ANNUAL REPORT 2018-19

NATIONAL

SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

Certified ISO 9001:2008

SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

ANNUAL REPORT 2018-19

DEBENTURE TRUSTEE
Vistra ITCL (India) Limited
IL & FS Financial Centre, Plot No. 22, G Block
Bandra Kurla Complex, Bandra (East),
Mumbai, 400 051, India
Fax : +91-22-2653 3267
E-mail : mumbai@vistra.com

STATUTORY AUDITORS
M/s Rupali Chandak & Company
Chartered Accountant, 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)
4. Mr. Vishesh Shahra, Whole-time Director
   (appointed w.e.f. 02.04.2019)
5. Mrs. Bhavna Goel, Director
   (appointed w.e.f. 24.06.2019)
6. Mr. Atul Kumar Gupta
7. Mr. Aditya Upadhyay, Director
   (appointed w.e.f. 02.04.2019)
8. Mrs. Salonee Vishal Desai
   (ceased w.e.f. 19.01.2019)

CHIEF FINANCIAL OFFICER
Mr. Vijay Bhaskar Unde
(appointed w.e.f. 06.03.2019)

COMPANY SECRETARY
Mr. Raj Kumar Bhawsar

WEBSITE
www.spsil.in

BOARD'S REPORT

Dear Members,

Your Directors have pleasure to present the **Twenty Fourth Annual Report** on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations and Other Income	**1,01,645.46**	76,044.86
Earning before, Interest, Tax, Depreciation and Amortisation (EBITDA)	**11,259.47**	3,869.84
Less : Finance Cost	**674.46**	18,647.61
Less: Depreciation	**2,960.29**	2,868.09
Profit/(Loss) before exceptional items and Tax (PBET)	**7,624.73**	(17,645.86)
Exceptional item	**1,12,196.95**	-
Profit / (Loss) before Tax (PBT)	**1,19,821.68**	(17,645.86)
Profit / (Loss) after Taxation (PAT)	**1,19,821.68**	(17,645.86)
Net Worth	**32,614.19**	(1,02,882.15)

PERFORMANCE REVIEW

During the period under review your company has been able to clock a production of 1,82,686 MT of Sponge Iron, 2,29,847 MT of Billets and 96,268 MT of TMT Bars. With consistent capacity utilisation and better realisation, Company has able to achieve an EBITDA of ₹11,259.47 Lacs as against ₹3,869.84 Lacs for the last year.

For the period under review, finance cost has been provided amounting to ₹ 674.46 Lacs as against ₹ 18,647.61 Lacs in the last year. On account of lower financial cost and exceptional item (gain) of ₹ 1,12,196.95 Lacs, the company has a net profit of ₹ 1,19,821.68 Lacs (as against a net loss of ₹ 17,645.86 Lacs in the previous year).

INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2018 with a transition date of 1st April, 2017. The financial statements of the Company for the financial year 2018-19 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the other recognized accounting practices and policies to the extent applicable.

FUTURE OUTLOOK

The Indian Economy started financial year 2018-19 on a strong foot, recording a growth of 8.2% in the first quarter, supported by domestic resilience. However, in the following quarter, growth eased to 7.3% due to rising volatility on the global stage. The rupee took a hit due to crude prices.

Despite all these factors, India continues to be the fastest growing economy and is expected to hold this position for the coming few years. The country is expected to grow at a growth rate of 7.3% this fiscal and at a rate of 7.5% for the next on the back of continued recovery of investments and robust consumption, along with a more expansionary stance of monetary policy and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

India moved up by 23 places to the 77th position in the World Bank's ease of doing Business Index, 2018. This was possible because of the six reforms started this year – starting a business, getting electricity, construction permits, getting credit, paying taxes and trading across borders. The 'Make in India' movement actively helped manufacturing as a percentile of GDP to grow to over 17%. The GST collection for the month of October, 2018 crossed the ₹1 lakh crore mark before it slightly reduced to ₹ 97,637 crore for November, 2018. This shines a light of hope that the government will soon achieve its aim of average monthly collection of ₹ 1 lakh crore per year. FDI's for the year came down by 7% to USD 33.49 billion during the April-December period, with Singapore being the largest source, investing USD 12.97 billion.

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during the year 2018, from its 3rd largest status in 2017. The country is also the largest producer of sponge iron or DRI in the world and the 3rd largest finished steel consumer in the world after China & USA. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

The National Steel Policy, 2017, has envisaged 300 million tones of production capacity by 2030-31. In 2018, steel consumption of the country is expected to grow 5.7 per cent year-on-year to 92.1 MT. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving water, oil & gas, automobile and railways sectors etc.

Presence of such a vast primary steel manufacturing infrastructure has also helped in the growth of secondary and finished steel products. Both long and flat steel capacities in the country have seen massive investments. Currently, the country produces a wide array of long and flat steel products including bars & rods, structural, coils / strips, pipes & tubes, railway materials, steel sheets and pipes.

The Company has entered into settlement of its dues with all secured lenders. Settlement has reduced the interest burden and substantial portion of accumulated losses has wiped-off. As a result, Company's net worth has become positive, which will continuously act as a morale booster to all stakeholders, for enhance productivity/performance.

[Source/reference: Media reports, Press releases and Press Information Bureau (PIB)]

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 10th 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. 1st 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.

SETTLEMENT WITH BANKS/LENDERS

The company has entered into a settlement with various Banks / an Assets Reconstruction Company (ARC) in respect of loans taken from them. Pursuant to the settlement, certain principal portion of term loans and interest have been waived off by the Banks / an ARC. Dues of all the Banks has been paid during the year.

DIVIDEND

In view of accumulated 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 :

1. increased Authorised Share Capital from ₹ 3,05,00,00,000/- (Three Hundred and Five Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- each and 5,00,000 (Five Lakhs) Preference Shares of ₹ 100/- each to ₹ 5,00,00,00,000/- (Five Hundred Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- each and 2,00,00,000 (Two Crores) Redeemable Preference Shares of ₹ 100/- each by creation of 1,95,00,000/- (One Crore Ninety Five Lakhs) Redeemable Preference Shares of ₹ 100/- each;
2. issued 3,00,00,000 Equity shares of ₹ 10/- each at par for cash under promoter category on preferential basis. Out of the same 1,11,32,150 Equity Shares has been subscribed and allotted;
3. pursuant to the agreement with the creditors, issued and allotted 0.001%, 1,62,30,645 Redeemable Preference Shares of ₹100/- each at par amounting to ₹ 1,62,30,64,500/-.

NON CONVERTIBLE DEBENTURES (NCDs)

During the period under review company on 29/03/2019 had issued and allotted secured 1,270 18% Non Convertible Debentures (NCDs), of ₹ 10,00,000/- each, amounting to ₹ 1,27,00,00,000/- on private placement basis. The proceeds of debentures has been utilised for repayment to Banks liability under settlement and for working capital. The Company has appointed Vistra ITCL (India) Limited, a SEBI registered trustee, as a Debenture Trustee.

The said debentures were listed on Stock Exchange i.e. BSE Ltd. w.e.f. 15th April, 2019.

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. Manoj Khetan appointed as Director liable to retire by rotation at the Annual General Meeting (AGM).

Mrs. Salonee Vishal Desai, Independent Director has resigned w.e.f. 19th January, 2019. Your Directors wish to record their gratitude and appreciation for the services rendered by her to the Company and her invaluable suggestions/ contribution to the Board in running the Company especially during the difficult time and supports the Company to sail through.

Mr. Manoj Khetan, Chief Financial Officer of the Company has relinquished his office w.e.f. 13th November, 2018. Mr. Vijay Unde – General Manager (Finance and Accounts) of the Company has elevated to Chief Financial Officer of the Company w.e.f. 06th March, 2019.

Pursuant to the provisions of Section 149 and 161 of the Act Mr. Vishesh Shahra was appointed as an Additional Director and Whole-time Director for 3 years w.e.f. 2nd April, 2019 and Mr. Aditya Upadhyay was appointed as an Additional Director by the Board in the category of Independent Director w.e.f. 2nd April, 2019. Mrs. Bhavna Goel was appointed as an Additional Director w.e.f. 24th June, 2019.

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. Davesh Khandelwal, 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

BOARD MEETINGS

During the year under review, fourteen Board Meetings were held on 12th April 2018, 9th July 2018, 5th September 2018, 1st December 2018, 29th December 2018, 31st December 2018, 31st January 2019, 1st February 2019, 6th March 2019, 12th March 2019, 18th March 2019, 26th March 2019, 28th March 2019 and 29th March 2019.

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:

Name of Directors	No. of Board Meeting Attended
Mr. Santosh Shahra	14
Mr. Davesh Khandelwal	14
Mr. Manoj Khetan	14
Mrs. Salonee Vishal Desai	6
Mr. Atul Kumar Gupta	14

AUDIT COMMITTEE

The constitution of the Audit Committee was as under:

1. Mr. Atul Kumar Gupta - Chairman
2. Mrs. Salonee Vishal Desai* - Member
3. Mr. Davesh Khandelwal - Member

* Ceased w.e.f. 19th January, 2019.

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

During the year three Audit Committee Meetings were held on 9th July 2018, 5th September 2018 and 1st December 2018.

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

Name of Directors	No. of Audit Committee Meeting Attended
Mr. Atul Kumar Gupta	3
Mrs. Salonee Vishal Desai	3
Mr. Davesh Khandelwal	3

EXECUTIVE COMMITTEE

During the year under review, three Executive Committee Meetings were held on 17th May 2018, 1st October 2018 and 20th February 2019.

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

Name of Directors	No. of Executive Committee Meeting Attended
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. Atul Kumar Gupta - Chairman
2. Mrs. Salonee Vishal Desai* - Member
3. Mr. Santosh Shahra - Member

* Ceased w.e.f. 19th Janurary, 2019.

During the year under review, three meetings of NRC were held on 9th July 2018, 5th September 2018 and 1st February 2019.

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

Name of Directors	No. of NRC Meeting Attended
Mr. Atul Kumar Gupta	3
Mrs. Salonee Vishal Desai	2
Mr. Santosh Shahra	3

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 31st March, 2019, 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 31st March, 2019 and of the profit 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 22nd Annual General Meeting (AGM) held on 29th September, 2017 had appointed M/s Rupali Chandak & Co., Chartered Accountant, Indore (FRN 015279C) to held office from conclusion of 22nd AGM till conclusion of 27th AGM in place of M/s Vijay Rathi & Associates, Chartered Accountant, Indore (FRN 004304C) who retired at the conclusion of 22nd 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 2018-19 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 31st March, 2018 has been furnished to Central Government vide SRN H26706259 dated 3rd November, 2018.

(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 the Company has complied with provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there was no complaint filed pursuant to the said Act.

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

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees as specified in the said rules are provided in "Annexure D," forming part of this report.

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. 31st March, 2019 and the date of this report.

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 Accountant, the Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given elsewhere in this report.

COST RECORDS

Cost records and accounts as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are made and maintained by the Company.

CAUTIONARY STATEMENT

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

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	**Vishesh Shahra**	**Davesh Khandelwal**	**Manoj Khetan**
Date : 4th September, 2019	Whole-time Director	(Managing Director)	(Director - F & A)
	(DIN: 00203546)	(DIN 02997266)	(DIN 06395265)

Annexure – A to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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 31st March, 2019 (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 31st March, 2019 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; **(so far as made applicable during the audit period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**(not applicable during the audit period)**;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(not applicable during the audit period)**;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable during the audit period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(not applicable during the audit period)**;

(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 **(not applicable during the audit period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable during the audit period)**;

(i) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(so far as made applicable during the audit period)**;

(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) Act, 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 during the audit period the Company has:-

1. increased Authorised Share Capital from ₹3,05,00,00,000/- (₹ Three Hundred and Five Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of ₹10/- each and 5,00,000 (Five Lakhs) Preference Shares of ₹ 100/- each to ₹ 5,00,00,00,000/- (₹Five Hundred Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of ₹10/- each and 2,00,00,000 (Two Crores) Redeemable Preference Shares of ₹100/- each by creation of 1,95,00,000/- (One Crore Ninety Five Lakhs) Redeemable Preference Shares of ₹ 100/- each;
2. issued 3,00,00,000 Equity shares of ₹10/- each at par for cash under promoter category on preferential basis. Out of the same 1,11,32,150 Equity Shares has been subscribed and allotted;
3. pursuant to the agreement with the creditors, issued and allotted 0.001%, 1,62,30,645 Redeemable Preference Shares of ₹100/- each at par amounting to ₹ 1,62,30,64,500/-;
4. issued and allotted on 29/03/2019 secured 1270 18% Non Convertible Debentures (NCDs), of ₹10,00,000/- each, amounting to ₹ 127,00,00,000/- on private placement basis. The proceeds of debentures has been utilised for repayment to Banks liability under settlement and for working capital.

