Internal Financial controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial Control and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the





assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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For **Rupali Chandak & Company**  
*Chartered Accountants*  
(FRN-015279C)

Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**CA Rupali Chandak**  
*(Proprietor)*  
(Membership No. 411550)



## BALANCE SHEET AS AT 31 MARCH, 2018

	Note No.	As At 31.03.2018 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	03	16,432.48	16,432.48
Reserves & Surplus	04	(1,20,697.52)	(1,02,720.26)
		<u>(1,04,265.04)</u>	<u>(86,287.78)</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	05	8,116.00	53,804.17
Deferred Tax Liability (Net)	06	2,006.21	2,006.21
Others Long term Liabilities	07	-	-
Others Long term Provisions	08	96.68	13.92
		<u>10,218.89</u>	<u>55,824.30</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	09	4,684.60	4,684.60
Trade Payables	10	11,604.21	10,161.43
Other Current Liabilities	11	1,46,129.36	85,822.63
Short-term Provisions	12	129.22	194.00
		<u>1,62,547.39</u>	<u>1,00,862.66</u>
	<b>TOTAL</b>	<u>68,501.24</u>	<u>70,399.18</u>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
Fixed Assets			
(i) Tangible Assets	13	53,743.06	56,777.36
(ii) Intangible Assets	13	7.04	3.84
(iii) Capital Work in Progress	13	486.82	482.19
Long term loans and advances	14	606.75	485.00
		<u>54,843.67</u>	<u>57,748.39</u>
<b>(2) CURRENT ASSETS</b>			
Current Investments	15	51.18	51.18
Inventories	16	4,532.08	3,422.23
Trade receivables	17	5,253.62	4,424.86
Cash and cash equivalents	18	1,062.52	1,695.19
Short-term loans and advances	19	2,758.17	3,057.33
		<u>13,657.57</u>	<u>12,650.79</u>
	<b>TOTAL</b>	<u>68,501.24</u>	<u>70,399.18</u>
Accounting Policies & Notes on Accounts	1 to 28		

As per our report of even date attached

For **Rupali Chandak & Company**  
Chartered Accountants  
FRN : 015279C

CA **Rupali Chandak**  
(Proprietor)  
Membership No. 411550

Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**Davesh Khandelwal**  
(Managing Director)  
DIN - 02997266

**Manoj Khetan**  
(Director (A & F) & CFO)  
DIN - 06395265

For and on behalf of the Board

**Santosh Shahra**  
(Chairman)  
DIN - 00305846

**Raj Kumar Bhawsar**  
(Company Secretary)



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

	Note No.	Year ended 31.03.2018 (₹ in Lacs)	Year ended 31.03.2017 (₹ in Lacs)
I Revenue from Operations	20	74,553.02	55,474.63
II Other Income	21	63.86	54.44
III <b>Total Revenue (I + II)</b>		<b>74,616.88</b>	<b>55,529.07</b>
IV <b>EXPENSES</b>			
Cost of Materials Consumed	22	50,518.26	43,147.24
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(20.73)	(138.25)
Employee Benefit expenses	24	1,944.23	1,776.64
Finance Costs	25	18,647.61	25,570.66
Depreciation	13	2,849.15	2,935.50
Other Expenses	26	18,655.62	9,352.60
<b>Total Expenses</b>		<b>92,594.14</b>	<b>82,644.39</b>
V <b>Profit/(Loss) for the year Tax (III-IV)</b>		<b>(17,977.26)</b>	<b>(27,115.32)</b>
VI <b>Tax Expenses</b>			
(i) Current Tax		-	-
(ii) Deferred Tax Liability/ (Assets)		-	-
VII <b>Profit/(Loss) for the period (V-VI)</b>		<b>(17,977.26)</b>	<b>(27,115.32)</b>
The accompanying are integral part of the Financial Statements	1 to 28		
<b>Earning Per Equity Share of face value of ₹ 10 each</b>			
Basic and Diluted		(10.94)	(16.50)
Number of Equity Shares (Weighted Average)		1,643.24	1,643.24

As per our report of even date attached

For **Rupali Chandak & Company**  
Chartered Accountants  
FRN : 015279C

**CA Rupali Chandak**  
(Proprietor)  
Membership No. 411550

Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**Davesh Khandelwal**  
(Managing Director)  
DIN - 02997266

