Steel Exchange India Limited

Regd. Office : 303, My Home Laxminivas Apartments, Greenlands, Ameerpet, Hyderabad - 500 016. T.S
Phone: +91-40-23403725, Fax : +91-40-23413267
Corp. Office : Block-A, Green City Towers, Green City, Near Apparel Export Park,
Vadlapudi (Post), Visakhapatnam-530049, Andhra Pradesh
Phone: +91-891-2587175, 2587573, Fax : +91-891-2749215, 2749218
www.seil.co.in CIN No. : L74100AP1999PLC031191 E-mail : info@seil.co.in

14.09. 2017

To
The Manager,
Department of Corporate Services,
BSE Limited
P.J. Towers, Dalal Street,
Port, Mumabi – 400001

Scrip Code: 534748

To
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

Scrip ID: STEELXIND

Dear Sirs,

Sub: Submission of Annual Report 2016-17 under Reg. 34 (1)

*****

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, we submit the Annual Report of the Company for the year 2016-17 for your information and record.

Please find enclosed herewith the Annual Report – 2016-17

Thanking you

For STEEL EXCHANGE INDIA LIMITED

L. Babu Are
Company Secretary

Steel Exchange India Limited Hyderabad

Encl: As above

1. CC to : The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700001

STEEL EXCHANGE INDIA LIMITED

VIZAG PROFILES GROUP

EIGHTEENTH ANNUAL REPORT
2016 - 2017

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EIGHTEENTH ANNUAL GENERAL MEETING

Date	:	11th September, 2017
Day	:	Monday
Time	:	10.00 A.M.
Place	:	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016 Phone: 040 - 4949 5959

BOARD OF DIRECTORS

B. SATISH KUMAR	Chairman & Managing Director
B. SURESH KUMAR	Joint Managing Director
B. RAMESH KUMAR	Joint Managing Director
V. V. KRISHNA RAO	Director
B. SURESH	Director
R. RAMACHANDRA RAO	Independent Director
C. SIVA PRASAD	Independent Director
K. KRISHNA RAO	Independent Director
G. VENKATA NARAYANA REDDY	Independent Director
SUJATA CHATTOPADHYAY	Independent Director

CHIEF FINANCIAL OFFICER
V.S. RAKESH

COMPANY SECRETARY
L. BABU ARE

STATUTORY AUDITORS
M/s PAVULURI & Co.,
Chartered Accountants,
105, I Floor, I Block, Divya Shakthi Complex,
Ameerpet, Hyderabad - 500 016

SECRETARIAL AUDITORS
M/s B S S & Associates
Company Secretaries
Hyderabad.

COST AUDITORS
M/s. DZR & Co.,
Cost and Management Accountants,
Hyderabad.

BANKERS

Working Capital Lenders 2016-17
State Bank of India, Mid Corporate Commercial Branch, Visakhapatnam
State Bank of Bikaner & Jaipur, Main Branch, Visakhapatnam
State Bank of Hyderabad, VSP Steel Township Branch, Visakhapatnam
Bank of India, Mid Corporate Banking Branch, Visakhapatnam
Canara Bank, Industrial Finance Branch, Hyderguda, Hyderabad
Syndicate Bank, Mid Corporate Branch, Dabagardens, Visakhapatnam
Punjab National Bank, Large Corporate Branch, Banajara Hills, Hyderabad
IDBI Bank Limited, Specialized Corporate Branch, Visakhapatnam

The Karur Vysya Bank Limited, Main Branch, Dabagardens, Visakhapatnam
The Lakshmi Vilas Bank Ltd., Gajuwaka Branch, Visakhapatnam
Dhanlaxmi Bank Limited, Main Branch, CBM Compound, Visakhapatnam
Andhra Bank, Specialized SME Branch, Gajuwaka, Visakhapatnam

Corporate Loan and Term Loan Lenders 2016-17:

State Bank of Bikaner & Jaipur, Main Branch, Visakhapatnam
State Bank of Bikaner & Jaipur, Mid Corporate Br, Raj Bhavan Road, Hyderabad
State Bank of Hyderabad, VSP Steel Township Branch, Visakhapatnam
State Bank of Mysore, Industrial Finance Branch, Ameerpet, Hyderabad
State Bank of Patiala, Mid Corporate Branch, Abids, Hyderabad
State Bank of Travancore, Main Branch, Rly. New Colony, Visakhapatnam
Punjab National Bank, Large Corporate Branch, Banajara Hills, Hyderabad
The Karur Vysya Bank Limited, Main Branch, Dabagardens, Visakhapatnam
The Lakshmi Vilas Bank Ltd., Gajuwaka Branch, Visakhapatnam

REGISTRARS & SHARE TRANSFER AGENTS

Venture Capital and Corporate Investments Private Limited,
12-10-167, Bharatnagar, Hyderabad - 500 018.
Telephone: +91 - 40 - 23818475 / 76 Fax: +91 - 40 - 23868024

REGISTERED OFFICE

303, My Home Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016
Telephone No: +91-40-23403725 Fax No: +91- 40- 23413267
www.seil.co.in email: cs@seil.co.in CIN: L74100AP1999PC031191

CORPORATE OFFICE:

Block A, 4th Floor, Green City, Vadlapudi , Visakhapatnam - 530 046.
Telephone: +91-891-2587175, 2587573 Fax: +91-891-2749215

WORKS

Power Plant & Steel Ingot Division:

Opp: Mandapalli New Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt).

Rolling Division:

Simhadri TMT Steels, Plot No 1, I.D.A., Edulapaka Bonangi, Paravada (Mandal), Visakhapatnam (Dt) - 531 201.

Wire Drawing Division (HC Wire Products) :

Plot No.17 & 18, E-Block, IDA, Auto Nagar, Visakhapatnam - 530 012.

Bobbili Wire Drawing Division (Galvanising Wire Products):

S. No. 295 to 300, APIIC Growth Centre, Bobbili- 535 558.

Integrated Steel Plant:
Sponge Iron Division, Rolling Division, SMS Billet Unit and Simhadri Power Division:

Malliveedu, L.Kota Mandal, Vizianagaram District - 533 301.

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of STEEL EXCHANGE INDIA LIMITED will be held on **Monday, the 11th day of September 2017 at 10.00 A.M. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 500 016** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss, Cash Flow Statement together with related notes for the year ended 31st March, 2017, the Auditor's Report thereon and the Directors Report thereon be and are hereby received, considered, approved and adopted."

2. To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:

   "RESOLVED That Mr. Bavineni Suresh (DIN 00181832) be and is hereby re-appointed as a director liable to retire by rotation.

3. To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution.

   "RESOLVED THAT Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884) be and is hereby re-appointed as a director liable to retire by rotation.

4. Appointment of Auditors

   To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder and pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed in the Annual General Meeting of the Company held on December 31, 2014, the appointment of M/s. Pavuluri & Co, Chartered Accountants (Firm Registration No. 012194S), Hyderabad as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held for the year 2019 be and is hereby ratified and confirmed and that the Board of Directors of the Company, based on the recommendations of the Audit Committee, be and is hereby authorised to fix the remuneration payable to the Statutory Auditors in addition to reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of the accounts of the Company for the financial year ending March 31, 2018".

Special Business:

5. **To ratify the remuneration payable to M/s. DZR & Co., the Cost Auditors of the Company.**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company be and hereby ratify and confirm the payment of remuneration of Rs. 4,50,000/- (plus applicable service tax and out of pocket expenses that may be incurred) to M/s. DZR & Co., Cost Accountants, Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of cost records of the company for the financial year ending March 31, 2018."

   FURTHER RESOLVED THAT Mr. B. Satish Kumar, Chairman & Managing Director, Mr. B. Suresh Kumar, Joint Managing Director of the Company be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

6. **To convert the loan by lender into Optionally Convertible Debentures (OCDs) pursuant to implementation of S4A Scheme for the Company:**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

   "RESOLVED THAT pursuant to and in accordance with the provisions of Section 42, 62, 71 of the Companies Act,

2013 and other applicable provisions, if any, of the Companies Act, 2013 Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules under the Companies Act, 2013;

Pursuant to the Scheme for Sustainable Structuring of Stressed Assets (**"S4A Scheme"**) introduced by Reserve Bank of India ("RBI") pursuant to its Circular dated 13 June 2016 and subsequently revised by RBI vide its circulars dated 10 November 2016 (together, referred to as the **"S4A Circulars"**, including any amendments / modifications or supplements thereto) pursuant to which S4A Scheme has been adopted by the Joint Lenders Forum of the Lenders (JLF) on 28.12.2016, (Reference Date) and approved by Overseeing Committee (OC) of the RBI as communicated by the Lenders vide their letters dated 10th August 2017 ("SEIL S4A Scheme"); the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**"SEBI ICDR Regulations"**) and any other applicable regulations, including any statutory modification(s) or re-enactment thereof for the time being in force and any modifications thereto and in accordance with the Memorandum of Association and Articles of Association of the Company and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory and other authorities and subject to such condition(s) and modification(s) as may be imposed or prescribed while granting approvals, consents, permissions sanctions, in respect of the conversion of part of the existing Loan/debt exposure, inter alia, of the following Banks and Financial Institutions as per the terms of Part B Debt of the SEIL S4A Scheme:

LIST OF LENDERS

Name of the Lender	**Part B Debt Amount* (Rs in Crore)**
State Bank of India	285,26,63,480
Andhra Bank	13,91,82,580
Bank of India	24,23,00,000
Canara Bank	27,00,00,000
Dhanlaxmi Bank Ltd	10,31,53,526
IDBI Bank Limited	19,98,29,080
Karur Vysya Bank Ltd	27,34,25,040
Lakshmi Vilas Bank Ltd	10,38,47,310
Punjab National Bank	45,80,22,210
Syndicate Bank	34,38,44,850
Total	**4,98,62,68,076**

*Amount includes interest on part-B Debt from DOR date to the date of implementation of S4A

(hereinafter collectively referred as "Lenders") of the Company as specified in the Financing documents executed/to be executed by the Company with, inter alia, the Lenders for the purpose of implementation of the SEIL S4A Scheme

S4A Scheme (hereinafter referred to as the "**S4A Agreements/ S4A Documents**") and subject to the right of the Company to prepay the financial facilities availed, as per the terms of Part B Debt of SEIL S4A Scheme, consent of the Company be and is hereby accorded to the Board (hereinafter which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on the terms and conditions contained in the S4A Agreements, inter alia, to convert part of the outstanding loans of the Company, which have already been availed from the Lenders or as may be availed from the Lenders, together with accumulated interest, not exceeding Rs. 498.63 Crores (hereinafter "Financial Assistance"), consistent with the existing borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013, each, such **Financial Assistance** being separate and distinct from the other, into fully paid up Optionally Convertible Debentures (OCDs) of the Company (**'Securities'**), which OCDs shall be issued in a separate series, on mutually agreed terms and conditions as may be stipulated in the S4A Agreements and subject to applicable laws (including extant guidelines in force), and to authorize the Board to offer, issue and allot in one or more tranches, such number

of OCDs of the Company of face value Rs. 10/- (Rupee Ten only) at a price as determined in accordance with the applicable laws, to the Lenders which shall not exceed the amount of principal and interest outstanding as per the terms of Part B Debt of SEIL S4A Scheme, as the case may be applicable, as on the date of conversion of Part B Debt under the SEIL S4A Scheme".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient as found appropriate and the Board/ Committee be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation thereto including issuing clarifications to the concerned statutory and regulatory authorities, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, including without limitation, to execute necessary documents and enter into contracts, arrangements, and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board and any Committee thereof be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including execution of any documents on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any advisors, consultants for the purpose of implementation of the aforesaid resolution."

7. **To offer and issue Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each on preferential basis pursuant to implementation of S4A Scheme for the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of sections 42 and 62 and 71 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments thereto or re- enactment thereof for the time being in force and herein after collectively referred as "Act") Chapter VII of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations,2011, as amended (the "Takeover Regulations") and other applicable guidelines, clarifications, rules, regulations issued by the Securities and Exchange Board of India, the Listing Agreement entered into between the Company and BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations"), and any other applicable laws in force, and enabling provisions of the Memorandum and the Articles of Association of the Company and subject to such approval(s), consent(s), permission(s), sanction(s), if required, of concerned statutory authorities and subject to such condition(s) and modification(s) as may be imposed or prescribed by any of them while granting such approvals, consents, permissions sanctions and which may be agreed to by the Board (hereinafter which term shall be deemed to include any committee constituted / to be constituted by the Board to exercise its powers, including the power conferred by this resolution), and pursuant to the Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") introduced by Reserve Bank of India ("RBI") pursuant to its Circular dated 13 June 2016 and subsequently revised by RBI vide its circulars dated 10 November 2016 (together, referred to as the "S4A Circulars", including any amendments / modifications or supplements thereto); pursuant to which S4A Scheme has been adopted by the Joint Lenders Forum of the Lenders (JLF) on 28.12.2016 (Reference Date) and approved by Overseeing Committee (OC) of RBI as communicated by the Lenders vide their letters dated 10th August 2017 ("SEIL S4A Scheme") consent of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches, on preferential basis by way of conversion of existing part B debts as per the SEIL S4A scheme.

Upto such number of Optionally Convertible Debentures of the Company of face value" Rs.10/- each, in one or more

tranches, for a value not exceeding Rs. 498.63 Crores (Rupees Four Hundred Ninety Eight Crores and Sixty Three Lakhs only) inter alia, to the proposed allottees/Lenders as mentioned in Item No. 7 of the Explanatory Statement attached herewith, which OCDs shall be issued in a separate series as, in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Agreements/ S4A Documents executed/ to be executed by the Company as per the SEIL S4A Scheme approved for implementation by the Company in terms of the S4A Circulars, based on the respective Individual Lender's subscription to the OCDs of the Company, entitling the debenture holder, on the date which shall be any date on or after 60days from the date of occurrence of any event of default in payment of Part A debt by the Company as specified in the SEIL S4A Scheme but before the expiry of 18 (eighteen) months from the date of allotment of such OCD ("Entitlement Date"), subject to the continuation/ subsistence of the event of default in payment of Part A debt by the Company due to the respective debenture holder as per SEIL S4A Scheme as on the Entitlement Date, to apply for such number of fully paid equity shares of the Company of face value Rs. 10/- each, at an issue price not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations (hereinafter OCDs collectively referred to as "the Securities")"

LIST OF PROPOSED ALLOTTEES

Name of the Lender	Amount in Rs. Part B Debt	No of OCD's of Face Value Rs.10/- Each*
State Bank of India	285,26,63,480	28,52,66,348
Andhra Bank	13,91,82,580	1,39,18,258
Bank of India	24,23,00,000	2,42,30,000
Canara Bank	27,00,00,000	2,70,00,000
Dhanlaxmi Bank Ltd	10,31,53,526	1,03,15,353
IDBI Bank Limited	19,98,29,080	1,99,82,908
Karur Vysya Bank Ltd	27,34,25,040	2,73,42,504
Lakshmi Vilas Bank Ltd	10,38,47,310	1,03,84,731
Punjab National Bank	45,80,22,210	4,58,02,221
Syndicate Bank	34,38,44,850	3,43,84,485
Total	**4,98,62,68,076**	**49,86,26,808**

* OCDs includes against interest on Part-B Debt.