   The said debentures were listed on Stock Exchange i.e. BSE Ltd. w.e.f. 15th April, 2019.
5. 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 31st March, 2019.
6. 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/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.

For Ajit Jain & Company
(Company Secretary)

Place : Indore
Date : 4th September, 2019

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.

For Ajit Jain & Company
(Company Secretary)

Place : Indore
Date : 4th September, 2019

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, Company has purchased 6 Nos. Diesel Generators having capacity of 500KVA for saving of process loss during power outage.

(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.

Various process automation has been conducted in order to improve the efficiency of process and reduce manpower.

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 ₹ 176.29 Lacs towards foreign exchange. The Company imported certain components and raw material of ₹1,705.56 Lacs as against previous year of ₹ 740.38 Lacs.

Annexure – C to Board's Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2019

[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	19th 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	2.41
2	Billets	27141	51.12
3	TMT Bars	27152	45.12

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 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
		Demat Form	Physical Form	Total	% of Total Shares	Demat Form	Physical Form	Total	% of Total Shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individual/ HUF	-	3086840	3086840	1.88	-	3086840	3086840	1.76	-0.12
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	115245882	115245882	70.13	-	115245882	115245882	65.68	-4.45
(e)	Banks / FIs	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	400000	400000	0.24	-	400000	400000	0.23	-0.01
	Sub - Total (A)(1)	**-**	**118732722**	**118732722**	**72.25**	**-**	**118732722**	**118732722**	**67.67**	**-4.58**
(2)	**Foreign**									
(a)	NRI - Individuals	-	1000000	1000000	0.61	11132150	1000000	12132150	6.92	6.31
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-	-	-
	Sub - Total (A)(2)	**-**	**1000000**	**1000000**	**0.61**	**11132150**	**1000000**	**12132150**	**6.92**	**6.31**
	Total (A) = (A)(1)+(A)(2)	**-**	**119732722**	**119732722**	**72.86**	**11132150**	**119732722**	**130864872**	**74.59**	**1.73**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	-	8482444	8482444	5.16	-	0	0	0	-5.16
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub - Total (B)(1)	**-**	**8482444**	**8482444**	**5.16**	**-**	**0**	**0**	**0**	**-5.16**
(2)	**Non -Institutions**									
(a)	Bodies Corporate									
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	36108680	36108680	21.98	-	44592124	44592124	25.41	3.43
(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	-	-	-	-	-	-	-	-	-
	Sub - Total (B)(2)	**-**	**36108680**	**36108680**	**21.98**	**-**	**44592124**	**44592124**	**25.41**	**3.43**
	Total Public (B) = (B)(1)+(B)(2)	**-**	**44592124**	**44592124**	**27.14**	**-**	**44592124**	**44592124**	**25.41**	**-1.73**
(C)	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	**-**	**164324846**	**164324846**	**100.00**	**11132150**	**164324846**	**175456996**	**100.00**	**0**

(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	0.11	0.11	-0.01
2	Mr. Santosh Shahra	1786700	1.09	0.27	1786700	1.02	1.02	-0.07
3	Mrs. Ushadevi Shahra	300000	0.18	0.18	300000	0.17	0.17	-0.01
4	Mr. Vishesh Shahra	800000	0.49	0.49	800000	0.46	0.46	-0.03
5	NSIL Infotech Limited#	25533286	15.54	15.54	59383818	33.85	33.85	18.31
6	NSIL Finance Limited#	2000000	1.22	1.22	-	-	-	-1.22
7	NSIL Power Limited#	25850532	15.73	15.73	-	-	-	-15.73
8	Mr. Mathew Kurain	128800	0.08	0.08	128800	0.07	0.07	-0.01
9	Madam Sharon Marie Mathew	126400	0.08	0.08	126400	0.07	0.07	-0.01
10	Mrs. Thomas Anjula Khandelwal	124000	0.08	0.08	124000	0.07	0.07	-0.01
11	Mr. Easaw Thomas	120000	0.07	0.07	120000	0.07	0.07	0.00
12	National Steel & Agro Ind. Ltd.	1333332	0.81	0.81	1333332	0.76	0.76	-0.05
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 Vadeketh	126400	0.08	0.08	126400	0.07	0.07	-0.01
21	Mr. V. Thomas James	131200	0.08	0.08	131200	0.08	0.08	-
22	Adidev Foundation	400000	0.24	0.24	400000	0.23	0.23	-0.01
23	Benco Finance & Investments Pvt. Ltd.	45596906	27.75	27.75	45596906	25.99	25.99	-1.76
24	Shriyam Industries Pvt. Ltd.	8931826	5.44	5.44	8931826	5.09	5.09	-0.34
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	0.07	0.07	-0.01
27	East West Finvest India Limited	2000000	1.22	-	-	0.00	0.00	-1.22
28	Purvi Finvest Limited	2000000	1.22	-	-	0.00	0.00	-1.22
29	Trimurthi Finvest Limited	2000000	1.22	-	-	0.00	0.00	-1.22
30.	Mrs. Bhavna Goel	-	-	-	11132150	6.34	6.34	6.34

NSIL Finance Limited and NSIL Power Limited have been merged with NSIL Infotech Limited by the order dated 24th April, 2019 of Hon'ble National Company Law Tribunal, Mumbai Bench. The appointed date in the scheme is 1st April, 2018. However, as on the date of this report shares in physical/demat are in name of NSIL Finance Limited and NSIL Power Limited.

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

S. No.	Particulars	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	01/04/2018		119732722	72.86	119732722	72.86
	Changes during the year						
1.	Preferential Allotment of 4221150 Shares	06/03/2019					
2.	Preferential Allotment of 4164300 Shares	12/03/2019					
3.	Preferential Allotment of 1373300 Shares	26/03/2019					
4.	Preferential Allotment of 1373400 Shares	28/03/2019					
	At the end of the year	31/03/2019		130864872	74.59	130864872	74.59

(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.	**Name : Soucano Holdings Co. Limited**						
	At the beginning of the year	01/04/2018		18567712	11.30	18567712	11.30
	26023412 Shares acquired on 01/10/2018			-	-	-	-
	At the end of the year	31/03/2019		44591124	25.41	44591124	25.41
2.	**Name : HBS India Investments (Mauritius) Ltd. (Formerly known as Amas India Investments (Mauritius) Ltd.)**						
	At the beginning of the year	01/04/2018		8482444	5.16	8482444	5.16
	8482444 Shares transferred on 01/10/2018			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-
3.	**Name : East West Global Ltd.**						
	At the beginning of the year	01/04/2018		16701482	10.16	16701482	10.16
	16701482 Shares transferred on 01/10/2018			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-

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
4.	**Name : Arab Asia Trade Inc.**						
	At the beginning of the year	01/04/2018		839486	0.51	839486	0.51
	839486 Shares transferred on 01/10/2018			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-
5.	**Name : Mr. Vijay Unde**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
6.	**Name : Mr. Navneet Pawar**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
7.	**Name : Mr. Narendra Agarwal**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
8.	**Name : Mr. Satish Nagar**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
9.	**Name : Mr. K.S.N. Murthy**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	100 Shares transferred on 01/10/2018			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-
10.	**Name : Mr. Deepak Kulkarni**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
11.	**Name : Mr. P.S. Dodia**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
12.	**Name : Mr. Santosh S Solanki**						
	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
13.	**Name : Mr. I. M. Pandey**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
14.	**Name : Mr. G. M. Rameshan**						
	At the beginning of the year	01/04/2018		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
15.	**Name : Mr. Mukesh Khujarwar**						
	At the beginning of the year	01/04/2018		-	-	-	-
	100 Shares acquired on 01/10/2018			-	-	100	0.00
	At the end of the year	31/03/2019		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.	**Name : Mr. Santosh Shahra**						
	At the beginning of the year	01/04/2018		1786700	1.09	1786700	1.09
	Changes during the year			-	-	1786700	1.09
	At the end of the year	31/03/2019		1786700	1.02	1786700	1.02
2.	**Name : Mr. Davesh Khandelwal**						
	At the beginning of the year	01/04/2018		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-
3.	**Name : Mr. Manoj Khetan**						
	At the beginning of the year	01/04/2018		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-
4.	**Name : Mrs. Salonee Vishal Desai**						
	At the beginning of the year	01/04/2018		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	19/01/2019		-	-	-	-

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
5.	**Name : Mr. Atul Kumar Gupta**						
	At the beginning of the year	01/04/2018		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-
6.	**Name : Vijay Bhaskar Unde**						
	At the beginning of the year	06/03/2019		100	0.00	100	0.00
	Changes during the year			-	-	100	0.00
	At the end of the year	31/03/2019		100	0.00	100	0.00
7.	**Name : Mr. Raj Kumar Bhawsar**						
	At the beginning of the year	01/04/2018		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2019		-	-	-	-

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 Indebtedness
Indebtedness at the beginning of the Financial Year				
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	-	-	-	-
Total (i+ii+iii)	**1,33,531.48**	**8,669.36**	**-**	**1,42,200.84**
Changes in Indebtedness during the Financial Year				
* Addition (Interest Due but not paid	12,402.83	-	-	12,402.83
* Reduction	1,43,234.31	7,993.36	-	1,51,227.67
Net Change	**-1,30,431.71**	**-7,993.36**	**-**	**-1,38,425.07**
Indebtedness at the end of the Financial Year				
i) Principal Amount	15,400.00	676.00	-	16,076.00
ii) Interest due but not paid	102.60	-	-	102.60
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**15,502.60**	**676.00**	**-**	**16,178.60**

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	Mr. Davesh Khandelwal	Mr. Manoj Khetan	
	Designation	Managing Director	Whole-Time Director	
1	**Gross Salary** (a) Salary as per provisions contained in section 17(1)of the Income Tax Act, 1961	44.19	52.60	96.79
	(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 secify	-	-	-
	Total (A)	44.19	52.60	96.79
	Ceiling as per the Act	44.19	52.60	96.79

B. Remuneration to other Directors :

S.No.	Particulars of Remuneration	Name of Directors			Total Amount (₹ in Lacs)
1	Independent and Other Non-Executive Directors	Mr. Santosh Shahra	Mrs. Salonee Vishal Desai	Mr. Atul Kumar Gupta	
	- Fee for attending board /committee meetings	0.24	0.18	0.30	0.72
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total	0.24	0.18	0.30	0.72
	Total(B)	0.24	0.18	0.30	0.72
	Total Managerial Remuneration	-	-	-	97.51

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#	Vijay Unde*	Raj Kumar Bhawsar	
	Designation	CEO	CFO	CFO	CS	
1	**Gross Salary** (a) Salary as per provisions contained in section17(1) of the Income Tax Act, 1961	-	-	1.22	9.99	11.21
	(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	-	-	1.22	9.99	11.21

Remuneration paid as WTD Ceased w.e.f. 13.11.2018

* Appointed w.e.f. 06.03.2019

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)
A. COMPANY					
- Penalty	-	-	-	-	-
- Punishment	-	-	-	-	-
- Compounding	-	-	-	-	-
B. DIRECTORS					
- Penalty	-	-	-	-	-
- Punishment	-	-	-	-	-
- Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
- Penalty	-	-	-	-	-
- Punishment	-	-	-	-	-
- Compounding	-	-	-	-	-

Annexure – D to Board's Report

PARTICULARS OF EMPLOYEES

(A) Particulars of Employees as per [Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2018-19.