**Manoj Khetan**  
(Director (A & F) & CFO)  
DIN - 06395265

For and on behalf of the Board

**Santosh Shahra**  
(Chairman)  
DIN - 00305846

**Raj Kumar Bhawsar**  
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in Lacs)

	Year ended 31.03.18		Year ended 31.03.17	
<b>A. Cash Flow from Operating Activities :</b>				
a) Net Profit before Tax & Extraordinary Items	(17,977.26)		(27,115.32)	
Depreciation	2,849.15		2,935.50	
Interest	18,647.61		25,570.66	
Interest Income	(58.85)		(48.38)	
Profit / (Loss) on sale of Fixed Assets	-		-	
		3,460.65		1,342.46
b) Operating Profit before Working Capital Change				
Adjustment for :				
Trade and other Receivables	(651.34)		939.59	
Inventories	(1,109.85)		276.51	
Trade Payable	61,772.77	60,011.57	82,943.11	84,159.21
c) Cash Generated from Operations		63,472.22		85,501.67
Income Tax Paid (Net)	(5.27)	(5.27)	(21.97)	(21.97)
d) Cash Flow before Extraordinary Items		63,466.95		85,479.70
Extraordinary Items		-		-
<b>Net Cash from Operating Activities (A)</b>		<b>63,466.95</b>		<b>85,479.70</b>
<b>B. Cash Flow from Investing Activities :</b>				
Interest/Dividend received	58.85		48.38	
Other Receivable (Deposits)	-		-	
Increase in Fixed Assets including Capital Work-in-Progress	(154.24)		(155.40)	
Investment	-		-	
Sale of Fixed Assets	331.56		-	
<b>Net Cash from Investing Activities (B)</b>		<b>236.17</b>		<b>(107.02)</b>
<b>C. Cash Flow from Financing Activities :</b>				
Proceeds from issue of Share Capital	-		-	
Net proceeds from Long Term Borrowings	(58,091.00)		(85,686.03)	
Net proceeds from Other Borrowings	-		-	
Proceeds from Unsecured Borrowings	-		-	
Loan/Interest Paid	(6,244.79)		(875.75)	
<b>Net Cash from Financing Activities (C)</b>		<b>(64,335.79)</b>		<b>(86,561.78)</b>
<b>D. Net increase/ (decrease) in Cash and Cash equivalent (A+B+C)</b>		<b>(632.67)</b>		<b>(1,189.10)</b>
Cash and Cash equivalent at beginning of the year	1,695.19		2,884.29	
Cash and Cash equivalent at end of the year	1,062.52	(632.67)	1,695.19	(1,189.10)

As per our report of even date attached

For and on behalf of the Board

For **Rupali Chandak & Company**  
Chartered Accountants  
FRN : 015279C

**Davesh Khandelwal**  
(Managing Director)  
DIN - 02997266

**Santosh Shahra**  
(Chairman)  
DIN - 00305846

**CA Rupali Chandak**  
(Proprietor)  
Membership No. 411550

**Manoj Khetan**  
(Director (A & F) & CFO)  
DIN - 06395265

**Raj Kumar Bhawsar**  
(Company Secretary)

Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****NOTE 1 CORPORATE INFORMATION**

**SHREEYAM POWER AND STEEL INDUSTRIES LIMITED**, ('the Company') CIN NO. U45200MH1995PLC090807 was incorporated on 19<sup>th</sup> July, 1995, having registered office at 621, Tulsiani Chambers, Nariman Point, Mumbai, 400021, is working through its two manufacturing plants at Gandhidham (Gujrat) and Pithampur (Dhar) (M.P.) with manufacturing, trading and other incidental & related activities.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Accounting and preparation of Financial Statements:**

The Financial Statements of Company have been prepared in accordance with the generally accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 of 2013 Act, as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**b) Use of Estimates:**

The preparation of the financial statements is in conformity with Indian generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities (including contingent liabilities) and the reported income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Example of such estimates are estimated useful life of assets, provision for doubtful debts, etc. any revision to accounting estimated is recognized in accordance with the requirements of the respective accounting standards.

**c) Tangible Fixed Assets (Property Plant and Equipment):**

Fixed Assets are recorded at cost net of CENVAT, VAT, SGST, CGST & IGST Depreciation and impairment loss, if any. Depreciation on Tangible assets is provided at Straight Line Method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased/sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on Straight Line Method commencing from the date the assets is available to the company for its use. Assets acquired during the year whose cost does not exceed Rs 5000/- are fully depreciated in the year of acquisition. The management estimates the useful lives for the Fixed assets, which are in line with part "C" of Schedule II of the Companies Act 2013, are as follows :-

<b>Assets</b>	<b>Useful Life based on SLM adopted</b>
<b>Building :</b>	
i) Factory	30 Years
ii) Other than Factory Building	60 Years
<b>Plant &amp; Machinery :</b>	
i) Use in Steel Manufacturing	20 Years
ii) Power Generation, Transmission and Distribution	40 Years
iii) Continues Process Plant not covered under special Plant & Machinery	25 Years
iv) Other than continuous Process Plant not covered under special Plant & Machinery	15 Years
v) Pipelines	12 Years
Office Equipments	5 Years
Computer Equipments	6 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Intangible Assets : Computer Software	3 Years



Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

**d) Intangible Assets:**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any duties and other taxes, net of cenvat, SGST, CGST & IGST and any directly attributable expenditure on the assets ready for its intended use.

**e) Impairment of Assets:**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any duties and other taxes, net of cenvat, SGST, CGST & IGST and any directly attributable expenditure on the assets ready for its intended use.

**f) Investments:**

Investments are classified into current and long term investments. Current investments are stated at the lower of cost or fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

**g) Inventories:**

Inventories comprising Raw Materials and Finished Goods are stated at cost or net realizable value, whichever is lower. Cost of Raw Materials is arrived at weighted average basis for every month (net of tax credit available on the procurement). The cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.

Stock-in-process is valued at cost determined by taking material cost, labour charges, and direct expenses.

Stores and Spares are stated at cost less provision, if any, for obsolescence.

**h) Foreign Currency Transactions/Translations:**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the Balance Sheet date. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except for the exchange difference arising on translation of long term foreign currency monetary items as at the balance sheet date, which are being amortized over the maturity period of the said long term foreign currency monetary items.

Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a Foreign Currency Translation Reserve.

**i) Derivative Contracts:**

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its firm commitments and highly probable transactions. Derivative contracts which are closely linked to the underlying transactions are recognized in accordance with the contract terms. All other contracts are marked-to-market at the reporting date and resultant losses are recognized in the financial statements and the net gains, if any, however are ignored.



**j) Retirement Benefits:**

Contribution payable to recognized Provident Fund which is defined as contribution scheme is charged to the Statement of Profit and Loss. Gratuity which are defined as benefits are accrued based on actuarial valuation as at the Balance Sheet date. Balance of un-availed leave is encashed at the end of each calendar year, as such, no provision for the same in the Books.