"RESOLVED FURTHER THAT

a) The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares arising on conversion of OCDs, has been reckoned as per Regulation 71(b) which shall be 30 days prior to the Entitlement Date, which date shall be on or after 60days from the date of occurrence of any event of default in Part A debt by the Company as specified in the SEIL S4A Scheme but before the expiry of 18 (eighteen) months from the date of allotment of such OCD, subject to the continuation/subsistence of the event of default in payment of Part A debt by the Company due to the respective debenture holder as per SEIL S4A Scheme as on the Entitlement Date;

b) The payment of consideration for the allotment of securities shall be by appropriation of the outstanding loan/ debt due to the proposed allottees/ Lenders payable by the Company under Part B Debt, as per the terms of the SEIL S4A Scheme;

c) OCDs, which would be issued and allotted, upon payment of consideration in the manner mentioned under (b), which OCDs shall be issued in a separate series, shall give the OCD holder the right to apply for such number of fully paid up Equity Shares of the Company of face value Rs. 10/- each as on the Entitlement Date, subject to the continuation / subsistence of the event of default in payment of Part A debt by the Company due to the respective debenture holder as per SEIL S4A Scheme as on the Entitlement Date, at an issue price (including

premium) as on the Relevant Date which shall be 30 days prior to the Entitlement Date, being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations;

d) Allotment of the equity shares pursuant to conversion of Securities shall be made only in dematerialized form;

e) There is no upfront payment of consideration as mentioned under (b) above, as the loan/debt which is outstanding from the Company to the proposed allottees/Lenders as per Part B Debt of SEIL S4A Scheme shall have to be appropriated at the time of allotment of the securities;

f) The Equity Shares to be issued and allotted as a result of conversion of OCDs shall be listed and traded on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

g) The OCD's and the Equity Shares to be issued and allotted as a result of conversion of OCDs shall remain locked in as per the provisions of SEBI (ICDR) Regulations, 2009 from the date of trading approval (which shall mean the latest date when trading approval has been granted by BSE and NSE) granted for the Equity Shares allotted pursuant to exercise of conversion option attached to OCDs;

h) The Equity Shares to be issued and allotted as a result of conversion of OCDs shall rank pari passu with the then existing Equity Shares of the Company in all respects including that of payment of dividend, if any;

i) The Board/Committee be and is hereby authorised to decide and/or modify the terms and conditions of allotment of Securities including the terms of conversion of Securities into equity shares of the Company in accordance with the provisions of extant Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board /Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Securities and listing of the Equity Shares with the stock exchange(s) as appropriate and for the purpose of giving effect to the above, the Board/Committee be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Securities and to do all acts, deeds and things in connection therewith and incidental thereto as the Board/Committee in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned statutory and regulatory authorities, issue and allotment of the Securities, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board/ Committee in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board and any Committee thereof be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and/or regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution."

8. To offer and issue of equity shares on preferential basis, against conversion of unsecured loans of the Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 42 and Section 62 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act") read with the rules made thereunder, and the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof

that have ceased to have effect upon notification of sections of the Companies Act 2013), and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), and subsequent amendments thereto, including but not restricted to the (SEBI ICDR Regulations), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and amendments thereto as in force and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI") ("SEBI Regulations"), and the stock exchanges where the shares of the Company are listed ("Stock Exchanges") and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, the Stock Exchanges and other appropriate authorities, including RBI, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company, the Board be and is hereby authorized on behalf of the company to create, offer, issue and allot upto 11,40,000 equity shares of face value of Rs.10/- each ("Equity Shares") fully paid up, for cash, at such price (including "premium") not less than the price determined in accordance with Chapter VII of the "SEBI (ICDR) Regulations" on such terms and conditions and in such manner, as the Board or the Allotment Committee, may, in its absolute discretion deem fit ("Preferential Issue"), aggregates to the amount not more than Rs 10 Crores (Rupees Ten Crores Only) to Vizag Profiles Private Limited a Promoter group Company having Registered Office, at 303, Myhome Laxminivas Apts., Greenlands, Ameerpet, Hyderabad - 500016, and PAN No. AABCV2154Q, against the unsecured loan such time or times, in one or more tranches and on such terms and conditions and in such manner, as the Board may think fit in its absolute discretion.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, the "Relevant Date" for the purpose of calculating the price for the issue of Equity Shares to be issued in terms hereof shall be 12.08.2017 which is the date falling 30 days prior to the date of this Annual General Meeting.

RESOLVED FURTHER THAT the equity shares to be allotted to Vizag Profiles Private Limited a Promoter Group company pursuant to the aforesaid preferential allotment shall rank pari-passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs.10/- each of the Company, subject to lock-in as per requirements of SEBI ICDR Regulations and subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to Vizag Profiles Private Limited in dematerialized form within a period of 15 days from the date of passing of this resolution provided that where the issue and allotment of the said Equity Shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT the Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions Chapter VII of the SEBI ICDR Regulations and the Equity Shares so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and approvals.

RESOLVED FURTHER THAT subject to the provisions of the SEBI Regulations and other applicable laws, the Board be and is hereby authorized to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue to the Investor, as may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ the Committee be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid equity shares and listing of the equity shares to be allotted on preferential allotment basis with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned regulatory authorities, issue and allotment of the equity shares, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the

issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit , without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be required in connection with the aforesaid resolutions and also to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution."

By Order of the Board of Directors of
For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam
Date: 16.08.2017

L. BABU ARE
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the Special Business under Item Nos. 5 to 8 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item Nos. 2 and 3 of the Notice, are also annexed.

2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

3. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday the 5th day of September, 2017 to Monday, the 11th day of September, 2017** (both days inclusive).

5. Members/Proxies are requested to bring their copies of Annual Report to the meeting. As an austerity measure, copies of Annual Report will not be distributed at the meeting.

6. Members desirous of seeking any information on the accounts or operations of the Company are requested to write to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.

7. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of AGM venue. Members who hold shares in dematerialized form are requested to bring their depository account Number (Client Id and DP Id No) for easier identification and recording of the attendance at the meeting

8. Members holding shares in physical form can avail of the nomination facility by filing prescribed form under section 72 of the Companies Act, 2013 with the Company or its Registrar & Share Transfer Agents and in case of shares held in demat form, the nomination has to be lodged with their respective Depository Participants (DPs).

9. Members holding shares in physical form are requested to advise any change of address immediately to the Company's R T A, M/s Venture Capital and Corporate Investments Pvt Limited. Members holding shares in electronic form must send the advice about the change of address to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.

10. In order to service the Members effectively, members are requested to consolidate their holdings if the shares are held in the same name or in the same order of names but in several folios.

11. The equity shares of the Company have been notified for compulsory trading in demat form and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited and the Members are requested to avail this facility and get their shareholding converted into dematerialized form.

12. All Documents referred to in the accompanying notice and the Explanatory Statement is open for inspection at the registered office of the company on all working days between 10.00 A.M. and 12.00 Noon up to the date of the Annual General Meeting. The Register of Directors share holding shall be open for inspection during the period beginning 14 days before the Annual General Meeting and ending 3 days after its conclusion.

13. The Ministry of Corporate Affairs (MCA) has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies. Your Company has decided to join the MCA in its environment friendly initiative.

Henceforth, the Company proposes to send documents such as notice of General Meetings, Annual Report and other Communication to the members via electronic mode to their registered e-mail addresses. To support this green initiative of the Government in full measure, Members are requested to register/update their e-mail addresses with their Depository Participants (D.P) in respect of the dematerialized holdings and the Members who hold shares in physical form are requested to send the details via e-mail at cs@seil.co.in or info@vccilindia.com by quoting their registered folio numbers.

14. Members holding shares in the company and who have not registered their mail id with the company or the depository and wish to avail e voting may write to the registrar or the company quoting their client id/folio no and DP id so as to send the password for e voting and hard copy of the ballot paper will be provided at the venue of the AGM for those members who have not exercised their e-voting.

15. E-Voting

I. Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide its members facility to exercise their right to vote on Resolutions proposed to be considered at the 18th Annual General Meeting by electronic means known as remote e-voting. The Company also will be providing voting facility through polling paper at the Meeting and the members attending the Meeting who have not already cast their vote by remote e-voting may be able to exercise their voting right at the Annual General Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 8th September, 2017 at 9.00 a.m. and ends on 10th September, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 04th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant STEEL EXCHANGE INDIA LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- "The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. The Company has appointed M/s B S S & Associates, Company Secretaries, as the scrutinizer to scrutinize the e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.

III. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith.

IV. The Results shall be declared on or after the Annual General Meeting of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchange(s)

All documents referred in the accompanying notice and the statement pursuant to section 102 (1) of the Companies Act, 2013, will be available for inspection at the registered office of the Company during business hours on all working days upto the date of 18th Annual General Meeting of the Company.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. DZR & Co., Cost Accountants as the cost auditor for the financial year 2017-18 at a remuneration of Rs. 4,50,000/- per annum plus applicable service tax and reimbursement of out of pocket expenses.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

Certificate dated 24.05.2017, issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 10.00 A.M to 12.00 Noon and shall also available at the meeting.

The Board recommends this resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No.6 & 7

The Board of Directors recommends the Special Resolution set out at Item No.6 & 7 of the Notice for approval by the members.

1. The Company is facing liquidity issues and challenges in debt servicing due to inter alia slower recovery than the envisaged recovery in the economy and infrastructure sector, Lower margins in steel, non-off take of surplus power by State Utilities, increased interest cost for the Company due to increase in the working capital requirement and slow-realization of receivables. This has resulted in a gap of cash flow timing mismatch between earnings, realizations earnings and debt servicing. With this cascading effect the Company is facing challenges in the manufacturing activity, marketing and also in servicing of its debt.
2. Accordingly, in order to bridge the aforementioned cash flow timing mismatch, the Lenders deliberated various solutions to address the aforementioned liquidity issues and recommended the Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") introduced by the Reserve Bank of India ("RBI") pursuant to its circulars dated June 13, 2016 and as amended further on November 10, 2016 ("S4A Circulars").
3. The Lenders in their various Joint Lender's Forum ("JLF") meetings deliberated on the various options and agreed to explore the recommendation of the Monitoring Committee for invoking the S4A Scheme for the Company and decided to invoke the S4A Scheme with the Reference Date as 28.12.2016. The Lenders have deliberated and agreed to convert part of their entire debt exposure ("Part B Debt of SEIL S4A Scheme") to Optionally Convertible Debentures (OCDs) pursuant to implementation of the S4A Scheme in accordance with and as specified in the financing documents entered/to be entered by the Company with, inter alia, the Lenders for the purpose of implementation of the S4A Scheme (hereinafter referred to as the "S4A Agreements/ S4A Documents"), aggregating the outstanding loan/ debt as more specifically set out in the Special Resolution at Item No.6 &7 of this Notice.
4. Pursuant to the implementation of the S4A Scheme which has been invoked on 28.12.2016, (Reference Date) and approved by Overseeing Committee (OC) of the RBI as communicated by the Lenders vide their letters dated 10th August 2017 (SEIL S4A Scheme") and in terms of the S4A Agreements, it is proposed to consider the offer and issue of OCDs on Preferential Basis as per applicable laws and extant regulations in the manner set out in the Resolution at Item No.7, by way of conversion of existing part B debts as per the SEIL S4A Scheme, to be allotted to the Individual Lenders, based on the respective Lender's outstanding debt for the Securities of the Company.
5. As per the SEIL S4A scheme, promoters have volunteered to transfer the already pledged equity shares in favour of Lenders upto 1,18,34,715 shares of Rs. 10/- each to comply with the SEIL S4A scheme resulting in the change of promoters shareholding to that extent. The Promoters will also transfer upto 59,71,637 additional equity shares of Rs.10/- each in favour of the Lenders as per the agreement with the Lenders. Though the conversion of debt into equity was available in the S4A scheme of RBI, the Promoters volunteered and agreed to dilute their stakes alone as mentioned above in the interest of the Company and the other stake holders as a whole.
6. As per Section 42 and 71 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, in order to enable the Lenders to convert the outstanding loans or any other financial assistance already availed from the Lenders or as may be availed from the Lenders, from time to time, by the Company, at their option, into OCDs of the Company, requires approval by way of special resolution passed by the shareholders of the Company.

7. Further, as per Sections 42 and 71 of the Act, the issue of debentures with option to convert such debentures into shares, wholly or partly, requires to be approved by a special resolution passed at a general meeting.

8. The special resolution, if passed, will have the effect of allowing the Board/Committee to issue and allot Securities to the above mentioned proposed allottees / Lenders, on a preferential basis, who may or may not be the existing members of the Company.

9. Since the proposed Special Resolution at Item No. 7 would result in issue of Securities of the Company to proposed allottees/ Lenders on a preferential basis, who may or may not be the members of the Company, in the manner laid down under Section 62, 42, 71 of the Companies Act, 2013, the consent of the shareholders is being sought pursuant to the provisions of Section 62, 42, 71 and all other applicable provisions of the Act, SEBI ICDR Regulations, the Listing Agreement and the SEBI LODR Regulations. Accordingly, the Board recommends the resolution as set out in Item Nos. 6 and 7, to enable the Lenders, in terms of the lending arrangements, entered/to be entered, and as may be specified under the financing documents already executed or to be executed in respect of the Financial Assistance availed/to be availed, at their option, to convert the whole or part of their respective outstanding Financial Assistances into OCDs of the Company, and to permit the Company to issue the said Securities to the members of the Company in the manner and upon such terms and conditions as may be deemed appropriate by the Board.

10. OCD's may or may not be listed subject to SEBI/Stock Exchange Regulations. However, Equity Shares to be issued and allotted arising from conversion of OCDs, would be listed on BSE and NSE, subject to obtaining necessary regulatory approvals, if any.