S. No.	Name of Director	Ratio of remuneration of each Director / to median remuneration of employees
1	Mr. Davesh Khandelwal	18.28:1
2	Mr. Manoj Khetan	21.76:1

(ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer and Company Secretary in the financial year 2018-19:

S. No.	Name of Director / KMPs	Designation	% increase in remuneration
1	Mr. Davesh Khandelwal	Managing Director	12.09
2	Mr. Manoj Khetan	Whole-time Director & CFO	13.74
3	Mr. Vijay Unde	Chief Financial Officer[1]	-
4	Mr. Rajkumar Bhawsar	Company Secretary	6.60

[1]Mr. Vijay Unde appointed Chief Financial Officer w.e.f. 6th March, 2019.

(iii) The percentage increase in the median remuneration of employees in the financial year 2018-19 was 6.15%.

(iv) There were 591 permanent employees on the rolls of the Company as on 31st March, 2019.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase in Average salary of employees other than KMPs for Financial Year 2018-19 has given in point no. (A) (iii) above.

The increase in the salary of KMPs for Financial Year 2018-19 has given in point no. (A) (ii) above.

The increment, in the salary of employees other than KMPs, was on the basis of the performance of the Company as well as employees' individual performance.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

(B) STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Name of the Employee	Designation	Remuneration Received (₹ in Lacs)	Nature of employment	Qualification and Experience	Date of Commencement of Employment	Age in years	Last Employment held before joining the Company	% of Equity Shares held by the employee of the Company within meaning of Clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	whether such employee is a relative of any director or manager of Company
1	Mr. Manoj Khetan	Director Finance and Accounts	52.60	Contractual	FCA having rich and vast experience of more than 3 decades.	17-02-2014	56	A2Z Maintenance and Engineering Services Limited	-	-
2	Mr. Davesh Khandelwal	Managing Director	44.19	Contractual	BE having rich and vast experience of more than 1 decade	01-02-2013	34	Hindustan Uniliver Limited	-	-
3	Mr. A.K. Singh	General Manager	20.78	Contractual	M.Sc. having rich and vast experience of more than 2 decade	17-10-2006	45	Sanghi Industries Limited	-	-
4	Mr. Vijay Unde	General Manager (CFO w.e.f. 06.03.2019)	15.56	Contractual	M.Com. having rich and vast experience of more than 3 decade	01-12-2006	53	National Steel and Agro Industries Limited	-	-
5	Mr. Siddharth Neema	Manager	13.61	Contractual	MBA (Marketing) having rich and vast experience of more than one decade	28-11-2016	37	Natisi Ventures Private Limited	-	-
6	Mr. Raghubir Singh	Foreman	12.78	Contractual	HSC having rich and vast experience of more than 3 decades	11-06-2018	53	Fortune Metalik	-	-
7	Mr. Noordin Saifi	Manager	12.19	Contractual	DME having rich and vast experience of more than 2 decades	30-06-2013	50	Gallantt Metal Limited	-	-

S. No.	Name of the Employee	Designation	Remuneration Received (₹ in Lacs)	Nature of employment	Qualification and Experience	Date of Commencement of Employment	Age in years	Last Employment held before joining the Company	% of Equity Shares held by the employee of the Company within meaning of Clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	whether such employee is a relative of any director or manager of Company
8	Mr. Modi Sanjay Kumar	Sr. Manager	11.91	Contractual	BE having rich and vast experience of more than 2 decades.	14-05-2015	41	Welspun Steel Limited	-	-
9	Mr. Kamlesh Kumar Mishra	A.G.M.	11.81	Contractual	B.Sc.having rich and vast experience of more than 3 decades	29-04-2009	55	Maa Mahamaya Industries Limited	-	-
10	Mr. Ravikant Yadav	Manager	11.69	Contractual	B.Tech having rich and vast experience of more than 1 decade	01-08-2005	40	NA	-	-

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements Opinion

Opinion

We have audited the accompanying Ind AS financial statements of **SHREEYAM POWER AND STEEL INDUSTRIES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow Statement and the statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report thereupon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS 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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant issued there under.

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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 (including other comprehensive income), the statement of cash flow, and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS 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, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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" and;

g) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 40 (Contingent Liabilities) to the Ind AS financial statements;

   ii. The company didn't have any long term contract including derivatives contracts for which there were any material foreseeable losses; and

   iii. There were no amount which is required to be transferred to the Investor Education and Protection fund by the company.

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

Place : Indore
Dated : 4th September, 2019

Rupali Chandak
(Proprietor)
(Membership No. 411550)
Unique Document Identification Number (UDIN) : 19411550AAAAAW7693

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 31st March, 2019)

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 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 Inventory :

(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) As explained to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.

(vi) On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the company covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

(vii) According to the records of the Company examined by us and the information and explanation given to us, in our opinion;

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees' state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, 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 31st March, 2019 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 31.03.2019 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	108.45#	23.21
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax, (Appeals), Mumbai	2015-16	61.55#	12.31
Foreign Trade Development	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) During the year company has settled its dues, payable to Banks / Assets Reconstruction Company (ARC), and accordingly all the Banks has been paid as per the settlement agreement. In terms of Settlement with ARC, Company is regular in paying its debts on due dates.

(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,

(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 V to the Companies Act, 2013.

(xii) We are of the opinion that the company is not a Nidhi 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 made private placement of 11132150 equity shares of ₹10/- each at par and 16230645 redeemable preference shares of ₹100/- each at par during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised, wherever applicable.

(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 : 4th September, 2019

Rupali Chandak
(Proprietor)
(Membership No. 411550)
Unique Document Identification Number (UDIN) : 19411550AAAAAW7693

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, 2019 in conjunction with our audit of the Ind AS 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 with reference to these Ind AS financial statement 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 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 with reference to these Ind AS financial statements 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 controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 judgement, including the assessment of the risks 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 over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone IND AS Financial Statements

A Company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these IND AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements 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, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31st March, 2019, 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.

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

Place : Indore
Dated : 4th September, 2019

Rupali Chandak
(Proprietor)
(Membership No. 411550)

Unique Document Identification Number (UDIN) : 19411550AAAAAW7693

BALANCE SHEET AS AT 31ST MARCH, 2019

	Particulars	Note No.	As At 31.03.2019 (₹ in Lacs)	As At 31.03.2018 (₹ in Lacs)	As At 01.04.2017 (₹ in Lacs)
I	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	(a) Property, Plant and Equipment	4	**50,889.11**	53,570.62	56,623.86
	(b) Capital Work-in-Progress	5	**473.82**	486.82	482.19
	(c) Other Intangible Assets	6	**22.46**	7.04	3.83
	(d) Other Non-Current Assets	7	**502.77**	489.94	485.00
	Total Non-Current Assets		**51,888.16**	54,554.42	57,594.88
2	**CURRENT ASSETS**				
	(a) Inventories	8	**5,308.72**	4,532.08	3,422,23
	(b) Financial Assets				
	(i) Investments	9	**68.17**	66.84	65.16
	(ii) Trade Receivables	10	**4,008.66**	5,214.11	4,024.84
	(iii) Cash and Cash Equivalents	11	**2,684.68**	842.76	1,488.56
	(iv) Bank Balance Other than (iii) above	12	**232.89**	219.76	206.63
	(v) Loans	13	**73.53**	60.70	91.44
	(vi) Others	14	**5.03**	20.13	-
	(c) Current Tax Assets (Net)	15	**1.51**	-	-
	(c) Other Current Assets	16	**1,216.82**	2,270.45	2,538.86
	Total Current Assets		**13,600.01**	13,226.83	11,837.72
	TOTAL ASSETS		**65,488.17**	67,781.25	69,432.60
II	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a) Equity Share Capital	17	**17,545.70**	16,432.49	16,432.49
	(b) Other Equity	18	**15,068.49**	(1,19,314.63)	(1,01,680.64)
	Total Equity		**32,614.19**	(1,02,882.14)	(85,248.15)
	Liabilities				
2	**NON-CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	19	**16,602.03**	8,116.00	53,804.17
	(b) Deferred Tax Liabilities (Net)	20	**-**	-	-
	(c) Other Non-Current Liabilities	21	**-**	-	18.42
	Total Non-Current Liabilities		**16,602.03**	8,116.00	53,822.59
3	**CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	22	**90.00**	4,684.60	4,684.60
	(ii) Trade Payables	23			
	(A) Total outstanding dues of Micro & small enterprises		**0.95**	-	-
	(B) Total outstanding dues of Creditors Other than Micro & small enterprises		**12,307.28**	11,604.21	10,161.43
	(iii) Other Financial Liabities	24	**1,200.00**	1,41,803.07	83,712.07
	(b) Other Current Liabilities	25	**2,432.67**	4,303.50	2,065.10
	(c) Provisions	26	**241.05**	138.32	215.99
	(d) Current Tax Liabilities (Net)	27	**-**	13.69	18.97
	Total Current Liabilities		**16,271.95**	1,62,547.39	1,00,858.16
	TOTAL EQUITY AND LIABILITIES		**65,488.17**	67,781.25	69,432.60
	Significant Accounting Policies and notes to Financial Statements	1 to 48			

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

Vishesh Shahra
(Director)
DIN - 00203546

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

CA Rupali Chandak
(Proprietor)
Membership No. 411550

Vijay Unde
(Chief Financial Officer)

Raj Kumar Bhawsar
(Company Secretary)
Membership No. F7186

Place : Indore
Dated : 4th September, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

	Note No.	**Year ended 31.03.2019 (₹in Lacs)**	Year ended 31.03.2018 (₹ in Lacs)
Revenue from Operations	28	**1,01,389.57**	75,979.32
Other Income	29	**255.89**	65.54
	TOTAL	**1,01,645.46**	76,044.86
EXPENSES			
Cost of Materials Consumed	30	**66,136.15**	50,518.26
Changes in Inventories of Work-in-Progress	31	**(960.90)**	(20.73)
Employee Benefit expenses	32	**2,318.25**	1,956.09
Finance Costs	33	**674.46**	18,647.61
Depreciation and Amortization expense	4 & 6	**2,960.29**	2,868.09
Other Expenses	34	**22,892.48**	19,721.40
	TOTAL	**94,020.73**	93,690.72
Profit/(Loss) before exceptional items and tax		**7,624.73**	(17,645.86)
Exceptional items		**1,12,196.95**	-
Profit/(Loss) before Tax		**1,19,821.68**	(17,645.86)
Tax Expenses Contuning Operations			
(i) Current Tax		**-**	-
(ii) Deferred Tax		**-**	-
Profit/(Loss) for the year from Contuning Operations		**1,19,821.68**	(17,645.86)
Profit/(Loss) for the year of Discontuning Operations		**-**	-
Tax Expenses Discontuning Operations			
(i) Current Tax		**-**	-
(ii) Deferred Tax	20	**-**	-
Profit/(Loss) for the year of Discontuning Operations (After Tax)			
Profit/(Loss) for the Period		**1,19,821.68**	(17,645.86)
Other Comprehensive Income	35		
(A) (i) Items that will not be reclassified to profit or loss		**13.38**	11.86
(ii) Income Tax relating to items that will not be reclassified to profit or loss		**-**	-
(B) (i) Items that will not be reclassified to profit or loss		**-**	-
(ii) Income Tax relating to items that will not be reclassified to profit or loss		**-**	-
Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Period for the period		**1,19,835.06**	(17,634.00)
Earning Per Equity Share (for Contuning Operations) of face value of ₹ 10 each			
Basic and Diluted		**72.67**	(10.73)
Number of Equity Shares (Weighted Average)		**72.67**	(10.73)
Earning Per Equity Share (for Discontuned Operations) of face value of ₹ 10 each			
Basic and Diluted		**-**	-
Number of Equity Shares (Weighted Average)		**-**	-
Earning Per Equity Share (for Contuning Operations and Discontuned) of face value of ₹ 10 each			
Basic and Diluted		**72.67**	(10.73)
Number of Equity Shares (Weighted Average)		**72.67**	(10.73)
Significant Accounting Policies and notes to Financial Statements	1 to 48		