**k) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. The capitalization rate is the weighted average of the borrowing cost applicable to the borrowings of the Company that are outstanding during the year. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**l) Operating Lease:**

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight line basis in accordance with the respective lease agreements.

**m) Taxes on Income:**

Income taxes are accounted for in accordance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income". Tax expense comprises both Current Tax and Deferred Tax. Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred Tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability. Company has not provided Deferred Tax Assets for the current financial year.

**n) Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

1. possible obligation which will be confirmed only by future events not wholly within the control of the Company or
2. present obligations arising from past events where it is not probable that as outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements.

**o) Revenue Recognition:**

Revenue from sale of goods is recognized net of returns, product expiry claims and trade discounts, on transfer of significant risk and rewards in respect of ownership to the buyer. Sales include excise duty, sales tax, CGST, SGST & IGST and value added tax. Sales are also netted off for probable on-



saleable return of goods from the customers, estimated on the basis of historical data of such returns. Revenue is recognized when it is reasonable to expect that the ultimate collection will be made. Interest income is accounted on accrual basis. Dividend from investment is recognized as revenue when right to receive is established.

**p) Employee Benefits:**

Employee benefits include provident fund, gratuity, compensated absences and post employment and other long-term benefits.

**(a) Post Employment Benefits and Other Long-Term Benefits:**

**(i) Defined Contribution Plan:**

The company's contribution towards provident fund for eligible employees are considered to be defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged as an expense to the Statement of Profit and Loss when services are rendered by the employees.

**(ii) Defined Benefit and Other Long-Term Benefit Plans:**

Company's liabilities towards defined benefit plans and other long-term benefits viz. gratuity and compensated absences not expected to occur within twelve months, after the end of the period in which employee renders service, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent benefits are vested, otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reduction in future contributions to the scheme.

Periodic contributions to the Fund are charged to the Statement of Profit and Loss

**(b) Short-Term Employees Benefits:**

Short-Term employee benefits expected to be paid in exchange for the services rendered by employees are recognized at their undiscounted amounts during the period employee renders services. Short-Term compensated absences are provided for, based on estimates in accordance with Company rules.

**q) Government Grants, subsidies and export incentives:**

Company's policy to accounts the government grants and subsidies when there is reasonable assurance that the Company will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Revenue grants are recognized in the Statement of Profit and Loss. Export benefits available under prevalent schemes are accrued in the year in which the goods are exported.

**r) Earnings per share:**

Basic earnings per share is computed by dividing the profit/ loss after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

**s) Insurance claims:**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

**t) Input Tax Credit:**

Input Tax Credit is accounted for in the books in the period in which the underlying Material, services are received, and there is reasonable certainty in availing / utilizing the credits.





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31.03.2018 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorized Capital :</b>		
30,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 30,00,00,000 Equity Shares of ₹ 10/- each)	30,000.00	30,000.00
5,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each (Previous Year 5,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each)	500.00	500.00
<b>TOTAL</b>	<b>30,500.00</b>	<b>30,500.00</b>
<b>Issued, Subscribed and Fully Paid up Share Capital :</b>		
16,43,24,846 Equity Shares of ₹ 10/- each fully paid up (Previous Year 16,43,24,886 Equity Shares of ₹ 10/- each fully paid up)	16,432.48	16,432.48
	<b>16,432.48</b>	<b>16,432.48</b>

## 1.(a) The details of Shareholders holding more than 5% Shares :

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	% held	No. of Shares	% held
East West Global Limited	1,67,01,482	10.16	1,67,01,482	10.16
Benco Finance and Investments Pvt. Ltd.	4,55,96,906	27.75	4,55,96,906	27.75
HBS India Investments (Mauritius) Ltd.	84,82,444	5.16	84,82,444	5.16
Soucano Holdings Co. Ltd.	1,85,67,712	11.30	1,85,67,712	11.30
NSIL Infotech Limited	2,55,33,286	15.54	2,55,33,286	15.54
NSIL Power Limited	2,58,50,532	15.73	2,58,50,532	15.73
Shriyam Industries Pvt. Ltd.	89,31,826	5.44	89,31,826	5.44

## 1.(b) Rights, preferences and restrictions attached to shares :

The Company has issued Equity shares with Voting rights only of Face value of ₹10 each and each share carries right to one vote.

## 1.(c) Reconciliation of number of shares : Equity Shares :

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	Value (in ₹)	No. of Shares	Value (in ₹)
Shares outstanding at the beginning of year	16,43,24,846	1,64,32,48,460	16,43,24,846	1,64,32,48,460
Add: Shares issued as preferential allotment on private placement basis	-	-	-	-
Shares outstanding at the end of year	16,43,24,846	1,64,32,48,460	16,43,24,846	1,64,32,48,460