11. In terms of the provisions of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, SEBI ICDR Regulations and other applicable provisions of the law, relevant disclosures/details are given below:

a) **Objects of the Issue:**

Pursuant to implementation of the S4A Scheme for the Company, Lenders of the Company have the right to convert part of their entire debt exposure ('Part B Debt of SEIL S4A Scheme') to Optionally Convertible Debentures (OCDs) of the Company on the terms contained in the SEIL S4A Scheme. Hence it is proposed to issue these securities on a preferential basis, in accordance with the SEIL S4A Scheme and the applicable laws in force including extant regulations.

b) **Securities to be issued:**

The resolution set out in the accompanying notice authorizes the Board to offer, issue and allot from time to time in one or more tranches, on preferential basis;

Upto such number of Optionally Convertible Debentures of the Company of face value Rs.10/- each, in one or more tranches, for a value not exceeding Rs. 498.63 Crores (Rupees Four Hundred Ninety Eight Crores and Sixty Three Lakhs only), inter alia, to the aforesaid proposed allottees/lenders which OCDs shall be issued in a separate series, as mentioned and in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Agreements executed/to be executed by the Company with the Lenders, in terms of the SEIL S4A Scheme approved for implementation by the Company pursuant to the S4A Circulars, entitling the debenture holder, on the date, which shall be any date on or after 60 days from the date of occurrence of any event of default in payment of Part A debt by the Company as specified in the S4A Agreements but before the expiry of 18 (eighteen) months from the date of allotment of such OCD ("Entitlement Date"), subject to the continuation/subsistence of the event of default in payment of Part A debt by the Company due to the respective debenture holder as per S4A Agreements as on the Entitlement Date, to apply for such number of fully paid equity shares of the Company of face value Rs.10/- each, at an issue price, not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

c) Proposal of the Promoters, Directors, Key Managerial Personnel of the Company to Subscribe to the Offer:

The preferential issue of OCDs of the Company will not be subscribed by the Promoters and/or Promoter Group, Directors and Key Managerial Personnel of the Company.

d) Relevant Date:

The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares arising on conversion of OCDs, has been reckoned as per Regulation 71(b) which shall be 30 days prior to the Entitlement Date (i.e. which date is any date on or after 60 days from the date of occurrence of any event of default in payment of Part B debt by the Company as specified in the S4A Agreements but before the expiry of 18 (eighteen) months from the date of allotment of such OCDs) subject to the continuation/subsistence of the event of default in payment of Part A debt by the Company due to the respective debenture holder as per S4A Agreements as on the Entitlement Date.

e) Pricing of Preferential Issue:

The equity shares arising out of conversion of OCDs shall be issued at an issue price (including premium) not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) determined in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

(f) **Terms for Issue of OCDs of the Company as per the S4A Documents executed/to be executed by the Company:**

i. **Amount:** Upto an amount of Rs. 4,98,62,68,076/-
ii. **Issuance:** To be issued at face value i.e. Rs. 10 per debenture.
iii. **No. of OCDs to be issued:** Maximum of OCDs. 49,86,26,808
iv. **Tenor:** 10 years from the date of issue.
v. **Coupon Rate:** 0.10% p.a., payable annually on the last date of every financial year
vi. **IRR/Yield:** 10.00 % p.a.
vii. **Security:** Existing security available to the lenders for their different facilities proposed to be converted into OCDs would continue to be available for OCDs on a pro-rata basis post conversion / implementation of S4A.
viii. **Convertibility:** As per SEBI-ICDR guidelines, the conversion option is available only for 18 months whereas the tenure of proposed OCDs is 10 years. In light of SEBI restrictions, it is proposed that the following treatment would be given to OCD after expiry of 18 months:
   a) The conversion option will be extended; if RBI and SEBI allow special dispensation in this regard. (or)
   b) The conversion option will be rolled-over after 18 months. (or)
   c) The OCD will be converted into NCD with clauses, entitling lenders to convert defaulted amounts into equity.
ix. **Conversion price:** As per the price determined by SEBI-ICDR guidelines / price approved by the SEBI.
x. **Valuation of OCD:** The valuation of the OCD shall be done on discounted cash flow basis, which will be valued with a discount rate of a minimum mark up of 1.50 per cent over the weighted average actual interest rate charged to the borrower for the various facilities.
xi. **Condition for conversion:** The lenders will have a right to convert OCD into equity shares of the company in case of any event of default or default of payment of Part-A (sustainable portion of the debt as per the Resolution Plan) or failure to use excess cash flow from operations / proceeds from sale of non-core assets / equity infusion for redemption of OCDs.
xii. **Right of first refusal:** Promoter shall have a right of first refusal (RoFR) to buy OCD / equity shares (including equity shares upfront allotted and equity shares acquire pursuant to conversion of OCD) in case the lenders decide to sell the OCD / equity shares.
xiii. **Redemption of OCDs:** OCDs are proposed to be redeemed from the excess cash flow from operations (post servicing of Part A dues and operational expenses) and sale of non-core assets / equity infusion.
xiv. **Debenture Trustee:** As per extant guidelines, a SEBI registered security trustee will have to be appointed as debenture trustee;
xv. **Personal Guarantee:** The Promoters guarantee shall continue in the form and manner acceptable to the Lenders and shall also secure the OCDs
xvi. **Investor not to be Promoters:** On completion of the proposed Transaction, the Investor will only be a financial investor and would not acquire control and management of the Company. The Investor shall not be considered to be a promoter of the Company for any reason whatsoever. Each Lender/Investor shall decide independently on sale of OCDs/ Shares.

g) PROPOSED LIST OF ALLOTTEES

Name of the Lender	Amount in Rs. Part B Debt	No of OCD's of Face Value Rs.10/- Each*
State Bank of India	285,26,63,480	28,52,66,348
Andhra Bank	13,91,82,580	1,39,18,258
Bank of India	24,23,00,000	2,42,30,000
Canara Bank	27,00,00,000	2,70,00,000
Dhanlaxmi Bank Ltd	10,31,53,526	1,03,15,353
IDBI Bank Limited	19,98,29,080	1,99,82,908
Karur Vysya Bank Ltd	27,34,25,040	2,73,42,504
Lakshmi Vilas Bank Ltd	10,38,47,310	1,03,84,731
Punjab National Bank	45,80,22,210	4,58,02,221
Syndicate Bank	34,38,44,850	3,43,84,485
Total	**4,98,62,68,076**	**49,86,26,808**

(h) Share holding pattern of the Company (Pre and Post S4A Scheme of the Company) pursuant to Clause 5 of the Explanatory statement:

S. No.	Category	Pre-S4A Scheme (as on 11.08.2017)		Post – Issue (after considering S4A Scheme)	
		No. of Shares held	% of Holding	No. of shares held	% of Holding
A	**Promoters Holding**				
1	Indian				
	Individual	9392298	12.36	9392298	12.36
	Bodies Corporate***	27452765	36.13	9646413	12.70
	Sub Total	36845063	48.49	19038711	25.06
2	Foreign Promoters	211504	0.28	211504	0.28
	Total Promoters Holding (A)	**37056567**	**48.77**	**19250215**	**25.33**
B	**Public Shareholding**				
1	Institutions				
a.	Mutual Funds/UTI	9244	0.01	9244	0.01
b.(i)	Financial Institutions/Banks	843596	1.11	843596	1.11
b.(ii)	Lenders Consortium	-	-	17806352	23.43
c.	Foreign Bodies Corporate	3050197	4.01	3050197	4.01
	Sub-Total-B(1)	3903037	5.14	**21709389**	**28.57**
2.	Central Government/State Government(s)	309342	0.41	309342	0.41
	Sub-Total-B(2)	**309342**	**0.41**	**309342**	**0.41**
3.	Non- Institutions				
a.	Individual shareholders holding up to 2 lakh	2894249	3.81	2894249	3.81
b.	Individual shareholders holding in excess of 2 lakh	10856038	14.29	10856038	14.29
c.	Body Corporates	17074793	22.47	17074793	22.47
d.	Clearing Members	3764541	4.95	3764541	4.95
e.	Trust	86945	0.11	86945	0.11
f.	Non-Resident Individuals	39300	0.05	39300	0.05
	Sub-Total-B(3)	**34715866**	**45.69**	**34715866**	**45.69**
	Total Public Shareholding-(B)	**38928245**	**51.23**	**56734597**	**74.67**
C	**Shares held by Custodians against DRs/FCCBs etc.**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A+B+C)	**75984812**	**100**	**75984812**	**100.00**

*** Under S4A Scheme for dilution of equity shareholding of promoter and promoter group, invocation of pledged shares with the lenders and equity shares to be transferred to lender, may be internally adjusted among promoter and promoter group

(i) Proposed time within which allotment will be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment of Securities on or before the expiry of 15 days from the date of passing of this resolution by the shareholders of the Company or where allotment of securities requires any approval(s) from any regulatory authority or the Central Government, the said allotment will be completed within 15 days from the date of such approval(s) as the case may be applicable.

(j) The identity of the natural persons who are the ultimately beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and changes in control, if any, in the Company consequent to the preferential issue:

In terms of the proviso to Regulation 73(e) of Chapter VII of the SEBI ICDR Regulations, no further disclosure is necessary in respect of chain of ownership of the proposed allottee(s), if the said allottee(s) are listed companies, mutual fund, bank and insurance company.

As the proposed allottees are, inter alia, Lenders of the Company, comprising Banks, pursuant to the interpretation of the above proviso, no further disclosure is required.

(k) There shall be no change in the management or control of the Company pursuant to the issue and allotment of Optionally Convertible Debentures of the Company as per the SEIL S4A Scheme.

(l) The Equity shares to be issued and allotted as a result of conversion of OCDs, shall be subject to the Memorandum and Articles of association of the Company and the terms of the issue and shall rank pari-passu in all respects with, and carry the same rights including dividend, along with the existing Equity Shares of the Company.

(m) **Auditor's Certificate:**

A certificate from M/s. Pavuluri & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, certifying that the proposed preferential issue of the Securities is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations and the same is enclosed to the shareholders through this Notice

(n) **Undertaking of the Company:**

The Company hereby undertakes that it shall re-compute the price of the Securities specified above in terms of the provisions of the SEBI ICDR Regulations, 2009, wherever it is required to do so.

(o) **Lock-in**

The Equity Shares to be issued and allotted as a result of conversion of Securities, if any, shall be subject to lock-in in accordance with Chapter VII of SEBI ICDR Regulations.

(p) The Company has not made any preferential issue of securities during the current financial year.

(q) None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Special Resolutions mentioned at Item Nos. 6 & 7 of this Notice.

(r) All documents referred to in the accompanying Notice and the Explanatory Statement would be available for inspection at the Registered Office of the Company between 11.00 am to 1 pm on all working days except Saturdays, upto and including the date of this Annual General Meeting of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No.8

Preferential Issue of Equity Shares to Vizag Profiles Private Limited, against conversion of Debt:

Keeping in view the working capital requirements and the ability to compete with the peer group in the existing and future markets, your Company availed unsecured loans Vizag Profiles Private Limited, a promoter group company. Of the unsecured loans taken from Vizag Profiles Private Limited, against the sum of Rs.10 crores, it is proposed to issue fully paid-up equity shares of the Company, to comply with the terms of sanction of SEIL S4A Scheme, at a price not less than the price determined in accordance with SEBI Pricing Formula applicable to listed companies. The Company has accordingly proposed to enhance its equity base by offer, issue and allot upto 11,40,000 Equity Shares of Rs. 10/- each at premium.

The Board has given its approval to Issue and allot of upto 11,40,000 Equity Shares at a face value of Rs.10/- each by way of a Preferential Issue, at such price which is not less than the price determined in accordance with SEBI Pricing Formula applicable to listed companies, subject to approval by the Members in the General Meeting.

The other disclosures in accordance with the Companies Act, 2013 and in terms of Regulation 73 of SEBI (ICDR) Regulations, 2009 ("Regulations"), the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

1. The Objects of the Preferential Issue:

Company availed unsecured loans from Vizag Profiles Private Limited, a promoter group Company against which for a sum of Rs.10 crores, it is proposed to issue 11,40,000 fully paid-up equity shares of Rs. 10/- each of the Company at a price of Rs. 87.95 (including premium of Rs. 77.95/- per equity share) determined in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations which is not less than the price determined in accordance with SEBI Pricing Formula applicable to listed companies,

2. The proposal of the promoters / directors or key management personnel to subscribe to the offer:

The preferential issue of equity shares of the Company will not be subscribed by the Promoters and/or Promoter Group, Directors and Key Managerial Personnel of the Company other than Vizag Profiles Private Limited (an existing holder of unsecured loan, to comply with the terms of sanctioned scheme of SEIL S4A Scheme) under Preferential Issue.

3. Relevant Date:

The Relevant Date as per the Regulations for the determination of issue price of the equity shares pursuant to the

aforesaid preferential allotment is fixed as 12th August, 2017 i.e. the date falling 30 days prior to the date of this Annual General Meeting of the Company to approve the proposed preferential issue, in terms of Section 62 of the Companies Act, 2013.

4. Pricing of Preferential Issue:

The equity shares will be allotted in accordance with the price determined in terms of Regulation 76 of the Regulations. Since the Company is listed on BSE Limited ("BSE") and NSE (w.e.f. 20.07.2017) Calcutta Stock Exchange Limited ("CSE"), the trading volume of Equity Shares of the Company on BSE Limited will be considered to determine the highest trading volume for computation of issue price. As required under the Regulations, wherever it is required, the Company shall re-compute the issue price in accordance with the Regulations.

5. The Shareholding pattern before and after the Preferential Issue:

The shareholding pattern of the Company pre and post the preferential allotment of Equity Shares, under the proposed Preferential Issue given below:

S. No.	Category	Pre-S4A Scheme (as on 11.08.2017)		Post – Issue (after considering S4A Scheme)	
		No. of Shares held	% of Holding	No. of shares held	% of Holding
A	**Promoters Holding**				
1	Indian				
	Individual	9392298	12.36	9392298	12.18
	Bodies Corporate***	27452765	36.13	10786413	13.99
	Sub Total	36845063	48.49	20178711	26.17
2	Foreign Promoters	211504	0.28	211504	0.27
	Total Promoters Holding (A)	**37056567**	**48.77**	**20390215**	**26.44**
B	**Public Shareholding**				
1	Institutions				
a.	Mutual Funds/UTI	9244	0.01	9244	0.01
b.(i)	Financial Institutions/Banks	843596	1.11	843596	1.09
b.(ii)	Lenders Consortium	-	-	17806352	23.08
c.	Foreign Bodies Corporate	3050197	4.01	3050197	3.95
	Sub-Total-B(1)	3903037	5.14	**21709389**	**28.15**
2.	Central Government/State Government(s)	309342	0.41	309342	0.40
	Sub-Total-B(2)	**309342**	**0.41**	**309342**	**0.40**
3.	Non- Institutions				
a.	Individual shareholders holding up to 2 lakh	2894249	3.81	2894249	3.75
b.	Individual shareholders holding in excess of 2 lakh	10856038	14.29	10856038	14.07
c.	Body Corporates	17074793	22.47	17074793	22.14
d.	Clearing Members	3764541	4.95	3764541	4.88
e.	Trust	86945	0.11	86945	0.11
f.	Non-Resident Individuals	39300	0.05	39300	0.05
	Sub-Total-B(3)	**34715866**	**45.69**	**34715866**	**45.01**
	Total Public Shareholding-(B)	**38928245**	**51.23**	**56734597**	**73.56**
C	**Shares held by Custodians against DRs/FCCBs etc.**	-	-	-	-
	GRAND TOTAL (A+B+C)	**75984812**	**100**	**77124812**	**100.00**

*** Under S4A Scheme for dilution of equity shareholding of promoter and promoter group, invocation of pledged shares with the lenders and equity shares to be transferred to lender, may be internally adjusted among promoter and promoter group.