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

Vishesh Shahra
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Manoj Khetan
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DIN - 06395265

CA Rupali Chandak
(Proprietor)
Membership No. 411550

Vijay Unde
(Chief Financial Officer)

Raj Kumar Bhawsar
(Company Secretary)
Membership No. F7186

Place : Indore
Dated : 4th September, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lacs)

	Year ended 31.03.19		Year ended 31.03.18	
A. Cash Flow from Operating Activities :				
a) Profit/(Loss) before exceptional items & Tax		**7,624.73**		(17,645.86)
Adjustments for:				
Exceptional items (Write Back of Financial Liability)	**1,12,196.95**		-	
Depreciation & Amortisation	**2,960.29**		2,868.09	
Interest Expenses	**643.60**		18,647.61	
Interest Income	**(28.49)**		58.85	
Loss on sale of Fixed Assets	**1.34**		-	
Remeasurement of Defined benefit plans	**13.38**	**1,15,787.07**	11.86	21,468.71
b) Operating Profit before Working Capital Changes		**1,23,411.80**		3,822.85
Adjustment for :				
Trade Receivables	**1,205.45**		(1,189.26)	
Other Bank Balances	**(13.12)**		(13.12)	
Inventories	**(776.64)**		(1,109.85)	
Other Current Assets	**1,053.62**		268.41	
Loans	**(12.84)**		30.74	
Other Financial Assets	**15.10**		(20.13)	
Other Non Current Assets	**(12.83)**		(4.95)	
Trade Payables	**704.02**		1,442.78	
Provisions	**102.73**		(77.68)	
Other Financial Liabilities	**(1,40,603.07)**		58,091.00	
Other Current Liabilities	**(1,870.84)**		2,238.40	
Other Non Current Liabilities	**-**	**(1,40,208.42)**	(18.41)	59,637.93
c) Cash Generated from/ (used) in Operating Activities		**(16,796.62)**		63,460.78
Taxes (Paid) / Refund (Net)	**(15.20)**	**(15.20)**	(5.27)	(5.27)
d) Cash Flow before Extraordinary Items		**(16,811.82)**		63455.51
Extraordinary Item		**-**		-
Net Cash Generated from/ (used) in Operating Activities (A)		**(16,811.82)**		63455.51
B. Cash Flow from Investing Activities :				
Interest received	**28.49**		58.85	
(Purchase) / Sale of Tangible Assets (Net)	**(279.13)**		185.74	
(Purchase) / Sale of Intangible Assets (Net)	**(3.41)**		(8.43)	
(Purchase) / Sale of Investment (Net)	**(1.32)**		(1.68)	
Net Cash generated from / (used in) Investing Activities (B)		**(255.37)**		234.48
C. Cash Flow from Financing Activities :				
Receipt from NCDs	**12,700.00**		-	
Proceeds from Borrowings	**(4,677.32)**		(45,688.17)	
Issue of Equity Shares	**1,113.21**		-	
Issue of Preference Shares	**14,548.06**		-	
Interest & Financial Charges Paid	**(643.60)**		(18,647.61)	
Net Cash generated from / (used in) Financing Activities (C)		**23,040.35**		(64,335.78)
D. Net increase/ (decrease) in Cash and Cash equivalent (A+B+C)		**5,973.16**		(645.79)
Opening Balance of Cash and Cash equivalent (net of Cash Credit)	**(3,288.48)**		(2,642.69)	
Closing Balance of Cash and Cash equivalent (net of Cash Credit)	**2,684.68**		(3,288.48)	
Net increase/ (decrease) in Cash and Cash equivalent		**5,973.16**		(645.79)

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

Vishesh Shahra
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Membership No. 411550

Vijay Unde
(Chief Financial Officer)

Raj Kumar Bhawsar
(Company Secretary)
Membership No. F7186

Place : Indore
Dated : 4th September, 2019

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the period ended 31st March, 2019

A. Equity Share Capital

(₹ in Lacs)

Balance at the beginning of reporting period as on 1st April 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of reporting period as on 31st March, 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period as on 31st March, 2019
16,432.48	-	16,432.48	1,113.22	17,545.70

B. Other Equity

	Share Application money pending allotment	Equity Component of Compound Financial Instruments	General Reserve	Securities Premium Reserve	Retained Earnings	Debt instruments through other comprehensive Income	Equity instruments through other comprehensive Income	Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Total
Balance at the beginning of Reporting Period 01st April, 2017	-	-	849.85	16,516.99	(1,19,047.47)	-	-	-	-	(1,01,680.63)
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of reporting period	**-**	**-**	**849.85**	**16,516.99**	**(1,19,047.47)**	**-**	**-**	**-**	**-**	**(1,01,680.63)**
Profit for the year 2017-18	-	-	-	-	(17,645.86)	-	-	-	-	(17,645.86)
Other comprehensive income for the year 2017-18	-	-	-	-	11.86	-	-	-	-	11.86
Dividends	-	-	-	-	-	-	-	-	-	-
Transferred to Retained earnings	-	-	-	-	-	-	-	-	-	-
Issued during the year	-	-	-	-	-	-	-	-	-	-
Transferred from Retained earnings	-	-	-	-	-	-	-	-	-	-
Balance at the end of Reporting Period 31st March, 2018	**-**	**-**	**849.85**	**16,516.99**	**(1,36,681.47)**	**-**	**-**	**-**	**-**	**(1,19,314.63)**

C. Reserve & Surplus

(₹ in Lacs)

	Share Application money pending allotment	Equity Component of Compound Financial Instruments	General Reserve	Securities Premium Reserve	Retained Earnings	Debt instruments through other comprehensive Income	Equity instruments through other comprehensive Income	Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Total
Balance at the beginning of Reporting Period 01st April, 2018	-	-	849.85	16,516.99	(1,36,681.47)	-	-	-	-	(1,19,314.63)
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of reporting period	**-**	**-**	**849.85**	**16,516.99**	**(1,36,681.47)**	**-**	**-**	**-**	**-**	**(1,19,314.63)**
Profit for the year 2018-19	-	-	-	-	1,19,821.68	-	-	-	-	1,19,821.68
Other comprehensive income for the year 2018-19	-	-	-	-	13.37	-	-	-	-	13.37
Issued during the year	-	14,548.07	-	-	-	-	-	-	-	14,548.07
Dividends	-	-	-	-	-	-	-	-	-	-
Transferred to Retained earnings	-	-	-	-	-	-	-	-	-	-
Any Other Change	-	-	-	-	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	-	-	-	-	-
Balance at the end of Reporting Period 31st March, 2019	**-**	**14,548.07**	**849.85**	**16,516.99**	**(16,846.42)**	**-**	**-**	**-**	**-**	**15,068.49**

SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

SHREEYAM POWER AND STEEL INDUSTRIES LIMITED, ('the Company') CIN NO. U45200MH1995PLC090807 was incorporated on 19th 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.

1.2 BASIS OF PREPARATION AND PRESENTATION

a. Statement of Compliance:

The Company's financial statements for the year ended 31st March 2019 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified, under Section 133 of Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March, 2018 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind As 101, First –time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company has been explained by way of reconciliation in Note No. 3.

b. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

C. Basis of measurement

The financial statements have been prepared on the basis of going concern under the historical cost basis convention using the accrual method of accounting except for certain financial assets and liabilities and defined benefit plan assets measured at fair value.

d. Use of Estimates

The preparation of financial statements requires management to make estimates assumptions and judgements that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented. Actual results may differ from the estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on ongoing basis. Impact on account of revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

e. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:-

Note No.	Particulars
2.1 (a) (iv) & (v) and (e)	Useful life of Property, plant and equipment
1.2 (m)	Defined benefit obligation
1.2 (f)	Estimated Fair Values of Unlisted Shares
1.2 (n)	Recognition of Deferred taxes

f. Measurement of Fair Values:

The Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described below. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

i. Property, plant and equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

ii. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

iv. Depreciation on property, plant and equipment is charged using straight line method, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to the total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.

v. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

vi. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

vii. Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as “stores & spares” forming part of the inventory.

b. Intangible assets

i. Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

ii. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other expenditure on internally generated goodwill and brands, is recognized in the Statement of Profit or Loss as incurred.

iii. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c. Capital Work in Progress

i. Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii. Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land, on commissioning of projects.

iii. Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d. Leases

i. Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

ii. Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

iii. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

iv. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

v. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

e. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Building :		
i) Factory	30 Years	30 Years
ii) Other than Factory Building	60 Years	60 Years
Plant & Machinery :		
i) Use in Steel Manufacturing	20 Years	20 Years
ii) Power Generation, Transmission and Distribution	40 Years	40 Years
iii) Continues Process Plant not covered under special Plant & Machinery	25 Years	25 Years
iv) Other than continuous Process Plant not covered under special Plant & Machinery	15 Years	15 Years
v) Pipelines	12 Years	12 Years
Office Equipment's	5 Years	5 Years
Computer Equipment's	6 Years	6 Years
Furniture and Fixtures	10 Years	10 Years
Vehicles	8 Years	8 Years
Intangible Assets: Computer Software	3 Years	3 Years

f. Inventories

i. Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

ii. Cost of raw materials, stores and spares, packing materials, trading and other products are determined at Cost, with moving average price basis.

g. Financial Instruments

I. Financial Assets

A. Initial recognition and measurment

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at fair value through the profit and loss (FVTPL).

C. Investment in subsidiaries, Associates and Joint Ventures

Investment in Equity shares & Mutual Funds etc., are classified at FVTPL.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

II. Financial Liabilities

A. Initial recognition and measurment

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments and Hedge Accounting

The Company plans to use various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices, as and when such transactions are entered into. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

C. Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company plans to designate derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions, as and when such transactions are entered. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the Statement of Profit and Loss.

b) Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

D. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 Financial Instruments. A financial liability (or a part of a financial liability)is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss.

h. Foreign currencies transactions and translation

i. Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

ii. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

iii. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

i. Revenue recognition

Sale of Goods

The Company derives revenues primarily from sale of steel, iron and other products.

For sale of goods, revenue is recognised when control of the goods has been transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net).

As per the provisions of Ind AS 115 revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judegments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2 (a) and there is no material impact of adoption of Ind AS 115 on financial statements.

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest Income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.

Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

j. Employee Benefits Expense

Short Term Employee Benefits

i The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

ii. A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

iii. The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv. The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

v. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

vi. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

vii. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Employee Separation Costs

viii Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

k. Income Taxes

i. The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

ii. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

iii. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

iv. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

l. Provisions, Contingent Liabilities and Contingent Assets and Commitments

i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

ii. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

iii. Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

iv. Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

m. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n. Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

o. Statement of Cash Flows

i. Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

p. Finance Cost

i. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

ii. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

iii. All other borrowing costs are expensed in the period in which they occur.

q. Impairment of non-financial assets - property, plant and equipment and intangible assets

i. The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

ii. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

ii. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

r. Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non current classification based on operating cycle.

An asset is treated as current when it is :

a. Expected to be realized or intended to be sold or consumed in normal operating cycle;

b. Held primarily for the purpose of trading;

c. Expected to be realized within twelve months after the reporting period, or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period, or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

2.2 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Revenue Recognition

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

b) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

c) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

2.3 Settlement with Banks / Lenders

i. Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dt.10.04.2013 has declared the company a sick industrial company u/s 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 ('SICA'). However, provisions of SICA have been repealed w.e.f.

1st December 2016. Accordingly, the proceedings of the Company before the Hon'ble BIFR were abated.