## NOTE 4 RESERVES AND SURPLUS

## Securities Premium Account

As per last Balance Sheet

16,516.99

16,516.99

16,516.99

16,516.99

## General Reserve

As per last Balance Sheet

849.85

849.85

849.85

849.85



	As At 31.03.2018 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)
<b>Profit &amp; Loss Account</b>		
As per last Balance Sheet	(1,20,087.10)	(92,971.78)
Add : Net Profit/(Loss) for the year	(17,977.26)	(27,115.32)
	<u>(1,38,064.36)</u>	<u>(1,20,087.10)</u>
<b>TOTAL</b>	<u>(1,20,697.52)</u>	<u>(1,02,720.26)</u>
<b>NOTE 5 LONG TERM BORROWINGS</b>		
<i>Secured</i>		
<b>Term Loan**</b>		
From Bank	92,176.38	92,176.38
Interest on Borrowings	49,626.69	37,223.86
Less : Due within one year (Refer Note No. 11)	<u>1,41,803.07</u>	<u>83,712.07</u>
<b>(A)</b>	<u>-</u>	<u>45,688.17</u>
<i>Unsecured</i>		
From Others	7,530.00	7,530.00
From Related Party	<u>586.00</u>	<u>586.00</u>
<b>(B)</b>	<u>8,116.00</u>	<u>8,116.00</u>
<b>TOTAL (A + B)</b>	<u>8,116.00</u>	<u>53,804.17</u>
<b>NOTES:</b>		
<b>(a) Nature of Security :</b> Term loan from banks are secured by way of first mortgage of immovable properties and hypothecation of of all the Company's movables (save and except book debts and stocks) including movable Machinery, Spare and Tools both present and future ranking pari-passu inter-se subject to prior charge created/to be created in favour of the banks on specified movable assets for securing borrowing for working capital requirements and personal guarantee of a promoter Director		
<b>NOTE 6 DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability C/F	2,006.21	2,006.21
Add : Provision for the Year	-	-
Add : Reversal of Deferred Tax	-	-
<b>TOTAL</b>	<u>2,006.21</u>	<u>2,006.21</u>
<b>NOTE 7 OTHER LONG TERM LIABILITIES</b>		
Trade Payable	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>
<b>NOTE 8 OTHER LONG TERM PROVISIONS</b>		
Provision for Employee Benefits (Gratuity)	96.68	13.92
<b>TOTAL</b>	<u>96.68</u>	<u>13.92</u>
<b>NOTE 9 SHORT TERM BORROWINGS</b>		
<i>Secured**</i>		
Cash Credit	4,131.24	4,131.24
<i>Unsecured</i>		
Short term loan	553.36	553.36
<b>TOTAL</b>	<u>4,684.60</u>	<u>4,684.60</u>

\*\* **Nature of Security :** Loan from Banks for working capital are secured by hypothecation of Company's entire Stocks of Raw materials, Stock-in-process, Finished goods, Stores & Spares, Stock in transit, other current assets and second charge over entire fixed assets of the Company ranking pari-passu inter-se and personal guarantee of a Promoter Director.



	As At 31.03.2018 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)
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**NOTE 10 TRADE PAYABLES****Unsecured Payables [Refer Note No. 28(14)]**

i. Outstanding dues of Micro & Small enterprises	-	-
ii Outstanding dues of Creditors other than Micro and Small enterprises	11,604.21	10,161.43
<b>TOTAL</b>	<b>11,604.21</b>	<b>10,161.43</b>

**Note:** As per the information available with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 the information required under the said act disclosed as under :

Description	Current Year	Previous Year
The Principal amount due outstanding as at 31, March	-	-
Interest due on (1) above and unpaid as at 31, March	-	-
Interest paid to the supplier	-	-
Payment made to supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining un paid as 31, March	-	-
The Amount of further interest remaining due and payable in succeeding year	-	-

**NOTE 11 OTHER CURRENT LIABILITIES**

Advances from Customers	1,220.92	374.75
Other Payable (Include Statutory Dues & Provision for Expenses)	3,105.37	1,735.81
<b>Secured Loan (Payable within one year)</b>		
From Banks	1,41,803.07	83,712.07
From Others	-	-
<b>TOTAL</b>	<b>1,46,129.36</b>	<b>85,822.63</b>

**NOTE 12 SHORT TERM PROVISION****Provision for Employee Benefits**

Provision for Bonus	44.20	39.94
Provision for compensated absences	2.03	9.11
Provision for other employee benefits	136.29	192.97
	<b>182.52</b>	<b>242.02</b>

**Provision Others**

Provision for Tax	-	-
Less: Advance Tax & TDS	53.30	48.02
	<b>(53.30)</b>	<b>(48.02)</b>
<b>TOTAL</b>	<b>129.22</b>	<b>194.00</b>



**NOTE 13 FIXED ASSETS**

( ₹ in Lacs)

S. Name of Assets No.	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions during the year	Deductions during the year	As at 31.03.2018	Up to 31.03.2017	For the Year	Written Back	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
<b>(i) Tangible Assets</b>										
1. Land										
a) Land Other	229.98	-	-	229.98	-	-	-	-	229.98	229.98
b) Land on Lease	1,023.89	-	-	1,023.89	-	-	-	-	1,023.89	1,023.89
2. Buildings	10,869.21	-	-	10,869.21	3,076.95	347.37	-	3,424.32	7,444.89	7,792.25
3. Plant & Machinery	74,756.72	107.03	331.56	74,532.19	27,176.43	2,544.05	87.00	29,633.48	44,898.71	47,580.29
4. Furniture	143.91	9.69	-	153.60	109.92	14.34	-	124.26	29.33	33.98
5. Vehicles	189.65	5.44	-	195.09	133.70	10.02	-	143.72	51.37	55.95
6. Office Equipments	145.79	16.42	-	162.21	107.91	12.18	-	120.09	42.12	37.88
7. Computer	118.43	7.24	-	125.67	95.29	7.61	-	102.90	22.77	23.14
<b>Total (i)</b>	<b>87,477.57</b>	<b>145.82</b>	<b>331.56</b>	<b>87,291.83</b>	<b>30,700.20</b>	<b>2,935.57</b>	<b>87.00</b>	<b>33,548.77</b>	<b>53,743.06</b>	<b>56,777.36</b>
<b>(ii) Intangible Assets</b>										
Computer Software	29.27	3.79	-	33.06	25.44	0.58	-	26.02	7.04	3.84
<b>Current Year Total (i)+(ii)</b>	<b>87,506.84</b>	<b>149.61</b>	<b>331.56</b>	<b>87,324.89</b>	<b>30,725.64</b>	<b>2,936.15</b>	<b>87.00</b>	<b>33,574.79</b>	<b>53,750.10</b>	<b>56,781.20</b>
<b>Previous Year</b>	<b>87,355.67</b>	<b>151.16</b>	<b>-</b>	<b>87,506.83</b>	<b>27,790.13</b>	<b>2,935.50</b>	<b>-</b>	<b>30,725.63</b>	<b>56,781.20</b>	<b>59,565.53</b>
(iii) Capital Work in Progress	-	-	-	-	-	-	-	-	486.82	482.19