6. Identity of the proposed allottees:

The identity of the person who is the ultimate beneficial owners of the Equity Shares proposed to be allotted is as follows:

Identity of Proposed allottee	Category	Pre-Issue Holding	% of Pre Issue	No. of Equity Shares to be allotted	Issue Price of equity shares	Post Issue holding	% of post Issue
Vizag Profiles Private Limited	Promoter Group	5763650	7.59	1140000	87.95	6903650	8.95

Ultimate individual beneficial owners of the allottee (Vizag Profiles Private Limited) are Promoters and promoter group of the Company holding more than 80% having control on proposed allottee: VPPL Shareholding Pattern:

1	B. Suresh Kumar	1492142	11.00
2	V. Venkata Krishna Rao	2025900	15.00
3	V Rajya Lakshmi	84900	1.00
4	B. Suresh	1819686	13.40
5	B. Jaya Padmavathi	388675	2.86
6	B. Suguna	517917	3.81
7	B. Ramesh Kumar	206991	1.52
8	B. Aruna Kanthi	73120	0.54
9	B. Jyothi Kiran	535457	4.00
10	B. Rajesh	300794	2.21
11	B. Lavanya	224149	1.65
12	K. V. Bhaskar	114997	1.00
13	B. Sudha	628300	5.00
14	Satyatej Vyapaar Pvt Ltd*	2366000	17.42
	TOTAL	**10779028**	**80.41**

*In Satyatej Vyapar Pvt. Ltd- the above promoter and promoter group individuals are holding more than 90% and control in the Company.

7. Particulars of the Proposed Allottee:

Vizag Profiles Private Limited is a Promoter group Company having its Registered Office, at 303, Myhome Laxminivas Apts., Greenlands, Ameerpet, Hyderabad - 500016, and PAN No. AABCV2154Q,

8. Proposed time within which the Preferential Issue shall be completed:

The allotment of Equity Shares shall be completed within a period of 15 days from the date of passing of the resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

9. Change in control:

There shall be no change in management or control of the Company pursuant to the issue of equity shares.

10. Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to issue to the allott, upto 11,40,000 Fully Paid-up Equity shares of face value of Rs. 10/- each aggregates to the amount not more than Rs 10 Crores (Rupees Twenty One Crores Only) in such manner and on such price, terms and conditions as may be determined by the Board in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

11. Auditor's certificate:

The Statutory Auditor's certificate, as required under Regulation 73(2) of the Regulations will be made available for inspection at the Registered Office of the Company between 10 a.m. and 1 p.m. on all working days (excluding

holidays and Sundays) upto the date of the meeting.

12. Lock in period:

The proposed allotment shall be subject to lock-in in accordance with Chapter VII of SEBI ICDR Regulations, 2009.

13. The Company has not made any preferential issue of securities during the current year:

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, other applicable provisions of Companies Act, 2013 and Chapter VII of the SEBI ICDR Regulations. The Board of Directors believe that the proposed preferential issue and allotment of Equity Shares is in the best interest of the Company and its members.

Your Directors, therefore, recommend the resolution for your approval. Except the Promoter Group Company Vizag Profiles Private Limited, and individuals members of proposed allottee who are the promoters of the Company, none of the Key Managerial Personnel/their relatives of the Company are in any way concerned or interested in the above referred resolution.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the Listing Agreement/Regulation. All the documents referred to in the accompanying Notice and Statement Annexed thereto would be available for inspection without any fee by the members at the Registered Office of the Company during 10:00 A.M. to 1:00 P.M on any working day up to the date of the meeting.

By order of the Board
For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam
Date: 16.08.2017

L. BABU ARE
Company Secretary

Annexure I

Details of the Directors seeking Re-Appointment/appointment in the ensuing Annual General Meeting pursuitant to Regulation 36 of the listing Regulations.

Name of the Director	Bavineni Suresh	V.V. Krishna Rao
Date of Birth	30.08.1968	10.06.1948
Nationality	Indian	Indian
Date of Appointment	28.02.2000	12.01.2000
Qualification	B. Tech. M.B.A	M.A.
Expertise in Specific Functional Area	Rich Experience of more than 17 years in Finance and Steel Industries	More than 37 years of Experience in Marketing and Steel industry.
Relationship with Directors	None	None
Board Memberships as on March 31, 2017	1.Vizag Profiles Pvt Ltd 2.Umashiv Garments Pvt. Ltd 3.Simhadri Wires Pvt. Ltd 4.Satyatej Vyapaar Pvt. Ltd	1.Vizag Profiles Pvt Ltd 2. VPL Integral CFS PVT LTD
Chairman/Member of the committee of the Board of Directors as on March 31,2017	Nil	NIL
No. of Meetings of the Board attended during the financial year-2016-17	Attended Six out of Seven Board Meeting during the year	Attended Five out of Seven Board Meetings held during the year
Terms and Conditions of appointment or re-appointment along with details of remuneration	-	-
Comparative remuneration Profile with respect to Industry, size of the company, profile of the position and person	-	-
Number of Equity Shares held in the Company as on March 31,2017	11,38,350 Equity shares of Rs. 10/- each	6,43,736 Equity shares of Rs.10/- each
Reasons for loss or inadequate profits	-	-
Steps taken for improvement	-	-
Expected Increase in productivity and profits in measurable terms	-	-

By order of the Board
For STEEL EXCHANGE INDIA LIMITED

Place: Visakhapatnam
Date: 16.08.2017

L. BABU ARE
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18thAnnual Report and the Audited Financial Statements for the Financial Year ended March 31, 2017.

Financial Results

The performance of the Company for the Financial Year ended March 31, 2017 is as under:

(₹ in Lakhs)

PARTICULARS	31-Mar-17	31-Mar-16
Total Revenue	128631.23	168206.99
Profit/ (Loss)		
before finance cost, depreciation and tax expense	(2776.23)	16294.68
Finance cost	15744.23	12272.78
Profit / (Loss) before depreciation and tax expense	(12968.00)	4021.90
Depreciation	2731.50	2654.44
Profit/(Loss) before tax expense	(15699.50)	1367.46
Tax expense		
i. Tax expense of prior years	23.49	-
ii. Deferred Tax	(9.88)	628.39
Net Profit/(Loss) for the year	(15713.11)	739.07

State of the Company's Affairs :

During the year under review, the total revenue of the company was Rs. 1286.31 crores as against previous figure Rs.1682.07 crores which is 23.53 % less than the last year, and Loss before depreciation and taxes recorded at (Rs.129.68) crores as against net profit of Rs. 40.21 crores in the previous year.

The manufacturing sales (including power sales) were Rs.664.11 Crores in the current year compared to Rs.817.18 Crores in the previous year. The trading sales during the year amounted to Rs. 674.74 Crores compared to Rs. 922.11Croresin the previous year.

The decrease in revenues was due to the lower production levels in the steel segment due to liquidity constraints. Power sales were also substantially less in the current year due to lower price and non off-take of power by the state utilities despite agreement existing for supply of power.

SEIL S4A Scheme:

The concerns of liquidity issues were discussed with lenders for a suitable debt resolution. The Lenders in their various Joint Lender's Forum ("JLF") meetings deliberated on the various options and agreed the recommendation for invoking the S4A Scheme introduced by the Reserve Bank of India ("RBI") for the Company with the Reference Date (DOR) as 28.12.2016. The Scheme was ratified by the Overseeing Committee (OC) appointed by RBI as communicated by the Lenders. As per the terms of S4A, out of the total debt of Rs.977.04 crores, Rs.508.06 crores would be treated as sustainable debt (Part A) to be serviced as per the existing terms and the balance Part B of maximum of Rs. 468.98 crores will be converted into OCDs. Pursuant to the implementation of the S4A Scheme, Promoters have volunteered to transfer the alreadypledged equityshares infavourof Lenders to the tune of 1,18,34,715 shares of Rs. 10/- each to comply with the scheme and the promoters will also transfer an additional maximum 59,71,637 of equity shares in favour of the Lenders as per the agreement with the Lenders. Though the conversion of debt into equity was available in the S4A schemeof RBI, the Promoters volunteered and agreed to dilute their stakes alone as mentioned above in the interest of the Company and the other stake holders as a whole. The number of OCDs issued will be reduced to the extent of equity shares acquired by the Lenders. The Lenders will be also issued OCDs upto a maximum amount of Rs.52.28 crores against the interest on Part B of the debt for from the DOR to the date of implementation.

Listing of Equity Shares

The Company's Equity shares are listed at the Bombay Stock Exchange Limited (BSE), PhirozeJeeJeebhoy Towers, Dalal Street, Mumbai-400 001 having nationwide trading terminals and on Calcutta Stock Exchange Limited (CSE).

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2017-18.

Listing on National Stock Exchange of India Limited (NSE):

The Company has made an application for listing of equity shares on National Stock Exchange of India Limited (NSE) during the year and obtained the approval from NSE. The existing 75984812 Equity Shares of the Company are admitted to list on National Stock Exchange of India Limited (NSE) with effect from 20.07.2017 under the Symbol "STEELXIND".

Delisting from Calcutta Stock Exchange Limited (CSE)

The Company made an application for voluntary delisting of equity shares from Calcutta Stock Exchange Limited (CSE) during the year. However, in the process suspension of equity shares on CSE got to be revoked. Since, the status is active now it was proposed to make a fresh application for voluntary delisting as per the applicable regulations.

Unclaimed Suspense Account:

There was no Unclaimed Suspense account as on 31.03.2017, however, SEIL -Unclaimed Suspense Account was created and 433982 equity shares held by 135405 shareholders in physical mode have been transferred to SEIL - Unclaimed Suspense Account as on the date of this report.

Subsidiaries, Joint Ventures or Associate Companies

Your company incorporated a company in Hong Kong, which continues to be in dormant state due to non-commencement of business operations since its incorporation. Your company does not have any Joint Ventures or associate companies.

Number of Meetings of the Board of Directors

During the year ended March 31, 2017, Seven Board Meetings were held.

The dates on which the Board meetings were held are May 28,2016, August 13, 2016, August 31, 2016, September 30, 2016, November 12, 2016, February 1, 2017 and February 14, 2017.

Details of number of Meetings attended by each Director have been given in the corporate governance report, which forms part of the Annual Report.

Director's Responsibility Statement as required under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;

ii) that the Directors have selected such accounting policies and applied them 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 as at March 31, 2017 and of Profit and Loss Account of the Company for that period;

iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2017 on a going concern basis;

v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

Particulars of Loans, Guarantees or Investments under Section 186

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company neither has, directly nor indirectly, given any loan to its Directors nor extended any guarantee or provide any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2016-17.

Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure - 1to this Report.

Transfer of Amount to Reserves

The Company doesn't propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2017.

Dividend

The Board of Directors of the Company could not recommend Dividend for the financial year ended March 31, 2017.

Share Capital

During the period under review, there was a structural change in the Authorized Share Capital as mentioned bellow:

The Authorized Share Capital of the Company is Rs. 332, 00,00,000/- (Rupees three hundred and thirty two crores only) divided into 25,80,00,000 (Twenty Five crores Eighty Lakhs only) equity shares of Rs.10/- (Ten only) each, and 7,40,00,000* (Seven Crore Forty Lakhs only) preference shares of Rs. 10/- (Ten only) each.

During the year *the redeemable Preference shares 10,00,000 of Rs. 10/- each and Redeemable Cumulative Optionally Convertible preference shares 7,30,00,000 of Rs. 10/- each were restructured as 7,40,00,000* (Seven Crore Forty Lakhs only) preference shares of Rs. 10/- (Ten only) each as mentioned above.

And During the year there is no change in Paid up Share Capital of the Company.

The Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

Deposits

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet, in terms of Section 73 of the Companies Act, 2013.

Extracts of Annual Return

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure - 2 to this Report.

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - 3 to this Report.

Risk Management

The Board of Directors has formed a risk management committee to identify, evaluate, mitigate and monitor the risk associated with the business carried by the company. The committee reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

Corporate Social Responsibility

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stakeholders and Society. Company has been pursuing CSR activities long before they were made mandatory under the Companies Act, 2013. A report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended with this report as Annexure - 4.

Sub Committees of the Board

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship CommitteeandCorporate Social Responsibility Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance forming part of the Annual Report.

Corporate Governance

A separate report on Corporate Governance is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Listing Regulations, is annexed herewith which forms part of this report.

Whistle Blower Policy and Mechanism

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of the board processes, in formation and functioning etc. In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting off the independent directors, at which the performance of the board its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Directors

Mr. Bavineni Suresh and Mr. VeeramachaneniVenkata Krishna Rao, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

Details of Directors or Key Managerial Personnel Who were appointed or have resigned during the Year

Mr. B. Suresh Kumar (DIN:00206473) was reappointed as Joint Managing Director of the Company for a further period of three years with effect from 27th October, 2016 pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr.Lincoln Babu Are was appointed as Whole time Company Secretary of the company w.e.f. 02nd May, 2016 pursuant to the provision of Section 2013 and all other applicable provisions of the Companies Act, 2013.

Policy on directors' appointment and remuneration

A gist of policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available in the Corporate Governance Report.

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act have been disclosed in the corporate governance report. Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

Statutory Auditors

At the Annual General Meeting held on December 31st 2014, M/s. Pavuluri& Co, Chartered Accountants (Firm Registration

No. 012194S), Hyderabad, were appointed as Statutory Auditors of the Company to hold office for a period of Five years i.e., till the conclusion of the Annual General Meeting to be held in the calendar year 2019.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the said appointment of M/s. Pavuluri& Co, Chartered Accountants (Firm Registration No. 012194S), Hyderabad, as statutory auditors of the Company is placed for ratification by the Shareholders.

As required under section 139 of the Companies Act, 2013, the Company has obtained written consent from M/s. Pavuluri& Co, Chartered Accountants (Firm Registration No. 012194S), Hyderabad, to such appointment and also a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 139(1) of the Act and the rules made there under.

The Board of Directors and the Committee thereof, recommended the appointment and the resolution forms part of the agenda at the ensuing Annual General Meeting.The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Statutory Auditor's Report does not contain any qualifications, reservation but adverse remarks with regard to dues of the service tax, duty of customs, duty of excise, value added tax ,central sales tax, Cess and any other statutory dues which have not been deposited with appropriate authorities on account of any dispute.

The Board clarifies that as Company facing liquidity issues due to Lower margins in steel, non-off take of surplus power. This has resulted in a gap of cash flow timings hence there have been delays payment of statutory dues. However, the Company is taking necessary steps to avoid such delays.

This report forms part of the Annual Report.