The company has entered into a one-time settlement ('OTS') with various Banks & an Assets Reconstruction Company (ARC) in respect of loans taken from them. Pursuant to this settlement, certain principal portion of terms loans and interest have been waived off by the Banks & ARC. The interest component also covers Funded Interest Term Loans ('FITL') which were obtained by conversion of outstanding interest in the earlier years.

Pursuant to One-time settlement (OTS), Company has agreed to pay ₹ 352.80 Crs to all the Banks and ARC.

ii. 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

2.4 Non Convertible Debentures (NCDs)

During the period under review company had issued secured 1270 Non Convertible Debentures (NCDs), of ₹ 10,00,000/- each, amounting to ₹ 1,27,00,00,000/- on private placement basis. The proceeds of debentures has been utilised for repayment to Banks liability under settlement and for working capital.

The said debentures were listed on Stock Exchange i.e. BSE Ltd. w.e.f. 15th April, 2019.

2.5 Preference Shares

During the period under review company had, pursuant to the agreement with the creditors has issued 0.001%, 1,62,30,645 Redeemable Preference Shares of ₹ 100/- each at par amounting to ₹ 1,62,30,64,500/-.

2.6 Equity Share

During the year under review company had issued and allotted 1,11,32,150 Equity Shares of ₹10- each at par amounting to ₹ 11,13,21,500/- for cash on preferential basic under promoter category.

2.7 First time adoption of IND AS

The Company has adopted Ind AS with effect from 1st April 2018 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2017. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Exemptions from retrospective application:

(i) Deemed cost

The Company has elected the option as per Para D7AA of Appendix D to IND AS 101 of First time Adoption of Indian Accounting Standards. Accordingly, it has continued with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This option has also been availed for the Intangible Assets.

(ii) Cumulative translation differences

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

Transition to Ind AS

On transition to Ind AS, the Company has elected to use the exemption available under Ind AS 101 to continue with the carrying value of all its PPE & Investment Property Recognized as at 1st April 2017 (transition date) measured as per the previous GAAP and use that as its demand cost as at date of transition.

3. First Time Ind AS Adoption Reconciliations

3.1 Effect of Ind AS adoption on the Standalone Balance Sheet as at March 31, 2018 and April 1, 2017

(₹ in Lacs)

Particulars	As at 31.03.2018				As at 01.04.2017			
	Previous GAAP Balance	Reclassification Adjustments	Effect of Transition to Ind AS	As per Ind AS balance sheet	Previous GAAP Balance	Reclassifi-cation Adjustments	Effect of Transition to IND AS	As per Ind AS balance sheet
ASSETS								
I. Non-current assets								
Property Plant and Equipment	53,743.06	-	(172.44)	53,570.62	56,777.37	-	(153.51)	56,623.86
Capital Work in Progress	486.83	-	-	486.82	482.19	-	-	482.19
Other Intangible Assets	7.04	-	-	7.04	3.83	-	-	3.83
Other non current assets	606.75	-	(116.81)	489.94	485.00	-	-	485.00
Total non-current assets	54,843.68	-	(289.25)	54,554.42	57,748.39	-	(153.51)	57,594.88
II. Current assets								
Inventories	4,532.08	-	-	4,532.08	3,422.23	-	-	3,422.23
Financial Assets								
(i) Investment	51.18	-	15.66	66.84	51.18	-	13.98	65.16
(ii) Trade Receivables	5,253.62	-	(39.51)	5,214.11	4,424.87	-	(400.02)	4,024.84
(iii) Cash and Cash Equivalents	842.76	-	-	842.76	1,695.18	(206.63)	-	1,488.56
(iv) Bank balances other than (iii) above	219.76	-	-	219.76	-	206.63	-	206.63
(v) Loans	-	60.69	-	60.69	-	91.44	-	91.44
(vi) Other Financial Assets	-	-	-	20.13	-	-	-	-
Current Tax Assets (Net)	-	-	-	-	-	-	-	-
Other Current Assets	2,758.17	(487.72)	-	2,270.45	3,057.33	(518.47)	-	2,538.86
Total Current Assets	**13,657.57**	**(427.03)**	**(23.85)**	**13,226.82**	**12,650.79**	**(427.03)**	**(386.04)**	**11,837.72**
TOTAL ASSETS	**68,501.25**	**(427.03)**	**(313.10)**	**67,781.24**	**70,399.18**	**(427.03)**	**(539.55)**	**69,432.60**
A. Equity								
Equity								
Equity Share Capital	16,432.48	-	-	16,432.48	16,432.48	-	-	16,432.48
Other Equity	(1,20,697.51)	-	1,382.88	(1,19,314.63)	(1,02,720.25)	-	1,039.63	(1,01,680.63)
Total Equity (shareholders funds under previous GAAP)	**(1,04,265.03)**	**-**	**1,382.88**	**(1,02,882.15)**	**(86,287.77)**	**-**	**1,039.63**	**(85,248.15)**
B. Non-current liabilities								
Financial liabilities								
(i) Borrowings	8,116.00	-	(96.67)	8,116.00	53,804.17	-	-	53,804.17
Provisions	96.68	-	(1,579.18)	-	13.92	-	(2.82)	-
Deferred Tax Liabilities	2,006.21	(427.03)	-	(0)	2,006.21	(427.03)	(1,579.18)	-
Other non-current liabilities	-	-	-	-	-	18.42	-	18.42
Total non-current liabilities	**10,218.89**	**(427.03)**	**(1,675.85)**	**(8,116.00)**	**55,824.30**	**(408.61)**	**(1,582.00)**	**53,822.59**
C. Current liabilities								
Financial liabilities								
(i) Borrowings	4,684.60	-	-	4,684.60	4,684.60	-	-	4,684.60
(ii) Trade payable	11,604.21	-	-	11,604.21	10,161.43	-	-	10,161.43
(iii) Other financial liabilities	-	1,41,803.07	-	1,41,803.07	-	83,712.07	-	83,712.07
Other current liabilities	1,46,129.36	(1,41,825.85)	-	4,303.50	85,822.63	(83,757.53)	-	2,065.10
Provisions	129.22	9.09	(20.13)	138.32	193.99	8.08	2.82	215.99
Current Tax Liability (Net)	-	13.69	-	13.69	-	18.96	-	18.97
Total current liabilities	**1,62,547.39**	**-**	**(20.13)**	**1,62,547.39**	**1,00,862.65**	**(18.42)**	**2.82**	**1,00,858.16**
Total liabilities	**1,72,766.28**	**(427.03)**	**(1,695.98)**	**1,70,663.39**	**1,56,686.95**	**(427.03)**	**(1,579.18)**	**1,54,680.75**
TOTAL EQUITY AND LIABILITIES	**68,501.25**	**(427.03)**	**(313.10)**	**67,781.24**	**70,399.18**	**(427.03)**	**(539.55)**	**69,432.60**

Reconciliation Notes explaining Reclassification Adjustments

1. Loans and Advances in the nature of financial assets have been reclassified as Current Financial Assets- Loans. Under the previous GAAP, such loans were classified as Short term loans and advances.
2. Short Term Loan and Advances, under the previous GAAP includes Loans and Advances which have been classified as Financial Assets- Loans, Other Current Assets and Deferred Tax Assets under the Ind AS.
3. Other Current Assets, under previous GAAP includes MAT refunds which have been classified as Deferred Tax Assets(Net) under the Ind AS.
4. Other Current Liabilities under the previous GAAP includes Current Maturities of Long Term Debts and Interest accrued but not due on borrowings which have been classified as Other Financial Liabilities under the Ind AS.

Reconciliation Notes explaining Ind AS Adjustments

1. Under the Ind AS, the Deferred Tax is calculated on the basis of the Balance Sheet approach and not the Income approach. Consequently, the Deferred Tax Liabilities (Net) have been reversed by ₹ 1,579.17 lakhs as at 1st April 2017.
2. In accordance with Ind AS 19 “Employee Benefits”, Actuarial gains/losses on Remeasurement of Defined Benefit Plans have been classified under “Other Comprehensive Income”.
3. As per the requirements of Ind AS 17 “Leases” the lease premium paid for the acquisition of land has been amortised over the lease tenure. Accordingly there is increase in Depreciation and Amortisation expenses.

3.2 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Notes	For the year ended 31.03.2018		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
Revenue from operations		74,553.02	1426.30	75979.32
Other Income		63.86	1.68	65.54
Total (A)		**74,616.88**	**1,427.98**	**76,044.86**
Cost of Material Consumed		50,518.26	-	50518.26
Changes in Inventories of Work-in-progress		(20.73)	-	(20.73)
Employee benefit expenses		1,944.23	11.86	1,956.09
Finance Cost		18,647.61	-	18,647.61
Depreciation and amortization expense		2,849.15	18.94	2,868.09
Other Expenses		18,655.62	1,065.78	19,721.40
Total (B)		**92,594.14**	**1,096.58**	**93,690.72**
Profit / (loss) before tax (C=A-B)		**(17,977.26)**	**331.40**	**(17,645.86)**
Exceptional Items (D)		-	-	-
Profit / (loss) before tax (E=C-D)		**(17,977.26)**	**331.40**	**(17,645.86)**
Tax expense				
Current Tax		-	-	-
Deferred Tax		-	-	-
Total Tax (F)		**-**	**-**	**-**
Profit for the year (E-F)		**(17,977.26)**	**331.40**	**(17,645.86)**
Other comprehensive income				
I. Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plan				
b) Income tax relating to items that will not be reclassified to profit or loss				
Total other comprehensive income		-	-	-
Total comprehensive income		**(17,977.26)**	**331.40**	**(17,645.86)**

1. Under the Ind AS, the actuarial gains and losses are classified as part of the Other Comprehensive Income under the head Items that are not reclassified to Profit and Loss. There is no impact on the Total Comprehensive Income.
2. Under the Ind AS, Deferred Tax Liabilities/Assets are created on the basis of the Balance Sheet approach and not the Income Approach. Accordingly, there is an impact on the Deferred Tax Expenses.
3. As per the requirements of Ind AS 17 "Leases" the lease premium paid for the acquisition of land has been amortised over the lease tenure. Accordingly there is increase in Depreciation and Amortisation expenses

(₹ in Lacs)

3.3 Reconciliation of total comprehensive income for the year ended March 31, 2018

	For the year ended 31.03.2018
Profit as per previous GAAP	**(17,977.25)**
Adjustments :	
i. Gain/Loss on Sale of Mutual Funds	1.68
ii. Reversal of Transaction Cost/ Interest as per EIR(Net)	-
iii. Interest on Debt Component Compound Financial Instruments(Net)	-
iv. Amortisation of Leasehold Land	(18.94)
v. Deferred Tax as per Ind AS 12	-
vi. Provision for Expected Credit Loss	360.51
vii. Gratuity Expenses as per Ind AS	(11.86)
Total effect of transition to Ind AS	**331.39**
Profit for the year as per Ind AS	**(17,645.86)**
Other comprehensive income for the year (net of tax)	11.86
Total comprehensive income under Ind AS	**(17,634.00)**

3.4 Reconciliation of Other Equity as at March 31, 2018 and April 1, 2017

	As at 31.03.2018	As at 01.04.2017
Reserves and Surplus as per previous GAAP	(1,20,697.52)	(1,02,720.26)
i. Amortisation of Leasehold Land	(172.44)	(153.51)
ii. Reversal of Deferred Tax Liabilities	1,579.18	1,579.18
vi. Allowance for ECL	(39.51)	(400.02)
vii. Fair Value of Quoted Investments through P&L	15.66	13.98
Total adjustment to equity	**1,382.89**	**1,039.63**
Other Equity under Ind AS	**(1,19,314.63)**	**(1,01,680.63)**

Notes annexed to and forming part of the Financial statements

(₹ in Lacs)

NOTE 4 Property, Plant and Equipment

S. No.	Particulars	GROSS BLOCK (AT COST) As at 01.04.2018	Additions during the year	Deductions	As at 31.03.2019	DEPRECIATION / AMORTISATION Up to 31.03.2018	For the Year	Deductions	Up to 31.03.2019	NET BLOCK As at 31.03.2019	As at 31.03.2018
a)	**Land**										
	Freehold Land	229.98	-	-	**229.98**	-	-	-	-	**229.98**	229.98
	Leasehold Land (Refer note below)	870.38	-	-	**870.38**	18.94	18.94	-	37.88	**832.50**	851.44
b)	Buildings	7,792.25	1.95	-	**7,794.20**	347.37	347.52	-	**694.89**	**7,099.31**	7,444.89
c)	Plant and Equipment	47,355.77	203.90	-	**47,559.67**	2,457.05	2,551.95	-	**5,009.00**	**42,550.67**	44,898.72
d)	Furniture and Fixtures	43.66	5.45	-	**49.11**	14.34	6.97	-	**21.31**	**27.80**	29.32
e)	Vehicles	61.40	53.48	21.35	**93.53**	10.02	10.94	14.91	**6.05**	**87.48**	51.38
f)	Office Equipments	84.68	19.45	-	**104.13**	19.79	22.97	-	**42.76**	**61.37**	64.89
	Total	**56,438.12**	**284.23**	**21.35**	**56,701.00**	**2,867.50**	**2,959.29**	**14.91**	**5,811.89**	**50,889.11**	**53,570.62**

Note Leasehold Land

Lease Deed expenses are amortised over the period of lease which also includes the further period of 30 years which in the opinion of the management will be available to the company in the normal course of business, as per the terms of the lease deed already executed.