As At  
31.03.2018  
( ₹ in Lacs)      As At  
31.03.2017  
( ₹ in Lacs)

**NOTE 14 LONG TERM LOANS & ADVANCES**

Advance for Capital Goods	27.20	27.20
Security Deposits	579.55	457.80
<b>TOTAL</b>	<b>606.75</b>	<b>485.00</b>

**NOTE 15 CURRENT INVESTMENTS**

Investment in quoted Mutual Fund		
Scheme Dual Advantage Fund Series - III Regular Growth	36.00	36.00
Scheme Magnum Income Fund Regular Plan Growth	15.18	15.18
NAV Current value ₹ 66.84 Lacs (Previous Year ₹ 65.15 Lacs)		
<b>TOTAL</b>	<b>51.18</b>	<b>51.18</b>

**NOTE 16 INVENTORIES**

(As taken, valued and certified by the Management)

Raw Materials	1,804.59	746.88
Finished Goods	1,897.04	1,878.80
Realisable By-Products	84.25	81.76
Stores and Spares	736.99	704.62
Fuel	9.21	10.17
<b>TOTAL</b>	<b>4,532.08</b>	<b>3,422.23</b>



	As At 31.03.2018 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)
<b>NOTE 17 TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Debts outstanding for a period		
- more than six months Considered Good	1,832.84	2,396.36
Less : Provision for doubtful debts	(1,105.87)	-
- Considered Goods	726.97	2,396.36
Others - Considered Good	4,526.65	2,028.50
<b>TOTAL</b>	<b>5,253.62</b>	<b>4,424.86</b>
<b>NOTE 18 CASH &amp; CASH EQUIVALENTS</b>		
(i) Cash in hand	4.02	2.60
(ii) Bank balances with Scheduled Banks		
a) In Current Accounts	838.74	1,485.95
b) In Margin Money Deposits #	219.76	206.64
<b>TOTAL</b>	<b>1,062.52</b>	<b>1,695.19</b>
# Fixed Deposit Receipts Pledge with Bank Certificate from the banks are with the Company		
<b>NOTE 19 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured Loans and Advances</b>		
Loans and Advances to Employees	60.69	91.44
Advances to Suppliers	1,976.78	1,817.12
Less : Provision for doubtful creditor advances	(80.31)	-
Prepaid Expenses	39.76	39.74
Balances with Govt. Authorities & Others	334.22	682.00
Mat Credit Entitlement	427.03	427.03
<b>TOTAL</b>	<b>2,758.17</b>	<b>3,057.33</b>
<b>NOTE 20 REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
<b>Manufactured Goods</b>		
Sponge Iron	3,644.39	3,750.03
Mild Steel Billets	34,152.38	28,835.68
TMT Bars	37,181.22	27,115.68
Sale of Power	134.16	274.26
Other Misc. Item	867.17	1,584.44
	75,979.32	61,560.09
Less: Excise Duty	1,426.30	6,085.46
<b>TOTAL</b>	<b>74,553.02</b>	<b>55,474.63</b>
<b>NOTE 21 OTHER INCOME</b>		
Interest Income	58.85	48.38
Other Non Operating Incomes	5.01	6.06
<b>TOTAL</b>	<b>63.86</b>	<b>54.44</b>
<b>NOTE 22 COST OF MATERIALS CONSUMED</b>		
Opening Stock	746.88	1,152.89
Add: Purchases	51,575.97	42,741.23
Less : Closing Stock	1,804.59	746.88
<b>TOTAL</b>	<b>50,518.26</b>	<b>43,147.24</b>