Cost Auditors:

The Products classified as "Steel and Electricity" manufactured by the Company are subject to Cost Audit in terms of Sec. 148 of the Companies Act, 2013 read with the rules issued there under by the Central Government.

Accordingly M/s.DZR& Co., Cost Accountants have been re-appointed as the Cost Auditors for the year ending 31st March 2018.

The Cost Audit Report for year ended 31st March 2016 was reviewed by the Audit Committee at its meeting held on August 31, 2016 and has been filed on October 28, 2016.

Internal Auditors

The Board of Directors of the Company has appointed M/s. Bhavani& Co Chartered Accountants to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2017.

Secretarial Auditor's Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed BSS &Associates,Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the company for the Financial year ended on March 31, 2017.

Secretarial Audit Report issued by Mr. S.Srikanth, Partner of M/s BSS & Associates, Company Secretaries in form MR-3 is enclosed as Annexure - 5 to this Annual Report.

Particulars of employees

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's report.

A statement containing the names of every employee posted throughout the financial year and in receipt of a remuneration of Rs.60 lakh or more, or posted for part of the year and in receipt of Rs.5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's report enclosed as Annexure - 6.

Insurance

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

1. The Company has set internal control systems to maintain accurate and complete accounting records, to safeguard its assets, to prevent and detect any frauds and errors.
2. The Company has appointed Internal Auditors to observe the Internal Controls and whether the work flows of organization are being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations; and

Change in the nature of business

There is no change in the nature of business of the Company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

Material changes and commitments

There are no Material changes and commitments in the business operations of the Company from the financial year ended 31stMarch, 2017 to the date of signing of the Director's Report.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

Industrial Relations and Human Resources

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company and expects their continuous support and higher level of productivity for achieving the targets set for the company. During the year under review, the company organized various training programmes at all levels to enhance skills of employees. The total strength of employees is about 1675 as on 31st March, 2017.

Acknowledgement

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the dedicated services of the employees and workmen at all levels.

On behalf of the Board of Directors
for **STEEL EXCHANGE INDIA LIMITED**
B. SATISH KUMAR
Chairman and Managing Director
(DIN:00163676)

Place: Visakhapatnam
Date: 16.08.2017

Annexure- 1

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the year ended March 31, 2017, which are not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

There were no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the year ended March 31, 2017, which were at arm's length basis.

For and on behalf of the Board of Directors

Place: Visakhapatnam
Date:16.08.2017

B. SATISH KUMAR
Chairman & Managing Director
(DIN: 00163676)

Annexure - 2

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L74100AP1999PLC031191
Registration Date	:	24.02.1999
Name of the Company	:	Steel Exchange India Limited
Category / Sub-Category of the Company	:	Company Limited By Shares/ Indian Non-Government Company
Address of the Registered office and contact details	:	303, My Home Laxmi Nivas, Green Lands, Ameerpet, Hyderabad-500016, Telangana
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s Venture Capital And Corporate Investments Private Limited. 12-10-167, Bharath Nagar, Hyderabad-500018 Ph: +91 040-23818475/23818476/23868023 Fax : +91 40 23868024 Email: info@vccilindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Rebars (TMT)-Manufacturing	27151/27152	27.00%
2	Power	35102	5.00%
3	Rebars (TMT)-Trading	51420	39.00%
4	Billets-Manufacturing	27141	11.00%

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1)Indian									
a) Individual/HUF	9522052	0	9522052	12.54	9,122,052	-	9,122,052	12.01	-0.53
b) Central Govt	-	-	-	-	-	-	-		Nil
c) State Govt(s)	-	-		-	-				Nil
d) Bodies Corp.	27522765	0	27522765	36.21	27,382,765	-	27,382,765	36.04	-0.17
e) Banks / F	-	-	-	-					Nil
f) Any other	-	-	-	-					Nil
Sub-total(A)(1):	**37044817**	**0**	**37044817**	**48.75**	**36,504,817**	**-**	**36,504,817**	**48.05**	**-0.70**
(2)Foreign									
a) NRIs-Individuals	211,504	-	211,504	0.28	211,504	-	211,504	0.28	0
b) Other-Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corp.	0	0	0	0	0	0	0	0	Nil
d) Banks / FI	0	0	0	0	0	0	0	0	Nil
e) Any other	0	0	0	0	0	0	0	0	Nil
Sub-total (A)(2):	**211,504**		**211,504**	**0.28**	**211,504**		**211,504**	**0.28**	**-**
Total shareholding of Promoter (A) = **(A)(1)+(A)(2)**	**37,256,321**	**0**	**37,256,321**	**49.03**	**36,716,321**		**36,716,321**	**48.33**	**-0.71**
B. Public									
Shareholding									
(1) Institutions									
a) Mutual Funds	34,604	-	34,604	0.50	-	9,260	9,260	0.01	-0.49
b) Banks / FI	1,522,186	-	1,522,186	2.00	626,559	217,062	843,621	1.11	-0.89
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)					309,342		309,342	0.41	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	3,050,197		3,050,197	4.01	3,050,197	-	3,050,197	4.01	-
Sub-total (B)(1):	**4,606,987**	**-**	**4,606,987**	**6.51**	**3,986,098**	**226,322**	**4,212,420**	**5.54**	**-0.97**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	12,686,967	-	12,686,967	16.70	17,682,178	-	17,682,178	23.27	6.57
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,139,504		7139504	9.40	3395334		3,395,334	4.47	-4.93

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13,864,325		13,864,325	18.25	12,077,198		12,077,198	15.89	-2.36
c) Others (specify)									
Clearing Members	258,651		258,651	0.34	1,778,099		1,778,099	2.34	2.00
Trust	87,399		87,399	0.12	86,966		86,966	0.11	-0.01
Non Resident Individuals	84,658		84,658	0.11	36,296		36,296	0.05	-0.06
Sub-total(B)(2): Total Public Shareholding	34,121,504	-	34,121,504	44.92	35,056,071	-	35,056,071	46.13	1.21
(B)=(B)(1)+(B)(2)	**38,728,491**	**-**	**38,728,491**	**51.43**	**39,042,169**	**226,322**	**39,268,491**	**51.67**	**0.24**
C. Shares held by Custodian for GDRs & ADRs(C)	-	-	-	-	-	-	-	-	-
Grand Total **(A+B+C)**	**75,984,812**	**-**	**75,984,812**	**100**	**75,758,490**	**226,322**	**75,984,812**	**100**	

ii. SHAREHOLDING OF PROMOTERS:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% Change 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	% change in share holding during the year
1	UMASHIV GARMENTS PVT LTD	18209115	23.96	15182219	21619115	28.45	18,069,115	4.49
2	BRAHMA CHEMICALS							
	LIMITED	2030000	2.67	-		-		-2.67
3	BANDI SURESH KUMAR	1549950	2.04	1542950	1549950	2.04	1,542,950	-
4	MAA GAYATRI LOHH PRODUCTS LIMITED	1520000	2.00	-		-	-	-2.00
5	BANDI JAYA PADMAVATHI	1325646	1.74	1,325,596	1325646	1.74	1,325,596	-
6	BAVINENI SURESH	1138350	1.50	1,134,350	1138350	1.50	1,134,350	-
7	BAVINENI JYOTHI KIRAN	1127964	1.48	1,127,914	1127964	1.48	1,127,964	-
8	RAJESH BAVINENI	775336	1.02	775,286	775336	1.02	775,286	-
9	V VENKATA KRISHNA RAO	643736	0.85	642,236	643736	0.85	642,236	-
10	BANDI SATISH KUMAR	645944	0.85	550,694	645944	0.85	550,694	-
11	BAVINENI LAVANYA	491146	0.65	491,096	491146	0.65	491,096	-
12	BANDI SUGUNA	433150	0.57	433,150	433150	0.57	433,150	-
13	BANDI RAMESH KUMAR	409172	0.54	408,820	9172	0.01	8,820	-0.53
14	V RAJYA LAKSHMI	340908	0.45	340,908	340908	0.45	340,908	-
15	RAVI C. NARAYANAN	211504	0.28	-	211504	0.28	-	-
16	K V BHASKAR	186328	0.25	186,328	186328	0.25	186,328	-
17	SRIJAN BABU V	114886	0.15	114,886	114886	0.15	114,886	-
18	K JELUSIA	113636	0.15	113,636	113636	0.15	113,636	-
19	BANDI ARUNAKANTHI	217900	0.29	101,000	217900	0.29	101,000	-
20	VPL PROJECTS PVT LIMITED	5763650	7.58		5763650	7.58	4,422,750	-
21	B SUDHA	8000	0.01	-	8000	0.01	-	-
	Total	**37,256,321**	**49.03**	**24,471,069**	**36,716,321**	**48.32**	**31,380,715**	**(0.71)**

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	37,044,817	48.75		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)			-328,496	(0.43)
	At the End of the year			36,716,321.00	48.32

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Vbc Ferro Alloys Ltd	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	4,629,540	6.09	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	4,629,540	6.09

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	Rose City Holdings Ltd	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	3,050,197	4.01	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	3,050,197	4.01

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	IL And FS Securities Services Limited	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	2,465,000	3.24

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	GLOBE CAPITAL MARKET LTD	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	1,749,888	2.30

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.	JAIDEEP SINGH NAKAI	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1250000	1.65	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	1,250,000	1.65

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	SRIRAM TEXTILES PVT LTD	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1,247,160	1.64	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	-165,000	-0.22
	At the End of the year (or on the date of separation, if separated during the year)	-	-	1,082,160	1.42

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7.	SMARK SECURITIES LIMITED	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	888,815	1.17	-	-
	Date wise Increase / Decrease in Share holding during the year 31.12.2014	-	-	48,875.00	0.06
	At the End of the year (or on the date of separation, if separated during the year)	-	-	937,690	1.23

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8.	TARADEVI RATANLAL BAFNA	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	712,150	0.94	-	-
	Date wise Increase / Decrease in Share holding during the year 31.12.2014	-	-	9,372	0.01
	At the End of the year (or on the date of separation, if separated during the year)	-	-	721,522	0.95

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9.	GUINESS SECURITIES LIMITED	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	685,731	0.90
	At the End of the year (or on the date of separation, if separated during the year)	-	-	685,731	0.90

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10.	SIDHARTH RATANLAL BAFNA	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	544,902	1.05	-	-
	Date wise Increase / Decrease in Share holding during the year	-	-	11,810	-0.32
	At the End of the year (or on the date of separation, if separated during the year)	-	-	556,712	0.73

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year Directors				
1	B SATISH KUMAR	645,944	0.85	645,944	0.85
2	B SURESH KUMAR	1,549,950	2.04	1,549,950	2.04
3	BHAVINENI SURESH	1,138,350	1.50	1,138,350	1.50
4	V V KRISHNA RAO	643,736	1.24	643,736	1.24
5	B. RAMESH KUMAR	409,172	0.79	9,172	0.01
6	SIVA PRASAD CHIVUKULA	1,000	0.00	10,000	0.01
7	R RAMACHANDRA RAO	-	-	-	-
8	K KRISHNA RAO	-	-	-	-
9	G VENKATA NARAYANA REDDY	-	-	-	-
10	SUJATA CHATTOPADHYAY	-	-	-	-
Key Managerial Personnel					
1	V S RAKESH	-	-	-	-
2	L. BABU ARE	-	-	-	-

V. INDEBTEDNESS:

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

Rs. In thousands

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	(*)10194763.03	493077.5	0.00	10687840.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**(*)10194763.03**	**493077.5**	**0.00**	**10687840.53**
Change in Indebtedness during the financial year				
Addition	0	9376.84	0.00	9376.84
Reduction	740635.61	134591.2	0.00	875226.81
Net Change	**740635.61**	**125214.36**	**0.00**	**865849.97**
Indebtedness at the end of the financial year				
i) Principal Amount	9454127.42	367863.14	0.00	9821990.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**9454127.42**	**367863.14**	**0.00**	**9821990.56**

Note: (*) The opening balance in secured loans includes LC limits of Rs.3953272.287

I REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		B Satish Kumar Managing Director	B Suresh Kumar Joint Managing Director	B Ramesh Kumar Joint Managing Director	
1	Gross salary	6600000	6000000	6000000	18600000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	29625	0	0	29625
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	**6629625**	**6000000**	**6000000**	**18629625**
	Ceiling as per the Act				

B. REMUNERATION TO OTHER DIRECTORS :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Ch Siva Prasad	R Ramachandra Rao	K Krishna Rao	G.V Narayana Reddy	Sujata Chattopadhyay	
1	Independent Directors Fee for attending board / committee meetings	70000	50000	70000	70000	50000	310000
	Commission	-	–	-	-	-	-
	Others, please specify	-	-	-	–	-	-
	Total (1)	**70000**	**50000**	**70000**	**70000**	**50000**	**310000**
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-			
	Commission	-	–				-
	Others, please specify	-	–				-
	Total (2)	-	–				-
	Total (1+2)	**-**	**–**				**-**
	Total Managerial Remuneration	**-**	**-**				**-**
	Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,43,247	18,00,000	33,43,247
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	**15,43,247**	**18,00,000**	**33,43,247**

II PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. COMPANY

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

B. DIRECTORS:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

C. OTHER OFFICERS IN DEFAULT:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure- 3

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:

1) The steps taken or impact on conservation of energy:

   a. Oil purification machine-for maintaining the Oils quality & thereby conservation of lubricating Oil

   b. VFD are installed for molasses pumps in Briquetting machine and weigh feeders of DRI feed system

2) The steps taken by the Company for utilizing alternate sources of energy: NA

3) The Capital investment on energy conservation equipment: -N.A.-

   a. Installed Variable Frequency Drives (VFD) for pumps in the SMS to save the energy on regulating the valves.

   b. Installed Variable frequency drives for Hot Charging System for efficient operation

   c. Stoppage of Re-Heating Furnace completely and Re-rolling of Billets completely through Hot-Charging.

   d. OMNI Screen was installed in DRI-RMPP coal stream with an investment of 1Cr to reduce the fines generation by avoiding long distance travel through exiting belt conveyors, which in turn reducing the Power consumption of Belt conveyors.