NOTE 5 CAPITAL WORK-IN-PROGRESS

S. No.	Particulars	GROSS BLOCK (AT COST) As at 01.04.2018	Additions during the year	Deductions	As at 31.03.2019	DEPRECIATION / AMORTISATION Up to 31.03.2018	For the Year	Deductions	Up to 31.03.2019	NET BLOCK As at 31.03.2019	As at 01.04.2018
a)	Capital Work-in-Progress	486.82	-	13.00	**473.82**	-	-	-	-	**473.82**	486.82
	Total	**486.82**	**-**	**13.00**	**473.82**	**-**	**-**	**-**	**-**	**473.82**	**486.82**

NOTE 6 OTHER INTANGIBLE ASSETS

S. No.	Particulars	GROSS BLOCK (AT COST) As at 01.04.2018	Additions during the year	Deductions	As at 31.03.2019	DEPRECIATION / AMORTISATION Up to 31.03.2018	For the Year	Deductions	Up to 31.03.2019	NET BLOCK As at 31.03.2019	As at 01.04.2018
a)	Computer Software	7.63	16.41	-	**24.04**	00.58	1.00	-	1.58	**22.46**	7.04
	Total	**7.63**	**16.41**	**-**	**24.04**	**00.58**	**1.00**	**-**	**1.58**	**22.46**	**7.04**

NOTE 4 Property, Plant and Equipment

S. No.	Particulars	GROSS BLOCK (AT COST) As at 01.04.2017	Additions during the year	Deductions	As at 31.03.2018	DEPRECIATION / AMORTISATION Up to 31.03.2017	For the Year	Deductions	Up to 31.03.2018	NET BLOCK As at 31.03.2018	As at 01.04.2017
a)	**Land**										
	Freehold Land	229.98	-	-	**229.98**	-	-	-	-	**229.98**	229.98
	Leasehold Land (Refer note below)	870.38	-	-	**870.38**	-	18.94	-	18.94	**851.44**	870.38
b)	Buildings	7,792.25	-	-	**7,792.25**	-	347.37	-	**347.37**	**7,444.88**	7,792.26
c)	Plant and Equipment	47,580.30	107.03	331.56	**47,355.77**	-	2,544.05	87.00	**2,457.05**	**44,898.72**	47,580.29
d)	Furniture and Fixtures	33.97	9.69	-	**43.66**	-	14.34	-	**14.34**	**29.32**	33.97
e)	Vehicles	55.96	5.44	-	**61.40**	-	10.02	-	**10.02**	**51.38**	55.96
f)	Office Equipments	61.02	23.66	-	**84.68**	-	19.79	-	**19.79**	**64.90**	61.02
	Total	**56,623.86**	**145.82**	**331.56**	**56,438.12**	**-**	**2,954.51**	**87.00**	**2,867.51**	**53,570.62**	**56,623.86**

Note : -

1 The reconcilliation between the gross and net block of Property, Plant and Equipments along with depreciation charged is given in Note 46 to Financial Statements.

2 Leasehold Land

Lease Deed expenses are amortised over the period of lease which also includes the further period of 30 years which in the opinion of the management will be available to the company in the normal course of business, as per the terms of the lease deed already executed.

(₹ in Lacs)

NOTE 5 CAPITAL WORK-IN-PROGRESS

S. No.	Particulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.04.2017	Additions during the year	Deductions	As at 31.03.2018	Up to 31.03.2017	For the Year	Deductions	Up to 31.03.2018	As at 31.03.2018	As at 01.04.2017
a)	Details of Individual Assets	482.19	4.63	-	**486.82**	-	-	-	-	**486.82**	482.19
	Total	**482.19**	**4.63**	**-**	**486.82**	**-**	**-**	**-**	**-**	**486.82**	**482.19**

NOTE 6 OTHER INTANGIBLE ASSETS

S. No.	Particulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.04.2017	Additions during the year	Deductions	As at 31.03.2018	Up to 31.03.2017	For the Year	Deductions	Up to 31.03.2018	As at 31.03.2018	As at 01.04.2017
a)	Computer Software	3.83	3.79	-	**7.62**	-	0.58	-	0.58	**7.04**	3.83
	Total	**3.83**	**3.79**	**-**	**7.62**	**-**	**0.58**	**-**	**0.58**	**7.04**	**3.83**

NOTE 7. OTHER NON-CURRENT ASSETS

		As At 31.03.2019	As at 31.03.2018	As At 01.04.2017
Capital Advances				
Advance for Capital Goods		**27.20**	27.20	27.20
Security Deposits		**475.57**	462.74	457.80
	TOTAL	**502.77**	489.94	485.00

NOTE 8. INVENTORIES

Raw Materials		**1,563.74**	1,804.59	746.88
Finished Goods		**2,730.11**	1,897.04	1,878.80
Reliasable By Product		**212.08**	84.25	81.76
Stores and Spares		**794.51**	736.99	704.62
Fuel		**8.28**	9.21	10.17
	TOTAL	**5,308.72**	4,532.08	3,422.23

Inventories are valued at cost or net realisable value whichever is lower. and Cost of Raw Materials & Stores and Spares are arrived at weighted avarage basis for every month. The cost of inventories comprises all cost of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Excise Duty was included in the value of finished goods inventory till 30th June 2017.

(₹ in Lacs)

NOTE 9. INVESTMENTS

	As At 31.03.2019		As at 31.03.2018		As At 01.04.2017	
	Non Current	Current	Non Current	Current	Non Current	Current
1. Investment in Mutual Funds						
Quoted						
Investment in quoted mutual fund	-	**44.53**	-	44.53	-	43.94
2. Other Investments						
Scheme Dual Advantage Fund						
Series-III Regular Growth	-	**23.64**	-	22.31	-	21.22
TOTAL		**68.17**		66.84		65.16
Aggregate amount of quoted investments		**68.17**		66.84		65.16
Aggregate amount of unquoted investments		**Nil**		Nil		Nil
Aggregate amount of impairment in value of investments		**Nil**		Nil		Nil

NOTE 10. TRADE RECEIVABLES (UNSECURED)

	As At 31.03.2019	As at 31.03.2018	As At 01.04.2017
Unsecured, Considered good	**4,149.56**	6,359.49	4,424.86
Less: Allowance for Expected Credit Loss	**140.90**	1,145.38	400.02
TOTAL	**4,008.66**	5,214.11	4,024.84

NOTE 11. CASH AND CASH EQUIVALENTS

Balances with Banks in Current Account	**2,681.13**	838.74	1,485.96
Cash in Hand	**3.55**	4.02	2.60
TOTAL	**2,684.68**	842.76	1,488.56

NOTE 12. OTHER BANK BALANCES

In deposit account with more than 3 but less than 12 months maturity	**232.89**	219.76	206.63
TOTAL	**232.89**	219.76	206.63

NOTE 13. LOANS

Loans to Employee	**73.53**	60.69	91.44
TOTAL	**73.53**	60.69	91.44

(₹ in Lacs)

		As At 31.03.2019	As at 31.03.2018	As At 01.04.2017
NOTE 14. OTHER FINANCIAL ASSETS				
Funded Gratuity		**5.03**	20.13	-
	TOTAL	**5.03**	20.13	-
NOTE 15. CURRENT TAX ASSETS (NET)				
Income Tax Refundable		**1.51**	-	-
	TOTAL	**1.51**	-	-
NOTE 16. OTHER CURRENT ASSETS				
Advances other than Capital Advances				
Advances to Suppliers after provision for creditors written off		**990.97**	1,896.47	1,817.12
Others				
Balances with Tax Authorities & Others		**166.11**	334.22	682.00
Prepaid Expenses		**59.74**	39.76	39.74
	TOTAL	**1,216.82**	2,270.45	2,538.86

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2019.

NOTE 17. SHARE CAPITAL

(a)

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised						
Equity Shares of ₹ 10/- each	**3,000.00**	**30,000.00**	3,000.00	30,000.00	3,000.00	30,000.00
Redeemable Preference Shares of ₹ 100/- each	**200.00**	**20,000.00**	5.00	500.00	5.00	500.00
Issued						
Equity Shares of ₹ 10/- each fully paid	**1,943.25**	**19,432.49**	1,643.25	16,432.49	1,643.25	16,432.49
Subscribed & fully paid up						
Equity Shares of ₹10/- each fully paid	**1,754.57**	**17,545.70**	1,643.25	16,432.49	1,643.25	16,432.49

(in Lacs)

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
(b) Reconciliation of the number of equity Shares outstanding at the end of the year :						
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares						
Shares outstanding at the beginning of the year	1,643.25	16,432.49	1,643.25	16,432.49	1,643.25	16,432.49
Add : Shares issued during the year	111.32	1,113.21	---	---	---	---
Shares outstanding at the end of the year	1,754.57	17,545.70	1,643.25	16,432.49	1,643.25	16,432.49

(c) Shares held by shareholders holding more than 5% Shares in the Company :

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding	No. of Shares held	% of holding
Equity Shares						
East West Global Limited	-	-	1,67,01,482	10.16	1,67,01,482	10.16
Banco Finance and Investment Private Limited	4,55,96,906	25.99	4,55,96,906	27.75	4,55,96,906	27.75
HSB India Investment (Mauritius) Limited	-	-	84,82,444	5.16	84,82,444	5.16
Soucano Holdings Co. Ltd.	4,45,91,124	25.41	1,85,67,712	11.30	1,85,67,712	11.30
NSIL Infotech Limited#	5,93,83,818	33.85	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	5.09	89,31,826	5.44	89,31,826	5.44
Bhavna Goel	1,11,32,150	6.34	-	-	-	-

NSIL Finance Limited and NSIL Power Limited have been merged with NSIL Infotech Limited by the order dated 24th April, 2019 of Hon'ble National Company Law Tribunal, Mumbai Bench. The appointed date in the scheme is 1st April, 2018. However, as on the date of this report shares in physical/demat are in name of NSIL Finance Limited and NSIL Power Limited.