	Year Ended 31.03.2018 (₹ in Lacs)	Year Ended 31.03.2017 (₹ in Lacs)
<b>Cost of Material Consumed Comprise :</b>		
Iron Ore Pellets/Iron Ore	15,487.74	14,643.24
Coal	15,141.74	12,178.66
Heavy Melting Scrap	16,899.84	13,663.54
M.S. Billets	228.31	-
Other Misc. Items	2,760.63	2,661.80
<b>TOTAL</b>	<b>50,518.26</b>	<b>43,147.24</b>
<b>NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>		
(A) Closing Stock : Finished Goods	1,981.29	1,960.56
: Traded Goods	-	-
<b>TOTAL (A)</b>	<b>1,981.29</b>	<b>1,960.56</b>
(B) Less : Opening Stock : Finished Goods	1,960.56	1,822.31
: Traded Goods	-	-
<b>TOTAL (B)</b>	<b>1,960.56</b>	<b>1,822.31</b>
<b>Net (Increase) / Decrease in Stock (A-B)</b>	<b>(20.73)</b>	<b>(138.25)</b>
<b>NOTE 24 EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages & Perquisites	1,810.07	1,645.38
Staff & Labour Welfare	55.49	57.04
Employee's P.F. & E.P.F.	78.31	73.92
Employee's State Insurance	0.36	0.30
<b>TOTAL</b>	<b>1,944.23</b>	<b>1,776.64</b>
<b>NOTE 25 FINANCE COSTS</b>		
Interest expenses on (Refer Note 9)		
Term Loans	9,633.40	10,884.88
WCTL	2,850.69	4,919.13
FITL	4,523.00	7,977.07
WCTL - New	990.21	913.83
Working Capital	614.81	856.62
Bank Commission & Charges	35.50	19.13
<b>TOTAL</b>	<b>18,647.61</b>	<b>25,570.66</b>
<b>NOTE 26 OTHER EXPENSES</b>		
Stores & Spares Consumed	1,709.72	1,696.37
Power, Fuel & Electricity	1,413.13	1,049.96
Rent	83.84	34.45
<b>Repairs and Maintenance</b>		
to Building	1.12	12.20
to Machinery	108.12	116.26
to Others	65.57	23.69
Insurance Charges	106.78	78.61
Rates & Taxes, excluding Taxes on Income :		
IGST / CGST /SGST	8,884.91	-
VAT / CST	841.66	2,776.83
Other Rates & Taxes	928.87	945.23



	Year Ended 31.03.2018 (₹ in Lacs)	Year Ended 31.03.2017 (₹ in Lacs)
Manufacturing Expenses	1,057.71	951.09
Other Selling Expenses	1,387.50	1,158.31
Expenses for Export	29.30	86.90
Registration and Licence Fees	10.31	14.73
Legal & Professional Charges	539.99	110.13
Travelling Expenses (Others)	26.05	26.52
Travelling Expenses (Directors)	13.26	5.70
Conveyance Expenses	108.49	101.45
Postage, Telegram & Telephone Expenses	11.59	12.46
Miscellaneous & Other Establishment Expenses	95.36	90.72
Provision for doubtful creditor advances	80.31	-
Provision for doubtful debts	1,105.87	-
Security Charges	31.76	37.00
Printing & Stationary	7.96	4.88
Audit Fees	2.25	2.25
Testing & Analysis Charges	1.90	2.22
Expenses related to prior period	-	5.23
Net loss on foreign currency transactions	2.29	9.41
<b>TOTAL</b>	<b>18,655.62</b>	<b>9,352.60</b>

**28. OTHER NOTES**(1) **Earning Per Share (EPS)** computed in accordance with Accounting Standard - 20 :

Particulars	31-03-2018	31-03-2017
Profit/(Loss) after tax (₹ Lacs)	(17,977.25)	(27,115.32)
Weighted Average Number of equity shares	16,43,24,846	16,43,24,846
Basic EPS (₹)	(10.94)	(16.50)
Diluted EPS (₹)	(10.94)	(16.50)

Note : There is no potential equity share, therefore Basic and Diluted EPS are same.

(2) Related party disclosures as per Accounting Standard - 18 are given below :-

**A. Relationships****a) Key Management Personnel :**

Shri Santosh Shahra - Promoter Director  
 Shri Davesh Khandelwal - Managing Director  
 Shri Manoj Khetan - Director (F & A) and CFO

**b) Relatives of Key Management Personnel :**

Shri Vishesh Shahra son of Shri Santosh Shahra  
 Smt. Usha Devi Shahra wife of Shri Santosh Shahra  
 Santosh Shahra (HUF)

**c) Other related parties where control exists :**

NSIL Infotech Limited  
 NSIL Power Limited



NSIL Finance Limited  
 National Steel and Agro Industries Limited  
 NSIL Exports Limited  
 Ruchi Integrated Steels (India) Limited  
 Ruchi Power Corporation Limited  
 Benco Finance and Investments Private Limited

**B. Related Party Transactions**

(Previous year's Figures are mention in ( ) below current year's figures)

**(₹ in Lacs)**

Particulars	Key Management Personnel (KMP)	Relatives of Key Management Personnel	Enterprises over which KMP & their relatives exercise significant infuence	Total
<b>Purchase of Goods</b>	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
<b>Sale of Goods</b>	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
<b>Rent Paid</b>	<b>Nil</b> (Nil)	<b>21.60</b> (21.60)	<b>Nil</b> (Nil)	<b>21.60</b> (21.60)
<b>Remuneration, Salary, Allowances and Perquisites</b>	<b>85.68</b> (90.42)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)	<b>85.68</b> (90.42)
<b>Sitting Fees</b>	<b>0.08</b> (0.08)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)	<b>0.08</b> (0.08)

**(3) Retirement benefits :**

As per Accounting Standard - 15 "Employees Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below :

**Defined Contribution Plan :**

Contribution to Defined Contribution Plan is recognized as expense for the year :

**(₹ in Lacs)**

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	<b>78.30</b>	73.92
Employee's State Insurance	<b>0.36</b>	0.30

**Defined Benefit Plan :**

The present value of obligation is determined based on the actuarial valuation using the projected Unit Credit Method which recognizes each period of services as giving rise to additional unit of Employee Benefit Entitlement and measures each unit separately to build the final obligations. The obligation for Leave Encashment is recognized in the same manner as Gratuity.