B. TECHNOLOGY ABSORPTION: Nil

i. The Efforts made towards technology absorption: Nil

ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: -Nil

iii. Details of technology imported during the past 3 years:

No technology has been imported during the past 3 years.

   a. The details of technology import: Nil

   b. The year of import: Nil

   c. Whether the technology has been fully absorbed: Nil

   d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL-

iv. The expenditure incurred on Research and Development: -N.A.-

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

1) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: Rs. In lakhs

Particulars	March 31, 2017	March 31, 2016
Used	1963.41	9635.38
Earned	Nil	Nil

For and on behalf of the Board of Directors

Place: Visakhapatnam
Date: 16.08.2017

B.SATISH KUMAR
Chairman & Managing Director
(DIN:00163676)

Annexure-4

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
   - Education
   - Social Welfare
   - Charitable Trust

2. Composition of CSR Committee:

Sl.No.	*Name of the Member*	*Category*	*Designation*
1	ChivukulaSivaprasad	Independent Director	Chairman
2	RamineniRamachandra Rao	Independent Director	Member
3	Kodali Krishna Rao	Independent Director	Member

3. Average Net profit for last three Financial Years:

Net Profit	For the Financial Year ended (Rs. InLakhs)		
	2015-16	2014-15	2013-14
	7.39	**3063.24**	**3909.69**
Average Net Profit for the preceding three Financial Years	**2570.67**		

1. Prescribed CSR expenditure (2% of Average Net Profit) : Rs.**51.41**
2. Details of CSR spend for the financial year:

   a. Total amount spent for the financial year: **Rs. 24.95**
   b. Amount unspent, if any: **Rs.26.45**
   c. Manner in which the amount spent during the financial year is detailed below:
3. The Company has spent two percent of average net profits of the last three financial years.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
1	Education	Education	Local Area	1,22,590	1,22,590	1,22,590	1,22,590
2	Park Development	Rural Development	Local Area	82,500	82,500	82,500	82,500
3	Social Welfare	Social Welfare	Local Area	15,57,223	15,57,223	15,57,223	15,57,223
4	Healthcare	Medical	Local Area	5,33,375	5,33,375	5,33,375	5,33,375
5	Charitable Trust	Charity	Local Area	2,00,000	2,00,000	2,00,000	2,00,000
	Total			24,95,688	24,95,688	24,95,688	24,95,688

4. Reasons for not spending the amount:
   The company is in the process of identifying the social activity in the rural area for needy. The unspent amount will be spend in future years for social activities

5. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of Corporate Social Responsibility Committee

Chivukula Siva prasad
Chairman of the Committee

Ramineni Ramachandra Rao
Member

Place:Visakhapatnam
Date: 16.08.2017

Annexure 5

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Steel Exchange India Limited,
CIN: L74100AP1999PLC031191,
303, My Home Laxmi Nivas,
Green Lands, Ameerpet,
Hyderabad,
Telangana-500016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Steel Exchange India 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 M/s. Steel Exchange India Limited'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 March 31st, 2017, 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 M/s Steel Exchange India Limited ("the Company") for the financial year ended on March 31st, 2017 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the Companies Act, and the rules made thereunder;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4) 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.
5) 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;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
   d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable to the Company during the Audit Period;**
   e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities;**
   f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
   g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted from any stock exchange during the financial year under review; and**
   h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back its securities during the financial year under review.**

6. **Other laws applicable specifically to the Company namely:**

i- The Electricity Act, 2003

ii- Indian Boilers Act, 1923

iii- Explosives Act, 1884

iv- National Tariff Policy

v- Mines Act, 1952

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Company Secretary / Managing Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further reported that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same have been subject to review by the internal auditors and other designated professionals.

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. There were no changes int eh Composition of Board of Directors during the period under review.

We further report that adequate notice was given to all Directors to schedule Board Meetings and its Committees and agenda with detailed notes were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

We further report that, during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

i. Members granted their consent at the Annual General Meeting of the Company held on 30th September, 2016 to re-classify the Authorized Share Capital of the Company, and to consequential amendments in its Memorandum of Association.

ii. Members granted their consent at the Extra- Ordinary General Meeting of the Company held on 21st December, 2016 to Issue of Equity shares by way of Preferential issue upto 30,00,000 Equity Shares of face value of Rs.10/- each. However, there was no allotment of equity shares during the year.

For **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C P No.: 7999

Place: Hyderabad
Date: 16-08-2017

This Report is to be read with our letter of even date which is annexed to the report and forms an integral part of this report.

To,
The Members,
Steel Exchange India Limited,
CIN: L74100AP1999PLC031191,
303, My Home Laxmi Nivas,
Green Lands, Ameerpet,
Hyderabad,
Telangana-500016

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 process 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. Wherever 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 procedure 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 **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C P No.: 7999

Place: Hyderabad
Date: 16-08-2017

Annexure-6

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

(I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	B. SATISH KUMAR	34.30
2	B. SURESH KUMAR	31.25
3	B.RAMESH KUMAR	31.25
4	V. V. KRISHNA RAO	NA
5	B. SURESH	NA
6	R. RAMACHANDRA RAO*	NA
7	C. SIVA PRASAD*	NA
8	K. KRISHNA RAO*	NA
9	G. VENKATA NARAYANA REDDY*	NA
10	SUJATA CHATTOPADHYAY*	NA

* Mr. R. Ramachandra Rao, Mr. C. Siva Prasad, Mr.K.Krishna Rao, Mr. G. Venkata NarayanaReddy and Ms. SujataChattopadhyay were paid sitting fees for attending the Meetings.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year

Sl. No.	Name of the Director	Percentage increase in remuneration
1	B. SATISH KUMAR*	NIL
2	B. SURESH KUMAR*	NIL
3	B.RAMESH KUMAR*	NIL
4	V. V. KRISHNA RAO	NIL
5	B. SURESH	NIL
6	R. RAMACHANDRA RAO**	NIL
7	C. SIVA PRASAD**	NIL
8	K. KRISHNA RAO**	NIL
9	G. VENKATA NARAYANA REDDY**	NIL
10	SUJATA CHATTOPADHYAY**	NIL
11	V.S.RAKESH	NIL
12	L. BABU ARE	NIL

* There was no increase in Remuneration paid to Managing Director and Joint Managing Directors of the company during the Financial Year ended 31.03.2017

** Mr. R. Ramachandra Rao, Mr. C. Siva Prasad, Mr.K.Krishna Rao and Mr. G. Venkata NarayanaReddy and Mrs. SujataChattopadhyaywerepaid sitting fees for attending the Meetings.

(iii) The percentage increase in the median remuneration of employees in the financial year is 8.5%

(iv) The number of permanent employees on the rolls of company as on 31.03.2017

There are 615 permanent employees on the rolls of the Company.

(v) The explanation on the relationship between average increase in remuneration and company performance: there is no increase in the remuneration.

Sl. No.	Average increase in remuneration	Company performance
1	NIL	Net profit of the Company Decreased by 2226 %

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Sl. No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2017
1	Rs. 99,72,872	Rs.(157,13,10,995/-) (Net Loss)

(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

Sl. No.	Particular	As at March 31, 2017		As at March 31, 2016	
1	Market Capitalization	BSE	**617.38**	BSE	Rs. 269.37
2	Price Earnings Ratio	BSE	#	BSE	29.06

Price Earning Ratio of the Company as on 31.03.2017 is not provided due to loss occur in present financial year.

Market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Company came with an Initial Public Offer in 27.07.2000 at the price of Rs.10/- per equity share. As on March 31 2016 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- **BSE Limited: Rs.81.25**

(viii) 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.

There are three Whole Time Directors i.e., B. Satish Kumar, Managing Director and B. Suresh Kumar, Joint Managing Director and B. Ramesh Kumar; Joint Managing Director. There was no increase in Remuneration paid to Whole Time Directors during the Financial Year ended March 31, 2017.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

Sl. No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2017
1	Mr.Bandi Satish Kumar, Managing Director	Rs. 66,29,625	Rs.(157,13,10,995/-) (Net Loss)
2	Mr. V.S. Rakesh Chief Financial Officer	Rs. 1,800,000	Rs.(157,13,10,995/-) (Net Loss)
3	Mr. L. Babu Are Company Secretary	Rs. 15,43,247	Rs.(157,13,10,995/-) (Net Loss)

(x) The key parameters for any variable component of remuneration availed by the directors

Except salary there is no addition to the monthly remuneration. The Remuneration is paid on the performance of the Company upon recommendation of Nomination and Remuneration Committee.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. -N.A.-

(xii) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

Statement of Particulars of Employees Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl.No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. Bandi Satish Kumar Managing Director	Rs. 66,29,625	Contractual	25 years	1/3/2016	56 Years	NA	1.06%	Brother of Mr. Bandi Suresh Kumar and Mr.Bandi Ramesh Kumar
2	Mr.Bandi Suresh Kumar Joint Managing Director	Rs.60,00,000	Contractual	20 years	27/10/2016	52 years	Vizag Profiles Pvt Ltd	2.97%	Brother of Bandi Satish Kumar and Mr.Bandi Ramesh Kumar
3	Mr.Bandi Ramesh Kumar* Joint Managing Director	Rs. 60,00,000	Contractual	23 Years	9/2/2015	54 Years	Simhadri Power Ltd	0.79%	Brother of Bandi Satish Kumar and Mr. Bandi Suresh Kumar

Notes:

1. Gross Remuneration includes salary, taxable allowances, commission, and value of perquisites as per the Income-tax Rules, 1962 and Company's contribution to provident fund/superannuation fund.

REPORT ON CORPORATE GOVERNANCE

In terms of Compliance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on Corporate Governance, your Company is complying with the Listing Regulations. The report for the year ended on 31st March, 2017 is as follows:

1. Company's philosophy on Corporate Governance

The Company firmly believes in and has consistently been practicing good Corporate Governance. The Company's philosophy of Corporate Governance is aimed at maximizing the shareholder's interest and protection of the interest of the other stakeholdersthrough proper and full disclosure of material facts and achievement of the highest levels of transparency, accountability and equity in all facets of its operations. Your company has complied with all applicable guidelines and regulations as stipulated by the Securities Exchange Board of India as to the Corporate Governance.

2. Board of Directors

As at March 31, 2017, the Board of Directors ("Board") of the company comprised Ten Directors. The Board consists of three Executive Directors i.e. a Chairman & Managing Director, two Joint Managing Directors and Seven Non-Executive Directors of which, Five Non-Executive Directors are Independent Directors one of whom is a woman Director. The Company has an executive Chairman and 5 (Five) independent directors, comprise a balanced Board.The composition of the Board is in conformity with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a. The composition/ category of Directors/Attendance at Meetings/ Directorships and Committee Memberships in other Companies:

S. No.	Name of the Director	Category	No. of Board Meetings attended out of Seven meetings held 2016-17	Whether attended last AGM	No. of Directorships and Committee Membership/Chairmanship in other companies as on 31.03.2017		
					Directorships	Committee Memberships	Committee Chairmanships
1	Bandi Satish Kumar	Executive Director (Promoter)	7	YES	1	Nil	Nil
2	Bandi Suresh Kumar	Executive Director (Promoter)	5	NO	1	Nil	Nil
3	B. Ramesh Kumar	Executive Director (Promoter)	5	YES	1	Nil	Nil
4	Veeramachaneni Venkata Krishna Rao	Non-Executive Director (Promoter)	4	NO	Nil	Nil	Nil
5	Bavineni Suresh	Non-Executive Director (Promoter)	7	YES	Nil	Nil	Nil
6	RamineniRamachandra Rao	Independent Director	5	YES	Nil	nil	nil
7	Kodali Krishna Rao	Independent Director	7	YES	Nil	nil	Nil
8	Siva Prasad Chivukula	Independent Director	7	YES	1	nil	nil
9	Venkata Narayana Reddy Godi	Independent Director	7	YES	Nil	Nil	Nil
10	SujataChattopadhyay	Independent Director	5	YES	3	1	1

- This excludes Directorships held in Private & Foreign Companies and Companies incorporated under section-8 of the Companies Act, 2013.
- In accordance with Reg.26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Memberships/Chairmanships of Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company have been considered.
- None of the Directors is a director in more than 20 Companies and more than 10 public limited companies in terms of Sec-165 of the Companies Act, 2013.
- None of the Directors is a member of neither more than Ten Committees, nor acts as Chairman of more than Five Committees across all companies in which they are Directors, as required Regulation 26 of the Listing Regulations.
- The Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

b) Number of Board Meetings held during the Financial Year 2016-17 and dates on which held:

During the year ended March 31, 2017, Seven Board Meetings were held as against the minimum requirement of four meetings.

The dates on which the Board meetings were held are May 28, 2016, August 13, 2016, August 31, 2016, September 30, 2016, November 12, 2016, February 01, 2017 and February 14, 2017. All the meetings were held in such manner that the gap between two consecutive meetings was not more than one hundred and twenty days.

c) Relationship between Directors: Mr. B. Satish Kumar, Mr. B. Suresh Kumar and Mr. B. Ramesh Kumar are related as Brothers. No other Director is related to any other Director on the Board.

d). Number of securities held by each director are given in the Board's Report.

e) Independent Directors: The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business.

As part of familiarization program as required under Listing Regulation, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 ('the Act') , Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information etc.

During the year, a separate meeting of the Independent Directors was held on February 01, 2017 without the present of Non-Executive Directors /Managing Director and Joint Managing Directors to discuss the matter as required/ agreed among them.

Further familiarization programs and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at www.seil.co.in

e) Formal annual evaluation: The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and Listing Regulations.

f) **Function and Procedure of Board:** Board meets regularly to make and review policies. The role, functions and responsibilities of the Board are well defined. All relevant information as required under the Listing Regulation and Companies Act, 2013 as amended from time to time is regularly placed before the Board. The Board periodically reviews the compliance reports submitted b the management in respect of all laws applicable to the Company.

3. Audit Committee:

As on 31st March, 2017, the Audit Committee of the Company comprises of Three Independent Directors who are having accounting and finance management expertise. The Chairman of the Audit Committee is Mr. Ch. Siva Prasad and Mr. R. Ramachandra Rao and Mr. K. Krishna Rao, are the other members of the Committee. The Annual General

Meeting of the Company held on 30th September, 2016 was attended by the Chairman of the Audit Committee to address shareholders queries.

The representatives of the Statutory Auditors, Internal Auditors and Chief Financial Officer and General Manager Finance and Accounts are the invitees to the Audit Committee Meetings. The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

During the year 2016-17, the Audit Committee met Five times viz., on May 28, 2016, August 13, 2016, August 31, 2016, November 12, 2016 and February 14, 2017 and there were no instances, where the Board had not accepted the recommendations of the Audit Committee.

Particulars relating to the attendance at the Audit Committee meetings held during the year are given below:

Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr. Siva Prasad Chivukula -Chairman	Independent	5	5
Mr. Kodali Krishna Rao -Member	Independent	5	5
Mr. RamineniRamachandra Rao -Member	Independent	5	3

The Role of the Audit Committee of the Company includes the following:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statementsare correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

4. Nomination and Remuneration Committee

As on 31st March, 2017 Nomination and Remuneration Committee comprised of Three Non Executive Independent Directors namely, Mr. Ch. Siva Prasad, Mr. K. Krishna Rao and Mr. R. Ramachandra Rao.