Terms / Rights to Shareholders :

(i) Equity Shares

Voting

1 The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

2 In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Dividends

The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval by the shareholders of the company in the ensuing Anuual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The total dividend Paid for the year ended March 31, 2019 amounts to ₹ /- excluding Corporate Dividend Distribution Tax of ₹ /-(Previous Year/- excluding Coprorate Dividend Distribution Tax ₹/-)

(ii) Preference Shares

During the year, pursuant to the agreement, Company has issued 0.001% Non Cumulative Redeemable Preference Shares of ₹100/- each at par amounting to ₹1,62,30,64,500/- to creditors, redeemable with an period of 20 Years. Each eligible Shareholder is entitled for 0.001% dividend on par value of shares. In the event of liquidation, Preference Shareholders have preferential right on the asset over Equity Shareholders

1 1,44,80,645 shares of ₹100 each on 01.02.2019.

2 17,50,000 shares of ₹ 100 each on 18.03.2019.

3. Shares held by shareholders holding more than 5% Shares in the Company :

Name of the Shareholder	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding
Preference Shares						
Abhikaran Trading Private Limited (formerly known as Frugal Trading Company Private Limited)	10,76,600	6.63	-	-	-	-
Middlemist Agro Tech Pvt. Limited (formerly known as Ruchi Agrotech Private Limited)	12,15,667	7.49	-	-	-	-
Bhagyashree Infrastructure Pvt. Ltd. (formerly known as Ajitabh Constructions Private Limited)	40,00,000	24.64	-	-	-	-
Yaksha Infrastructure Company Private Limited (formerly known as Frolic Realty Private Limited)	37,00,000	22.80	-	-	-	-
Parametric Trading Private Limited (formerly known as Aspirant Mercantile Company Pvt. Ltd.)	14,28,730	8.80	-	-	-	-
Itisha Developers Private Limited (formerly known as Chitwan Developers Pvt. Ltd.)	10,00,000	6.16	-	-	-	-
Toptrade Mercantiles Pvt. Ltd. (formerly known as Avacado Trading Company Pvt. Ltd.)	22,75,190	14.02	-	-	-	-
Shubhamangal Traders Pvt. Ltd.	15,34,458	9.45	-	-	-	-

(₹ in Lacs)

		As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
NOTE 18. OTHER EQUITY				
(a) Equity Component of Compound Financial Instruments	(a)	**14,548.06**	-	-
(b) General Reserve				
Balance as per Last Financial statement		**849.85**	849.85	849.85
Add:Transferred from Profit & Loss Account		**-**	-	-
	(b)	**849.85**	849.85	849.85
(c) Securities Premium				
Balance as per Last Financial statement	(c)	**16,516.99**	16,516.99	16,516.99
(d) Retained Earnings				
Balance as per Last Financial statement		**(1,36,681.47)**	(1,19,047.47)	(1,19,047.48)
Profit/(Loss) for the year		**1,19,821.68**	(17,645.86)	-
Other Comprehensive Income for the Year		**13.38**	11.86	-
Net Surplus/(Deficit) as per the Statement	(d)	**(16,846.41)**	(1,36,681.47)	(1,19,047.48)
(e) Transfer to retained earnings	(e)	**-**	**-**	**-**
	TOTAL	**15,068.49**	(1,19,314.63)	(1,01,680.64)

NOTE 19. BORROWINGS	**As at 31.03.2019** Non Current	**As at 31.03.2019** Current*	As at 31.03.2018 Non Current	As at 31.03.2018 Current*	As at 01.04.2017 Non Current	As at 01.04.2017 Current*
Secured						
(a) **Bonds & Debentures #**						
18% Non Convertible Debentures	**12,700.00**	**-**	-	-	-	-
(b) **Term Loans ##**						
From Banks	**1,602.60**	**1,200.00**	-	1,41,803.07	45,688.17	83,712.07
Total Secured Loans	**14,302.60**	**1,200.00**	-	1,41,803.07	45,688.17	83,712.07
Unsecured						
(c) Loans from Related Parties	**586.00**	**-**	586.00	-	586.00	-
(d) From Other Parties	-	-	7,530.00	-	7,530.00	-
(e) Liability component of **Compound Financial Instruments**	**1,713.43**	-	-	-	-	-
Total Unsecured Loans	**2,299.43**	**-**	8,116.00	-	8,116.00	-
TOTAL	**16,602.03**	**1,200.00**	8,116.00	1,41,803.07	53,804.17	83,712.07

Nature of Security :

 # Non Convertible Debentures (NCDs) : -

01. First pari passu charge on current assets
02. First pari passu charge on Fixed Assets
03. Pledge of Equity Shares held by Promoter
04. Personal Guarantee of Sh. Vishesh Shahra, Ms. Bhavna Goel
05. Corporate Guarantee of NSIL Finance Ltd., NSIL Infotech Ltd., NSIL Power Ltd., Shriyam Industries Pvt. Ltd., Banco Finance and Investment Pvt. Ltd.

 # # Restructured Loan : -

01. Restructured Working Capital : First pari passu charge on current assets and Second pari passu charge on Fixed Assets
02. Restructured Term Loan : First pari passu charge on Fixed Assets and Second Pari passu charge on Current Assets
03. Personal Guarantee of Sh Santosh Shahra

*Installments falling due in respect of all the above loans up to 31.03.2020, have been grouped under "Current Maturities of Long Term Debt" Refer Note No.24.

(₹ in Lacs)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
NOTE 20. DEFERRED TAX LIABILITY			
The Movement on the deferred tax account is as follows			
Deferred Tax Liabilities on account of Taxable Temporary differences			
At the start of the year	**427.03**	427.03	427.03
Deductible Temporary Difference	**-**	-	-
Sub Total	**427.03**	427.03	427.03
Deferred Tax Assets			
Opening Balances	-	-	-
MAT Credit Available	**427.03**	427.03	427.03
Sub Total	**427.03**	427.03	427.03
Net DTL	**-**	-	-

Component of Deferred Tax Liabilities / (Assets)

	As at 31.03.2019	Change/(credit to statement of Profit & Loss	As at 31.03.2018
Deferred Tax Liabilities / (Assets) in relation to :			
Property, Plant & Equipment	-	-	-
TOTAL	**-**	-	-

(₹ in Lacs)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
NOTE 21. OTHER NON CURRENT LIABILITES			
Deferred Payment Liabilities	-	-	18.42
TOTAL	-	-	18.42
NOTE 22. SHORT TERM BORROWINGS			
Secured#			
Cash Credit from Bank	-	4,131.24	4,131.24
Unsecured			
Short Term Loan	**90.00**	553.36	553.36
TOTAL	**90.00**	4,684.60	4,684.60

Loans from Banks for working capital are secured by hypothecation of Company's entire stock 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 31.03.2019	As at 31.03.2018	As at 01.04.2017
NOTE 23. TRADE PAYABLES			
Total Outstanding dues of Micro & Small enterprises	**0.95**	-	-
Sub Total	**0.95**	-	-
Total Outstanding dues of Others			
Acceptance	**12,307.28**	11,604.21	10,161.43
Sub Total	**12,307.28**	11,604.21	10,161.43
TOTAL	**12,308.23**	11,604.21	10,161.43
NOTE 24. OTHER FINANCIAL LIABILITIES			
Secured Loan (Payable within One year)			
Current maturities of long-term debt	**1,200.00**	1,41,803.07	83,712.07
TOTAL	**1,200.00**	1,41,803.07	83,712.07

(₹ in Lacs)

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
NOTE 25. OTHER CURRENT LIABILITES			
Revenue received in advance			
Advance from customers	**272.48**	1,220.92	374.76
Others			
Expenses Payable	**1,449.31**	1,751.40	669.15
Statutory Dues Payable	**659.81**	1,286.98	981.25
Bonus Payable	**51.07**	44.20	39.94
TOTAL	**2,432.67**	4,303.50	2,065.10
NOTE 26. PROVISIONS (CURRENT)			
Provision for Gratuity	-	-	13.92
Provision for compensated absences (Leave Encashment)	**12.73**	2.03	9.11
Sub Total Provision for other employee benefits (Salary)	**228.32**	136.29	192.96
TOTAL	**241.05**	138.32	215.99
NOTE 27. CURRENT TAX LIABILITY (NET)			
Income Tax Payable	**-**	13.69	18.97
TOTAL	**-**	13.69	18.97

	Year ended 31.03.2019	Year ended 31.03.2018
NOTE 28. REVENUE FROM OPERATIONS		
Sale of Goods		
Sponge Iron	**2,447.96**	3,644.39
Mild Steel Billets	**51,827.75**	34,152.38
TMT Bars	**45,750.71**	37,181.22
Sale of Power	**57.13**	134.16
Other Misc Item	**1,306.02**	867.17
TOTAL	**1,01,389.57**	75,979.32

(₹ in Lacs)

	Year ended 31.03.2019	Year ended 31.03.2018
NOTE 29. OTHER INCOME		
Interest Received	**28.49**	58.86
Other non-operating income		
Late Payment charges (Sales)	**26.41**	0.03
Misc Income	**178.58**	-
Penalty Recovered	**17.82**	1.54
Colony rent	**1.25**	1.52
Rent Charged	**2.01**	1.91
Gain on Fair value of Investments	**1.33**	1.68
TOTAL	**255.89**	65.54
NOTE 30. COST OF MATERIAL CONSUMED		
Iron Ore Pellets/Iron Ore	**22,912.77**	15,487.74
Coal	**17,180.83**	15,141.74
Heavy Melting Scrap	**23,125.04**	16,899.84
M. S. Billets	**-**	228.31
Other Misc Items	**2,917.51**	2,760.63
TOTAL	**66,136.15**	50,518.26
NOTE 31. CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening Stock		
Finished Goods	**1,981.29**	1,960.56
	1,981.29	1,960.56
Closing Stock		
Finished Goods	**2,942.19**	1,981.29
	2,942.19	1,981.29
(Increase) / Decrease in inventories of Finished Goods (Total)	**(960.90)**	(20.73)

(₹ in Lacs)

		Year ended 31.03.2019	Year ended 31.03.2018
NOTE 32. EMPLOYEE BENEFITS EXPENSES			
Salary & Wages to Staff		**2,162.84**	1,821.94
Staff Welfare Expenses		**68.34**	55.49
Staff Provident Fund		**86.69**	78.30
Staff State Insurance		**0.38**	0.36
	TOTAL	**2,318.25**	1,956.09
NOTE 33. FINANCE COSTS			
Interest on Term Loans		**556.81**	9,633.40
Interest on Working Capital Loan		**75.94**	4,455.71
Interest on FITL		**-**	4,523.00
Bank Commission and Charges		**10.85**	35.50
Interest on Debt Component of CFI		**30.86**	-
	TOTAL	**674.46**	18,647.61
NOTE 34. OTHER EXPENSES			
Excise Duty		**-**	1,426.30
Expenses for Export		**0.01**	29.30
Manufacturing Expenses		**1,200.38**	1,057.71
Office Repairs & Maintenance		**205.96**	174.81
Office Selling Expenses		**1,348.89**	1,387.50
Rates & Taxes			
VAT/CST		**-**	841.66
IGST/SGST/CSGST		**15,254.08**	8,884.91
Other Rates & Taxes		**997.36**	928.87
Rent		**70.87**	83.84
Insurance Charges		**110.82**	106.78
Stores and Spares Consumed		**2,138.77**	1,709.72
Power, Fuel & Electricity		**1,729.07**	1,413.13
Registration and License Fees		**16.09**	10.31

(₹ in Lacs)

	Year ended 31.03.2019	Year ended 31.03.2018
Legal & Professional Charges	**770.06**	539.99
Travelling Expenses (Others)	**47.36**	26.05
Travelling Expenses (Directors)	**19.19**	13.25
Conveyance Expenses	**124.85**	108.49
Postege, Telegram & Telephone Expenses	**12.64**	11.59
Miscellaneous & Other Establishment Expenses	**157.44**	95.36
Provision for doubtful creditor advances	**-**	80.31
Creditors balance Written Back	**(1,491.55)**	-
Security Charges	**31.28**	31.76
Printing & Stationery	**4.77**	7.95
Audit Fees		
- Statutory	**1.75**	1.75
- Tax Audit Fee	**0.50**	0.50
- Other Services	**-**	-
Testing & Analysis Charges	**6.84**	1.90
Training and recruitment	**1.02**	-
Loss on sale of Fixed assets	**1.34**	-
Net loss on foreign currency transactions	**31.30**	2.29
Provision for Expected Credit Loss	**101.39**	745.36
TOTAL	**22,892.48**	19,721.40