(₹ in Lacs)

	Gratuity (Funded) 2017-18	Leave Encashment (Unfunded) 2017-18	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2016-17
<b>A. Reconciliation of opening and closing Balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	13.92	9.11	51.33	10.47
Current Service Cost	20.21	-	15.03	0.91
Interest Cost	6.12	-	4.11	0.83
Actuarial (Gain)/Loss	(9.73)	-	11.85	4.62
Benefits paid	(2.13)	(7.09)	(0.90)	(7.72)
Employer's Contribution	(48.52)	-	(67.50)	-
<b>Defined Benefit Obligation at end of the year</b>	<b>(20.13)</b>	<b>2.02</b>	<b>13.92</b>	<b>9.11</b>
<b>B. Expenses recognized during the year under the head "Employees Remuneration and Benefits"</b>				
Current Service Cost	20.21	-	15.03	0.91
Interest Cost	6.12	-	4.11	0.83
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss	(9.73)	-	11.85	4.62
<b>Net Cost</b>	<b>16.60</b>	<b>-</b>	<b>30.99</b>	<b>6.36</b>
<b>C. Actuarial Assumptions</b>				
<b>Mortality Table (LIC)</b>	<b>2006-08</b>	<b>2006-08</b>	2006-08	2006-08
Discount Rate (Per Annum)	7.86%	7.86%	7.52%	7.57%
Rate of Escalation in salary (Per Annum)	5%	5%	5%	5%

The estimate of Rate of Escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(4) Contingent Liabilities :

(₹ in Lacs)

	Particulars	As at March 31,	
		2018	2017
a)	Bank guarantees aggregating to various State Power supplying Company and Customs Authorities.	171.39	171.39
b)	Gujarat Commercial Tax Matter for the FY 2010-11 (CST) under Appeal	-	103.45
c)	MP Commercial Tax matter for the FY 2011-12 under Appeal	-	67.59
d)	Lease Rent demand under dispute at GIDC, Gandhidham	51.90	51.90
e)	Lease Rent due of MPAKVN Ltd., for Pithampur	-	104.17
f)	Income Tax Demand from Income Tax Department, Mumbai	107.93	107.93
g)	The Company imported Raw Materials under advance license scheme, against which the Company needs to fulfill the export obligations. The duty saved amount on such imports	3,475.16	3,260.45
h)	The Company purchased/imported capital goods under EPCG scheme of DGFT against which the Company is required to do export of products of the Company as per the provisions of Foreign Trade Policy/Customs Act 1962.	-	-

**(5) Additional information :**

	Year ended 31.03.2018		Year ended 31.03.2017	
	Qty. (M.T.)	Value (₹ in Lacs)	Qty. (M.T.)	Value (₹ in Lacs)
<b>A) Stock of Finished Goods</b>				
<b>i) Sponge Iron</b>				
Opening Stock	1,539.049	266.59	6,067.920	857.15
Closing Stock	3,002.82	517.87	1,539.049	266.59
<b>ii) M. S. Billets</b>				
Opening Stock	3,446.560	987.58	2,131.063	496.16
Closing Stock	1,118.981	356.19	3,446.560	987.58
<b>iii) T.M.T. Bars</b>				
Opening Stock	1,954.550	624.52	1,740.868	427.05
Closing Stock	2,898.286	1,022.89	1,954.550	624.52
<b>iv) Carbon Steel</b>				
Opening Stock	0.422	0.17	0.422	0.17
Closing Stock	0.422	0.10	0.422	0.17
<b>v) Others</b>				
Opening Stock	-	81.77	-	68.84
Closing Stock	-	84.25	-	81.77
<b>B) Sales</b>				
Sponge Iron	15,814.83	3,644.39	23,075.910	3,750.03
Mild Steel Billets	98,348.78	34,152.38	1,05,209.560	28,835.68
T.M.T. Bars	92,052.05	37,181.22	85,006.450	27,115.68
Other Misc. Sales	-	867.17	-	1,584.44
Sales of Power	-	134.16	-	274.26
<b>TOTAL</b>		<b>75,979.32</b>		<b>61,560.09</b>
<b>C) Raw Materials Consumed</b>				
Iron Ore/Pallets	2,49,737.732	15,487.74	2,53,789.739	14,643.24
Coal	2,47,208.92	15,141.74	2,58,687.560	12,178.66
Heavy Melting Scrap	77,497.235	16,899.84	77,959.940	13,663.54
Other Misc. Items	-	2,988.94	-	2,661.80
<b>TOTAL</b>		<b>50,518.26</b>		<b>43,147.24</b>



	Year ended 31.03.2018 (₹ in Lacs)	%	Year ended 31.03.2017 (₹ in Lacs)	%
<b>D) Value of Imported &amp; Indigenous Raw Materials and Stores &amp; Spares Consumed</b>				
<b>i) Raw Materials :</b>				
Imported	3,551.45	7.03	15,074.74	34.94
Indigenous	46,966.81	92.97	28,072.50	65.06
<b>TOTAL</b>	<b>50,518.26</b>	<b>100.00</b>	<b>43,147.24</b>	<b>100.00</b>
<b>ii) Stores :</b>				
Imported	9.28	0.54	14.38	0.85
Indigenous	1,700.44	99.46	1,681.99	99.15
<b>TOTAL</b>	<b>1,709.72</b>	<b>100.00</b>	<b>1,696.37</b>	<b>100.00</b>
	<b>Year ended 31.03.2018 (₹ in Lacs)</b>		<b>Year ended 31.03.2017 (₹ in Lacs)</b>	
<b>E) Value of Import on CIF basis:</b>				
i) Raw Materials	731.10		1,330.16	
ii) Stores and Consumables	9.28		14.38	
iii) Capital Goods	-		-	
<b>F) Expenditure in Foreign Currency (FOB)</b>				
	-		-	
<b>G) Remittance in Foreign Currency</b>				
	-		-	
<b>H) Earnings in Foreign Currency (FOB Value)</b>				
	341.92		1,095.28	