During the year the Committee met twice on 28.05.2016 and 30.09.2016. The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

Particulars relating the attendance at the Nomination and Remuneration Committee meetings held during the year are given below:

Name of the Director	Category	No. of Meeting Held	No. of Meeting attended
Siva Prasad Chivukula	Chairman	2	2
Kodali Krishna Rao	Member	2	2
Ramineni Ramachandra Rao	Member	2	1

Nomination and Remuneration policy

The company has a standard remuneration policy for the Executive and Non-Executive Directors, which is periodically reviewed by the Nomination and Remuneration Committee. The Nomination and Remuneration (N&R) Committee has adopted a policy which inter alia, deals with manner of selection of Board of Directors and Key Managerial Personnel and their remuneration.

- The compensation of the executive directors comprises of fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed and suitable revision is recommended to the Board by the committee.
- The Non-executive Independent directors are paid sitting fees for attending meetings of Board/Committee.

Role of Nomination and Remuneration Committee:

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- carry on the evaluation of every director's performance;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

Details of remuneration paid to all the Directors

The Remuneration paid to the Managing and Whole-time Directors during the year and the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2017 are as follows:

Name of the Director and Designation	Salary	Benefits/ allowance/ perquisites	Bonuses/ Commission	Pension	Stock Option**	Sitting Fees	No. of Shares held
Mr Bandi Satish Kumar Managing Director	6600000	29625	-	-	-	-	645944
Mr. Bandi Suresh Kumar Joint Managing Director	6000000	-	-	-	-	-	1549950
Mr. Bandi Ramesh Kumar Joint Managing Director	6000000	-	-	-	-	-	9,172
Mr. Veeramachaneni Venkata Krishna Rao	-	-	-	-	--	-	643736
Mr. Bavineni Suresh	-	-	-	--	-	-	1138350
Mr. RamineniRamachandra Rao	-	-	--	-	-	50000	nil
Mr. Kodali Krishna Rao	-	-	--	-	-	70000	nil
Mr. Siva Prasad Chivukula	-	-	-	--	-	70000	10000
Mr.Venkatanarayana Reddy Godi	-	-	-	--	-	70000	nil
Ms. SujataChattopadhyay	-	-	-	-	-	50000	nil

There were no severance fees, stock option plan or no performance linked incentives for the Executive/Non-Executive Directors. The appointment of Managing Director and Joint Managing Directors were made for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

No Director is related to any other Director on the Board, except Mr. B. Satish Kumar and Mr. B. Suresh Kumar and Mr. B. Ramesh Kumar are related as Brothers.

- Sitting Fees include payment for Board Level Committee Meetings
- Service Contracts/Notice period /Severance Fees are as per the Agreement entered with Managing Director and Whole-time Directors.
- The Company is not having stock option scheme therefore the same is not applicable

None of the Non-executive directors has any pecuniary relationship or transactions with the company except as per requirements of accounting standards 18 are disclosed in the notes to accounts annexed to the financial statements.

5. Stake Holders Relationship, Grievance and Share Transfer Committee

The Stakeholders Relationship Committee, amongst the areas

➢ **Composition**

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. RamineniRamachandra Rao	Chairman
Mr. Bandi Satish Kumar	Member
Mr. Siva Prasad Chivukula	Member

➢ **Terms of Reference**

- Stake Holders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

➢ **Name and designation of Compliance Officer:**

Mr. L.Babu Are, was appointed as Company Secretary w.e.f.02.05.2016

Mr. M. Raveendra Babu resigned as Compliance Officer on 01.06.2017.

Email-id for Investor Grievances: cs@seil.co.in

➢ **Number of Shareholders complaints received so far:**

- During the year ended March 31, 2017, the Company has received 52 and resolved 48 complaints which are related to GSAL (India) Limited and there were 4 (four) pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

Other committee(s)

6. Corporate Social Responsibility (" CSR") Committee:

CSR Committee of the Company is constituted in line with the Provisions of Section 135 the Companies Act, 2013, the Broad terms of reference of Corporate Social Responsibility Committee is as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility policy indicting the activates to be undertaken by the company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the Corporate Social Responsibility policy of the Company from time to time;

Two meetings of the CSR Committee were held during the year on 31.08.2016 and 01.02.2017.

The Composition of the CSR Committee and Details of the Meetings attended by its members are given below:

Sl. No	Name of the member	Category	Designation
1	Chivukula Siva Prasad	Independent Director	Chairman
2	RamineniRamachandra Rao	Independent Director	Member
3	Kodali Krishna Rao	Independent Director	Member

Particulars relating the attendance at the CSR Committee meetings held during the year are given below:

Name of the member	No. of Meetings Held	No. of Meetings Attended
Chivukula Siva Prasad	2	2
RamineniRamachandra Rao	2	2
Kodali Krishna Rao	2	2

7. GENERAL BODY MEETINGS:

(i) The details of date, location and time of the last three Annual General Meetings held areas under:

Annual General Meeting	Date	Time	Venue
2016	30.09.2016	11.45 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2015	30.09.2015	11.45 A.M	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016
2014	31.12.2014	11.30 AM	The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016

Special Resolutions passed during the previous three Annual General Meetings:

a) 17th Annual General Meeting - September 30, 2015 - The following Special Resolutions were passed:

i) Reappointment of Mr. Bandi Satish Kumar as Chairman and Managing Director;

ii) To adopt new set of Articles of Association of the Company;

b) 16th Annual General Meeting - September 30, 2015 - No Special Resolutions were passed

c) 15thAnnual General Meeting - December 31, 2014: No Special Resolutions were passed

d) Postal Ballot : Nil during the year.

e). During year an EGM held on 21.12.2016, where in there were two special resolution was passed for:

i) offer and issue of equity shares on preferential basis to the promoters;

ii) reappointment of Mr. B. Suresh Kumar, Joint Managing Director for a further period of Three years w.e.f. 27.10.2016

(ii) The shareholders passed all the resolutions set out in the respective notices in the above meetings.

8. DISCLOSURES:

(a) Related Party Transactions: There are no significant related party transactions with the Company's Promoters, Directors, the Management or relatives that may have potential conflict with the interest of the Company at large.

In terms of Clause 49 of the listing agreement, the Board of Directors of the Company has adopted a policy to determine Related Party Transactions. The policy is placed on the website of the company.

Related party transactions have been disclosed in Notes to Accounts - Note No.2.30 annexed to the financial statements

(b) Details of non-compliance by the Company, Penalties imposed by Stock Exchanges/ SEBI:

During the year 2015, an adjudication Order was passed by Adjudicating Officer of SEBI and Penalty of Rs. 1,00,000/- each was imposed under section 15(a) and 15C of SEBI Act, for non-compliance to redress the investor grievances within the prescribed time limit of 30 days, consequent to merger of GSAL (India) Ltd with the Company. The company has paid the Penalty totaling to Rs. 2,00,000/- to SEBI.

(c) The information on Directors seeking re-appointment/appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Re-appointment/ appointment at the ensuing Annual General Meeting".

(d) The Board has also constituted a committee named as "Management Committee" for strategic management of the Company's business within the Board approved direction/framework. The following are the members of the Committee:

1.	Mr. B. Suresh Kumar	Chairman
2.	Mr. B. Satish Kumar	Member
3.	Mr. B. Suresh	Member
4.	Mr. V. V. Krishna Rao	Member

The minutes of the Committee meetings are placed before the Board for its approval/ confirmation.

(e) The Company has complied with all the mandatory requirements of Listing Regulations: During the year, the Company has fully complied with the mandatory requirements as stipulated Listing Regulations. Further, Company has disseminated report on compliance with corporate governance requirements as specified in regulation 17 o 27 and 46(2) on its website www.seil.co.in and also submitted with BSE. Non Mandatory requirements of C & E as provided in Part E of Schedule II of the Listing Regulations. Separate persons to the post of Chairman and Managing Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.

(f) The Board of Directors of the Company had adopted the Whistle Blower Policy. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy.

No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: www.seil.co.in

The Chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2017.

As required under SEBI Listing Regulations, the Auditors' certificate is given as an annexure to the Directors' Report.

(h) As required under SEBI Listing Regulations, the certificate issued by the Managing Director is provided elsewhere in the Annual Report.The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

9. RISK MANAGEMENT

A mechanism has been put in place which will be reviewed on regular intervals. The Management of the Company reviews the risk management process and implementation of risk mitigation plans. The committee reviews the risk management plans and processes and ensures its effectiveness.

10. GENERAL CODE OF CONDUCT

The Company has formulated and implemented a General Code of Conduct, which is available on company's website, for all its Directors and Senior Management of the Company in compliance with Listing Regulations. All the Board Members and Senior Management of the Company have affirmed compliance with the Said Code of Conduct for the financial year ended March 31, 2017. A declaration by the Chairman & Managing Director affirming compliance with the said Code of Conduct is annexed at the end of the Report and forms part of this Report.

11. MEANS OF COMMUNICATION

(i) The Company does not send the quarterly results to the address of each of the shareholder as the quarterly results are intimated to the Stock Exchanges.

(ii) The Company's quarterly, half yearly and annual results are published in prominent daily newspapers such as 'The Economic Times' (English) and 'Eenadu' (Telugu).

(iii) The Company posts all the vital information relating to the Company and its performance on the web site www.seil.co.in for the benefit of the shareholders and public at large.

(iv) During the period under review, no presentations were made to any institutional investors or to the analysts.

(v) The Management Discussion and Analysis Report is attached and forms part of the Annual Report.

(vi) Further a direct communication is also made to the shareholders by the Managing Director/Authorised person from Secretarial Department of the company as and when required.

12. MEASURES FOR PREVENTION OF INSIDER TRADING:

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the company framed a Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its directors and designated employees. The code lays down guidelines, which mandates the directors and designated employees on the procedures to be followed and disclosures to be made while dealing with the shares of the company and also appraises the consequences for the violations. Details of the code for prevention of insidertrading is available at the company's website.

13. MD/ CEO & CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate from Managing Director and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on 16.08.2017 and the same is annexed to this report, also forms part of this Annual Report.

14. REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report forms part of the Annual Report. A Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Agreement/Listing Regulation and the same is annexed to this report, also forms part of this Annual Report.

15. GENERAL SHAREHOLDER' INFORMATION:

i) 18th Annual General Meeting:

Date	:	**Monday, 11th September, 2017**
Time	:	**10.00 A.M.**
Venue	:	**The Plaza, 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad - 500 016. Phone: 040 - 4949 5959**
ii) Financial Year	:	**1st April to 31st March**
Financial Calendar for 2017-18	:	The following are tentative dates:
First Quarter results	:	11th September, 2017
Second Quarter results	:	2nd week of November, 2017
Third Quarter results	:	2nd week of February, 2018
Annual results for 2017-18	:	2nd Week of May, 2018
AGM for the year 2017-18	:	4th Week of September, 2018
iii) Dates of Book Closure	:	5thSeptember, 2017 to 11th September, 2017 (both days inclusive)
iv) Dividend Payment Date	:	No dividend is recommended for the year ended on 31st March 2017.
v) Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd, (BSE) The Calcutta Stock Exchange (CSE)(delisting under process) National Stock Exchange of India Limited (Newly listed w.e.f 20.07.2017)
vi) Stock Code/Symbol	:	BSE : 534748/STEELXIND CSE : 26498/PYXIS NSE : STEELXIND
vii) Market Price Data	:	

The Securities of the Company are actively traded in the Bombay Stock Exchange Ltd, Mumbai. The monthly high/low prices of share of the Company and number of shares traded during each month on the Stock Exchange, Mumbai during year 2016-17, are given below:

Month & Year	Price BSE – IndoNext		Index BSE SENSEX		Total No of Shares Traded
	High (₹.)	Low (₹.)	High	Low	
Apr-2016	40.00	31.50	26100.54	24523.20	212910
May-2016	38.50	31.95	26837.20	25057.93	1568975
Jun-2016	43.80	29.75	27105.41	25911.33	4484711
Jul-2016	57.50	36.30	28240.20	27034.14	5259027
Aug-2016	76.90	51.40	28532.25	27627.97	5245455
Sep-2016	94.95	74.95	29077.28	27716.78	6322977
Oct-2016	90.90	72.00	28477.65	27488.30	4726407
Nov-2016	88.00	45.50	28029.80	25717.93	4992811
Dec-2016	90.50	53.50	26803.76	25753.74	3293590
Jan-2017	90.40	77.20	27980.39	26447.06	1853333
Feb-2017	84.00	61.25	29065.31	27590.10	1212809
Mar-2017	94.50	67.05	29824.62	28716.21	8561075

Source: www.bseindia.com

viii) Registrar & Share Transfer Agents: :

The Company has engaged the services of M/s Venture Capital and Corporate Investments Private Limited, Hyderabad, a SEBI registered Registrar, as their Share Transfer Agents (RTA) for both physical and electronic segment and can be contacted by the Investors at the following address:

M/s Venture Capital and Corporate Investments Private Limited,
12-10-167, Bharatnagar, Hyderabad - 500 018.
Telephone: +91 - 40 - 23818475 / 76 ;Fax: +91 - 40 - 23868024
Email: info@vccilindia.com

ix) Share transfer System and Dematerialization of Shares:

The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agents. The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to dematerialize the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days of receipt.

x) Distribution of Shareholding as on March 31, 2017:

Distribution Details On Face Value FOR THE PERIOD 31/3/2017 INE503B01013

No of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Upto - 500	169621	99.34	1475134	1.94
501 - 1000	446	0.26	373905	0.49
1001 - 2000	182	0.11	285889	0.38
2001 - 3000	111	0.07	282892	0.37
3001 - 4000	36	0.02	130746	0.17
4001 - 5000	43	0.03	208664	0.27
5001 - 10000	65	0.04	489327	0.64
10001 and above	239	0.14	72738255	95.73
Total	**170743**	**100.00**	**75984812**	**100.00**

Pattern of shareholding by ownership as on 31st March 2017:

Sl.No.	Category	No. of Shares held	Shareholding %
	PROMOTER AND PROMOTER GROUP SHAREHOLDING		
1	Promoter and Promoter Group - Indian Promoters - Foreign Promoters	 36,504,817 211,504	 48.04 0.28
	Sub-Total	**36,716,321**	**48.32**
	PUBLIC SHAREHOLDING		
2	Mutual Funds and UTI	9,260	0.01
3	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	1,152,963	1.52
4	Others	3,050,197	4.01
5	India Public	35056071	46.14
	Sub-Total	**39,268,491**	**51.68**
	Total	**75,984,812**	**100.00**

xi) Dematerialization of Shares & Liquidity

As on 31st March 2017, 6,43,64,837 equity shares representing 68.04% were held in dematerialized form and1,16,19,975 equity shares representing 12.28% were in physical form. The Balance shares 1,86,08,750 are preferential shares allotted to the shareholders of Simhadri Power Limited as per the Scheme of Amalgamation approved by the Hon'ble High Court, which are in physical form.

The Company's shares are compulsorily traded in dematerialized form and the shares are regularly traded on Bombay Stock Exchange Limited, Mumbai (BSE). The ISIN Number allotted for the Equity shares is INE503B01013. The shares are admitted to trade on National Stock Exchange of India Limited (NSE) on 20.07.2017.

xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

As on 31st March 2017, there were no Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.