NOTE 35. OTHER COMPREHENSIVE INCOME

	Year ended 31.03.2019	Year ended 31.03.2018
(A) Items that will not be reclassified into profit or loss		
(i) Change in Revaluation surplus		
(ii) Remeasurement of defined benefit plans	**(13.38)**	(11.86)
(iii) Equity instruments through other comprehensive Income		
(iv) Fair Value changes relating to own credit risk of financial liabilities designted at fair value through profit or loss		
(v) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss		
(vi) Others		
TOTAL (A)	**(13.38)**	(11.86)

(₹ in Lacs)

		Year ended 31.03.2019	Year ended 31.03.2018
(B)	**Items that will be reclassified to profit or loss**		
(i)	Exchange differences in translating the financial stateemnts of foreign operation		
(ii)	Debt instruments through other comprehensive Income		
(iii)	The effective portion of gains and loss on hedging instruments in a cash flow hedge		
(iv)	Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss		
(v)	Others		
	TOTAL (B)	**-**	-

NOTE 36. AS PER IND AS 19 "EMPLOYEES BENEFITS", THE DISCLOSURES AS DEFINED ARE GIVEN BELOW :

		2018-19	2017-18
	Defined Contribution Plan :		
	Contribution to Defined Contribution Plans, recognized as expense for the year is as under :		
	Employer's Contribution to Provident Fund	**86.69**	78.31
	Defined Benefit Plan :		
I.	**Reconciliation of opening and closing Balances of Defined Benefit Obligation**		
		Gratuity (Non-Funded)	
	Defined Benefit Obligation at beginning of the year	96.68	81.44
	Current Service Cost	20.88	20.21
	Interest Cost	7.60	6.12
	Benefits Paid during the years	(3.46)	(2.14)
	Acturial (Gain)/Loss	(7.23)	(8.95)
	Defined Benefit Obligation at year end	**114.47**	**96.68**
		Gratuity (Non-Funded)	
		As at 31.03.2019	As at 31.03.2018
II.	**Reconciliation of fair value of Assets and Obligations**		
	Fair value of Plan Assets	-	-
	Present Value of Obligation	114.47	96.68
	Amount recognised in Balance Sheet [Surplus/(Deficit)]	(114.47)	(96.68)

(₹ in Lacs)

	Year ended 31.03.2019	Year ended 31.03.2018
	Gratuity (Non-Funded)	
Expenses recognised during the year		
In Income Statement		
Current Service Cost	20.88	20.21
Interest Cost	7.60	6.12
Past Service Cost	-	-
Return on Plan Assets	-	-
Net Cost	28.48	26.33
In Other Comprehensive Income		
Actuarial (Gain)/Loss	(7.23)	(8.95)
Return on Plan Assets	-	-
Net (Income) / Expenses for the period recognised in OCI	(7.23)	(8.95)

	Gratuity (Non-Funded)	
	2018-19	2017-18
Actuarial Assumptions		
Indian Assured Lives Mortality (2006-08)		
Discount rate (per annum)	7.86%	7.52%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.00%	5.00%
Expected Average remaining working lives of employees Years	18	18
Employee Turnover	2%	2%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflations, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employment turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	As at 31st March, 2019		As at 31st March, 2018	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	0.07%	-	-	-
Change in rate of salary Escalation	-	-	-	-

(All above figures as per the acturial valuation report)

(₹ in Lacs)

		2018-19	2017-18
NOTE 37	**Payments to Auditors As :**		
(a)	Auditors		
	Statutory Auditors Fees	**1.75**	1.75
	Tax Audit Fees	**0.50**	0.50
(b)	Certification and Consultation Fees	**-**	-
	TOTAL	**2.25**	2.25
NOTE 38	**EARNING PER SHARES (EPS)**		
(i)	Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders (in lacs)	**1,19,835.06**	(17,634.00)
(ii)	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS (in lacs)	**1,648.91**	1,643.25
(iii)	Weighted Average Potential Equity Shares	**-**	-
(iv)	Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS (in lacs)	**1,648.91**	1,643.25
(v)	Basic Earnings Per Share (₹)	**72.67**	(10.73)
(vi)	Diluted Earnings Per Share (₹)	**72.67**	(10.73)
(vii)	Face Value per Equity Share (₹)	**10.00**	10.00

NOTE 39 RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(i) Disclosure of related parties where control exits and with whom transactions entered as per Ind AS-24

Key Management Personnel and their relatives :

Shri Santosh Shahra - Promoter Director
Shri Davesh Khandelwal - Managing Director
Shri Manoj Khetan - Director (F & A) and CFO
(Resigned from the position of CFO w.e.f. 13.11.2018)
Shri Vishesh Shahra son of Shri Santosh Shahra
Smt. Usha Devi Shahra wife of Shri Santosh Shahra
Santosh Shahra (HUF)
Smt. Bhavna Goel Daughter of Shri Santosh Shahra
Shri Vijay Unde - CFO (w.e.f. 06.03.2019)
Shri Raj Kuamr Bhawsar - Company Secretary

Other Related Parties :

National Steel and Agro Industries Ltd.

NSIL Infotech Limited

NSIL Power Limited

NSIL Finance Limited

NSIL Exports Limited

Ruchi Intergrated Steels (India) Limited

Ruchi Power Corporation Limited

Shriyam Industries Pvt. Ltd.

Benco Finance and Investments Pvt. Ltd.

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

(ii) **Transaction during the year with related parties:**

Related Party Transactions : (Inclusive of Taxes)

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

Related Party Transactions	Subsidiary / Associates	Joint Venture	Key Managerial Person	Relatives of Key Managerial	Enterprises where KMP or their relatives hold significant infuence
Office Rent					
Santosh Shahra (HUF)	-	-	-	**1.80**	-
	-	-	-	(7.20)	-
Smt. Usha Devi Shahra	-	-	-	**1.80**	-
				(7.20)	-
Sh Vishesh Shahra	-	-	-	**1.80**	-
	-	-	-	(7.20)	-
Remuneration to Key Mangement Personnel					
Shri Davesh Khandelwal	-	-	**44.19**	-	-
			(39.43)	-	-
Shri Manoj Khetan	-	-	**52.60**	-	-
	-	-	(46.25)	-	-
Shri Vijay Unde*	-	-	**1.22**	-	-
	-	-	(NIL)	-	-
Shri Rajkumar Bhawsar	-	-	**9.99**	-	-
	-	-	(8.33)	-	-
Shri Santosh Shahra	-	-	**0.24**	-	-
	-	-	(0.08)	-	-

* Appointment of Sh. Vijay Unde - CFO w.e.f. 06.03.2019, details of remuneration for the month of March, 2019

(₹ in Lacs)

Particulars	Subsidiary / Associates	Joint Venture	Key Managerial Person	Relatives of Key Managerial	Enterprises where KMP or their relatives hold significant infuence
Gurantees in respect of NCDs					
Shri Vishesh Shahra	-	-	-		
Smt. Bhavna Goel	-	-	-		
NSIL Infotech Limited	-	-	-		
NSIL Power Limited	-	-	-	12,700.00	
NSIL Finance Limited	-	-	-		
Shriyam Industries Pvt. Ltd.	-	-	-		
Banco Finance and Investments Pvt. Ltd.	-	-	-		
Equity Infusion					
Smt. Bhavna Goel	-	-	-	1,113.22	

Outstanding Balances:

	Debit/(Credit)		
	31st March, 2019	31st March, 2018	31st March, 2017
Key Managerial Person	**-**	-	-
Other Realated Parties	**(2,406.29)**	(2,463.23)	(2,462.73)

(iii) **Compensation of Key Management Personnel**

The remuneration of director and other member of Key Management personnel during the year was as follows:-

	2018-19	2017-18
Short-term benefits	**108.00**	94.01
TOTAL	**108.00**	94.01

40. CONTINGENT LIABILITIES

	As at 31.03.2019	**As at** 31.03.2018
Income Tax Demand from Income Tax Mumbai AY 2014-15	**85.24**	107.93
Income Tax Demand from Income Tax Mumbai AY 2015-16	**49.24**	-
Lease Rent demand of GIDC, Gandhidham	**156.83**	51.90
Bank Guarantees aggregating to various State Power supplying Company	**156.99**	171.39
The Company imported Raw Materials under advance license scheme, which the Company to fulfill the export obligation. The duty saved amount on such imports.	**3,475.16**	3,475.16
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.	-	-

41. CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.

b) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows.

(₹ in Lacs)

	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Non-Current Liabilities (Other than DTL)	**-**	-	18.41
Current maturities of Long Term debts	**1,200.00**	1,41,803.07	83,712.07
Short-term Borrowings	**90.00**	4,684.60	4,684.60
Gross Debt	**1,290.00**	1,46,487.67	88,415.08
Cash and Cash Equivalents	**2,684.68**	842.76	1,488.55
Net Debt (A)	**(1,394.68)**	1,45,644.91	86,926.53
Total Equity (As per Balance Sheet) (B)	**32,614.19**	(1,02,882.14)	(85,248.15)
Net Gearing (A/B)	**(0.04)**	(1.42)	(1.02)

42. FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

Fair Value Measurement herarehy

(₹ in Lacs)

	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Financial Assets			
At Amortised Cost			
Trade Receivables	**4,008.66**	5,214.11	4,024.84
Cash and Bank Balances	**2,917.57**	1,062.52	1,695.19
Loans	**73.53**	60.69	91.44
At FVTPL			
Investments	**68.17**	66.84	65.16
At FVTOCI			
Investments	-	-	-
Financial Liabilities			
Borrowings	**16,692.03**	12,800.60	58,488.77
Trade Payables	**12,307.28**	11,604.21	10,161.43
Other Financial Liabilities	**1,200.00**	1,41,803.07	83,712.07

Foreign Currency Risk:

No Exposure to Foreign Currency

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities. The Company maintains adequate cash and cash equivalents alongwith the need based credit limits to meet the liquidity needs.

43. EVENTS AFTER THE REPORTING PERIOD

No events after the reporting period

44. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors' on 4th September, 2019.

45. As per Ind AS 108-"Operating Segment", Company does not have any other operating segment.

46. GROSS BLOCK OF ASSETS AS ON DATE OF TRANSITION

Asset wise description of Gross block and Net block of Assets

(₹ in Lacs)

		Gross Block as on 01.04.2017	Depreciation	WDV as deemed cost
Property, Plant and Equipments				
(a)	Land			
	Freehold Land	229.98	-	229.98
	Leasehold Land	1,023.89	153.51	870.38
(b)	Buildings	10,869.21	3076.95	7,792.26
(c)	Plant and Equipment	74,756.72	27,176.43	47,580.29
(d)	Furniture and Fixtures	143.91	109.93	33.98
(e)	Vehicles	189.66	133.71	55.95
(f)	Office Equipments	264.22	203.20	61.02
Capital Work in Progress				
	Capital Work in Progress	482.19	-	482.19
Other Intangible Assets				
	Computer Software	29.27	25.44	3.83
	TOTAL	**87,989.05**	30,879.16	57,109.88

47. OTHER NOTES

The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

48. STANDARDS ISSUED BUT NOT YET EFFECTIVE UP TO THE DATE OF FINANCIAL STATEMENTS

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto.

Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during thelease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is not material. Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

Significant Accounting Policies and Notes on Financial Statements 1 to 48

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

Vishesh Shahra
(Director)
DIN - 00203546

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

CA Rupali Chandak
(Proprietor)
Membership No. 411550

Vijay Unde
(Chief Financial Officer)

Raj Kumar Bhawsar
(Company Secretary)
Membership No. F7186

Place : Indore
Dated : 4th September, 2019

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