**(6) Payments to Auditors : (₹ in Lacs)**

Particulars	31.03.2018	31.03.2017
For Statutory Audit	1.75	1.75
For Tax Audit	0.50	0.50
For Other Services	-	-
For Reimbursement of Exp.	-	-

**(7) Managerial Remuneration :**

Particulars	31.03.2018	31.03.2017
Salary, Allowances & Others	85.68	90.42

Tenure of Mr. Davesh Khandelwal - Managing Director and Mr. Manoj Khetan – Director (Finance) was upto



31.01.2018. The Company has re-appointed both of them for a period of 2 years w.e.f. 01.02.2018 at the existing terms, condition/remuneration. However, pending approval from secured lenders, Company has not paid any remuneration from 01.02.2018 to 31.03.2018.

- (8) (a) Pending verdict of recovery suit filed by the company against it's various customers, company has made "**Provision for Doubtful Debt**" of ₹ 1105.86 Lacs on 31.03.2018.
- (b) Pending, recovery proceedings/reconciliation with the Vendors, company has made a "**Provision for Doubtful Advances**" for debit balances appearing in Vendors' account amounting to ₹ 80.31 Lacs on 31.03.2018.
- (9) Corporate Debt Restructuring Cell (CDR) vide it's letter No. CDR(DAP)No.386/2017-18 dated January 2, 2018 has informed the company that "*The account of Shreeyam Power & Steel Industries Limited (SPSIL) stands exited from CDR mechanism on account of failure of the approved CDR package*". Accordingly, interest has been provided

The Company has calculated default in meeting its obligation towards payment of principal and Interest there on as under:

(₹ in Lacs)

Name of Banks	Nature of Facility	Accumulated Principal Loan and Interest Amount of Default as at 31.03.2018	Period since Last to first default in days
IDBI Bank Limited	Term Loan	4,246.00	730-2466
	Devolved LCs	674.72	2440-2479
	Interest	6,030.79	01-2527
State Bank of India	Term Loan	2,373.00	730-2466
	Corporate Loan	1,800.00	1826-2557
	Devolved LCs	9,328.00	2465-2545
	Interest	10,112.29	01-2527
# State Bank of Mysore	Term Loan	4,980.88	730-2466
	Devolved LCs	4,182.96	2405-2553
	Interest	11,703.20	01-2527
# State Bank of Patiala	Term Loan	4,998.41	730-2466
	Devolved LCs	5,388.89	1067-1071
	Interest	6,102.45	01-2527
*State Bank of Hyderabad	Term Loan	2,500.00	730-2466
	Devolved LCs	2,657.00	2313-2431
	Interest	6,188.75	01-2527



(₹ in Lacs)

Name of Banks	Nature of Facility	Accumulated Principal Loan and Interest Amount of Default as at 31.03.2018	Period since Last to first default in days
*State Bank of Travancore	Term Loan	2,498.80	730-2466
	Interest	3,340.65	01-2527
Central Bank of India	Term Loan	9,952.44	730-2466
	Devolved LCs	3,823.77	1352-1400
	Interest	15,221.18	01-2527
Oriental Bank of Commerce	Term Loan	4,984.67	730-2466
	Interest	6,818.75	01-2527
United Bank of India	Term Loan	5,000.00	365-2466
	Interest	6,895.56	01-2527

# State Bank of Mysore and State Bank of Patiala have been merged with State Bank of India.

\* Secured Borrowings from the below mentioned Banks has assigned to financial institution together with all their rights, title and interest in the financial documents and any underline security interest / pledges and / or guarantees in respect of such loans:

Name of the Bank	Date of Loan Transferred	Name of Financial Institution
State Bank of Hyderabad	03.10.2015	Edelweiss Asset Reconstruction Company Limited
State Bank of Travancore	28.12.2015	Edelweiss Asset Reconstruction Company Limited

- (10) Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dt.10.04.2013 has declared that the company is a sick industrial company u/s 3(1)(o) of the SICA. However, provisions of SICA has been repealed w.e.f. 01<sup>st</sup> December, 2016. Accordingly, the proceeding of the Company before the Hon'ble BIFR has abated.
- (11) The Company is contemplating settlement of its debts with the secured lenders and is on advance stage of finalization.
- (12) Though the company's liability exceeds its' assets, with the improved efficiency and proposed settlement of debt with its' lenders, company's Account has been prepared "on going concern" basis.
- (13) The company has not taken any assets on finance lease.
- (14) The Company has not received any memorandum (as required to be filled by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March, 2018 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.



- (15) On account of company's Account classified as Non-Performance Assets (NPA) by lenders, none of the lender has confirmed the balance of Term Loans, Devolved LCs and interest thereon as of 31<sup>st</sup> March, 2018.
- (16) The figures of previous year have been regrouped / rearranged / reclassified to conform the Current Year classification.
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As per our report of even date attached

For **Rupali Chandak & Company**  
*Chartered Accountants*  
**FRN : 015279C**

**CA Rupali Chandak**  
*(Proprietor)*  
Membership No. 411550  
Place : Indore  
Dated : 5<sup>th</sup> September, 2018

**Davesh Khandelwal**  
(Managing Director)  
DIN - 02997266

**Manoj Khetan**  
(Director (A & F) & CFO)  
DIN - 06395265

For and on behalf of the Board

**Santosh Shaha**  
(Chairman)  
DIN - 00305846

**Raj Kumar Bhawsar**  
(Company Secretary)