No convertible instruments were issued and allotted during the year 2016-17 and as such no outstanding instruments that have an impact on equity.

xiii) Unclaimed Dividend

There is no unclaimed dividend, which remains unclaimed by the shareholders, to transfer to Investor Education & Protection Fund (IEPF).

xiv) Plant Locations:

1. Power Plant & Steel Ingot Division

Opp: Mandapalli New Bridge, Kothapeta (V & M) - 533 223 East Godavari (Dt). Andhra Pradesh.
Telefax: +91 - 8855 - 244406

2. Rolling Division

Simhadri TMT Steels, Plot No 1, I.D.A., EdulapakaBonangi, Paravada (Mandal), Visakhapatnam (Dt) - 531 201 Andhra Pradesh.
Telephone: +91 - 8924 - 247055; Fax: +91 - 8924 - 247685

3. Bobbili Wire Drawing Division (Galvanised Wire Products):

S. No. 295 to 300, APIIC Growth Centre, Bobbili- 535 558.

4. Wire Drawing Division (HC Wire Products):

Plot No.17 & 18, E-Block, IDA, Auto Nagar, Visakhapatnam - 530 012, Andhra Pradesh,

Telephone: +91 - 891 - 2587574; Fax: +91 - 891 - 2766437

5. Integrated Steel Plant:

Sponge Iron Division, Rolling Division, SMS Billet Unit and Simhadri Power Division: Malliveedu, L.KotaMandal, Vizianagaram District - 533 301.

xv) Address for Correspondence:

Investor correspondence may be addressed to:

Registrars and Share Transfer Agents:

M/s Venture Capital and Corporate Investments Pvt. Ltd.
12-10-167, Bharatnagar, Hyderabad - 500 018.
Telephone: +91 - 40 - 23818475 / 76 Fax : +91 - 40 - 23868024
Email: info@vccilindia.com

Company:

The Company Secretary, Steel Exchange India Limited,
303, My Home LaxmiNivas, Greenlands, Ameerpet, Hyderabad - 500 016
Telephone: +91 - 40 - 23403725Fax : +91 - 40 - 23413267
Email: cs@seil.co.in

For **STEEL EXCHANGE INDIA LIMITED**
Bandi Satish Kumar
Chairman &Managing Director

Place:Visakhapatnam
Date: 16.08.2017

DECLARATION OF COMPLIANCE WITH THE GENERAL CODE OF CONDUCT OF THE COMPANY

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declared as follows:

1. The Company does have a General Code of Conduct approved by the Board of Directors, which is posted on its website www.seil.co.in

2. All the members of the Board of Directors and all the Senior Management Personnel of the Company have individually submitted statements of affirmation of compliance with the said Code of Conduct for the financial year ended 31st March, 2017

For **STEEL EXCHANGE INDIA LIMITED**

Bandi Satish Kumar
Managing Director

Place:Hyderabad
Date: 16.08.2017

MD/CEO AND CFO CERTIFICATE

To
The Board of Directors,
Steel Exchange India Limited

We hereby certify that:

a) we have reviewed financial statements and the cash flow statement for the **Financial Year ended 31st March, 2017** and that to the best of our knowledge and belief:
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.

d) We have indicated to the Auditors and the Audit Committee that there are no:
   i) significant changes in internal control over financial reporting during the year;
   ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
   iii) instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **STEEL EXCHANGE INDIA LIMITED**

Place: Hyderabad
Date: 16.08.2017

Bandi Satish Kumar
Managing Director

V.S.Rakesh
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
STEEL EXCHANGE INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Steel Exchange India Limited ("the Company") for the year ended 31st March 2017, as stipulated in Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015(Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pavuluri & Co**
Chartered Accountants
Firm Registration No: 012194S
Sd/-
CA. P.A.RAMAIAH
Partner
M.No. F - 203300

Place: Hyderabad
Date : 16.08.2017

MANAGEMENT DISCUSSION AND ANALYSIS

Steel Industry Structure and Developments:

Global Scenario:

The global steel demand growth momentum remains weak, but emerging Asia continues to be the bright spot. In 2016, World Crude Steel production increased marginally by 0.8% to 1630 million tonnes from 1615 million tonnes in 2015. All major steel producing countries U.S., European Union (EU), Japan etc. recorded a decrease except India and China. In 2016, India recorded an increase in crude steel production to 95.5 million tonnes with a growth of 7.5% and China remains as the leading producer of steel contributed 49.5% of the global output at 808.5 million tonnes showing 1.2% growth over previous year.

Indian Steel demand to grow by 6.1%in 2017 and by 7.1% in 2018, while global steel demand has been projected to grow by 1.3% in 2017 and by 0.9% in 2018.

Domestic Scenario

India is currently the 3rd largest producer of crude steel in the world and was the 2nd largest producer of Sponge iron in 2016. Coal based route accounted for 79% (approx.) of total sponge iron production in the country in 2016-17. The demand and availability of steel in India is largely determined by market forces. With the developments in infrastructure and rapid growth in industrial sector and also the availability of raw materials, urbanization and increase in incomes and consumer demand in India, the demand is expected to grow.

Domestic steel prices are influenced by trends in raw material prices, demand-supply conditions in the market, international price trends among others and the gaps in demand -supply are met to some extent through imports.

- India produced around 100.74 million tonnes of total finished steel in 2016-17, which was a 10.7% growth over the previous year 2015-16.
- India has overall positive economic growth due to the reforms and polices by central government, to increase infrastructure and manufacturing output. The Govt. of India allocates funds and encourages private participation through the PPP route to push for infrastructure development.
- Currently, the GST of 18% is applicable on steel and there is no export duty on steel, but Govt. imposed 30% export duty on iron ore except low grade iron ore and Iron ore pellets. Government of India monitors the steel market conditions and adopts fiscal and other policy measures based on its assessment.

Government Initiatives

The Government of India has released the National Steel Policy 2017 which has laid down the broad road map for encouraging long term growth for the Indian Steel Industry by 2030-31, with an objective of nation building and encouraging domestic manufacturers.

The Government of India had raised import duty on most steel items twice by 2.5 % each time by 2.5% and anti-dumping and safeguard duties on host of applicable iron and steel items to control the inflow of cheap steel.

The government has launched the National Mineral Exploration Policy (NMEP), which will help to adopt comprehensive exploration of non-fuel and non-coal mineral resources that would give a major boost to the economy.

Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products.

Public sector mining giant National Mineral Development Corporation (NMDC) is setting up up a greenfield 3-million tonne per annum steel mill in Karnataka at an estimated investment of Rs 15,525 crore (US$ 2.8 billion). Further investments have also been planned by NMDC in coming years in view of requirement of Iron Ore for production of 300 MT steel by 2030

SAIL is currently expanding its hot metal capacity from 13 MTPA to 23 MTPA, at an investment of around Rs. 72,000 crore. Government has planned Special Purpose Vehicles (SPVs) with four iron ore rich states i.e., Karnataka, Jharkhand, Orissa, and Chhattisgarh to set up steel plants having capacity between 3 to 6 MTPA.

The total outlay for infrastructure in Budget 2016-17 stands at Rs 221,246 crore (US$ 32.8 billion), which is expected to generate much needed demand for steel industry.

The Government of India approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030.

The policy also envisages to domestically meet the entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications and increase domestic availability of washed coking coal so as to reduce import dependence on coking coal from about 85% to around 65% by 2030-31.

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, is expected to boost India's steel production.

It is expected that consumption per capita would increase supported by rapid growth in the industrial sector, and rising infra expenditure projects in railways, roads & highways, etc.

The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 6,00,000 people.

(Source: World Steel Association Reports; ibef.org; steel.gov.in etc.)

Opportunities:

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2030-31 by creating a capital investment of about Rs. 10 lakh crore by 2030-31.

India is a developing economy with a large population and forces of economic growth will require continued investments in new infrastructure, new and larger cities, machinery and production.

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 automobile and railways sectors. Finished goods per capita consumption is projected to increase about 160kgs by 2030-31 as against the current consumption of 60kgs.

Threats:

- Indian Steel Industry may continue with low profitability during this year due to sluggish demand and low prices and steel imports.
- Increase in iron ore, coal prices etc. may affect the steel industry resulting in lower profitability.
- Though the government is pushing for use of domestic steel for government projects which are long term driven, it may have long-term gain but may not be seen in short and medium term gains.
- China with over loaded raw materials for steel production, the decrease in its steel capacity may not be seen in near future.
- Iron and Steel is a highly capital intensive and requires upgrading of facilities to maintain quality of products, which demands more capital investments.
- Production cost reduction while improving the quality is essential to maintain margins in the competitive current market trends.

Your company is taking all possible steps to protect from internal and external threats in the industry. However, the manufacturing cost in India remains high and the high borrowing cost and debt servicing is still to be managed by continuing its efforts for cost reduction and quality improvement. The Company is implementing the S4A Scheme with the approval of the Lenders to overcome the debt servicing cost. The company plans to increase the usage of plant capacity for more production during the years ahead.

Division wise Performance:

1) Trading Division

The Trading division deals with a wide range of products from finished steel products to related items semis, coal, scrap, Sponge Iron etc. The division has been primarily responsible for developing the marketing base for the company throughout the coastal region of Andhra Pradesh, and Cochin. The division deals with the products

manufactured by the Company, RINL (Vizag Steel), and other manufacturers for the products.

The division reported a turnover of Rs.677.45 crores for the year ended 31st March 2017 compared to Rs. 935.62 crores in the previous year ended 31st March 2016.

2) Steel Ingot Division - 90,000 TPA

This division manufactures ingots using sponge iron and scrap / pig iron. The unit also has a power generation unit using natural gas for captive consumption. The company continued with low level of operations for the period under review keeping in view the market conditions and sold the power produced from the Power Plant.

The division reported a turnover of Rs.34.58 crores compared to the turnover of Rs. 40.28 crores in the previous year. Of this power sales were Rs. 19.38 crores compared to Rs.40.27 crores in previous year.

3) Wire Products Division:

The unit of this division produces High Carbon steel wire products. The division reported a turnover of Rs.Nil crores as against Rs. 19.74 crores in the previous period.

4) Integrated Steel Plant:

The Integrated Steel Plant (ISP) of the Company is located at Srirampram Village, L. Kota Mandal, Vizianagaram District and consists of following units:

i. Sponge Iron Unit - 220,000 TPA

ii. SMS Billet Unit - 250,000 TPA

iii. Rolling Unit - 225,000 TPA

The total revenue for the period under review from ISP stood at Rs.569.65 crores as against Rs.620.06 crores in the previous year. The division reported marginal decrease in turnover on year to year basis due to lower production. The TMT bars produced are sold under the well established brand name Simhadri TMT Bars.

5) POWER

The company's 60 MW captive power plant at the ISP produces power from waste heat gas generated by the Sponge Iron Kilns and also utilizes the coal fines and coal char generated in the sponge iron making process. About 14 MW of power is generated from waste heat and the balance power is generated by using coal fines, coal char and fresh coal. The surplus power was sold to the state utilities.

The total revenue from the sale of Power for the period under review from this unit stood at Rs. 57.17 crores compared to Rs. 123.60 crores in the previous year. The division reported decrease in turnover on year to year basis due to non off take of power as against the contracted quantity by the State Utility of Telangana.

Financial Performance

1) Share Capital

The Authorised capital of the Company is Rs. 332,00,00,000/- and the paid up share capital of the company is Rs. 94,59,35,620/- There was no change in the Authorised and Paid up share capital of the Company during the year.

2) Reserves and Surplus

For the year ended 31st March 2017, the Reserves and Surplus have decreased from Rs. 288.16 crores to Rs. 131.03 crores due to the loss transferred from the profit and loss account amounting to Rs. 157.13 crores.

3) Secured Loans

There has been a decrease in secured Loans from Rs. 285.41 crores to Rs. 254.36 Crores on account of repayments.

4) Unsecured Loans

There has been a decrease in Unsecured Loans from Rs. 49.31 Crores to Rs. 36.79 Crores.

5) Fixed Assets

During the year under review, the Fixed Assets and the total Fixed Assets (net Block) stands at Rs. 568.78 crores as against Rs. 591.22 crores in the previous year.

Operational Performance

1) Income

The income of the Company was Rs. 1338.85 crores for the year ended 31st March, 2017 as against Rs.1739.30 crores in the previous year ended 31st March 2016.

2) Direct Cost & Other expenses

The Direct Costs comprising of cost of material consumed and purchase of traded goods was Rs. 1049.06 crores for the year as against Rs. 1351.52 crores in the previous year ended 31st March, 2016.

Other expenses comprises of other manufacturing expenses, staff costs, administration and selling & distribution expenses etc. The same was Rs. 125.95 crores for the year ended 31st March 2017 as against Rs. 140.98 crores in the previous year ended 31st March 2016. The Company continues its efforts to minimize the costs and overheads.

3) Interest Cost

For the year under review, the interest and financial charges were Rs. 157.44 Crores representing 12.24% of the turnover as against Rs. 122.73 crores representing 7.30% of the turnover in the previous year.

4) Depreciation

The company has provided a sum of Rs. 27.32 crores towards depreciation for the year under review as against Rs. 26.54 crores in the previous year.

5) Provision for Tax

The Company has not provided any amount towards income tax as the Company has incurred losses during the year and also has accumulated losses of GSAL (India) Limited which were transferred to the company upon its amalgamation with the company. The deferred tax provision for the period under review is Rs. (9.87) lakhs as against Rs. 6.28 crores in the previous year.

6) Net Profit

The operations for the year ended 31st March 2017 have resulted in a Net Loss of Rs. (157.13) crores as against Rs. 7.39 crores Net Profit in the year ended 31st March 2016. Due to sluggish demand for steel and non off take of power by state utilities, the company faced tight liquidity situation throughout the year. This led to lower level of production and sales. The decrease in margins, decrease in manufacturing activity and trading activity during the year coupled with high interest costs, raw material costs, decrease in steel prices, lower power sales resulted in losses for the year.

7) Dividend

No Dividend is recommended on the Equity Shares for the year ended 31st March 2017.

Implementation of S4A Scheme:

In view of the adverse market conditions the company approached the lenders for suitable debt resolution during the year. The Joint Lender's Forum (JLF) of the Lenders of the Company agreed to proceed with the Scheme for Sustainable Structuring of Stressed Assets (S4A) with reference date as 28th December, 2016. The JLF proposal to the Overseeing Committee (OC) recommended that out of estimated debt of Rs. 977.04 Crores, Rs. 508.06 Crores will be sustainable debt Part A which would be serviced as per original terms and remainder Part B of Rs. 468.98 crores of the debt will be structured and converted into equity and Optionally Convertible Debentures (OCDs) as per S4A. The proposal has been approved by the Overseeing Committee (OC) on 28th July'2017.

As part of the S4A scheme, against the Part B debt, the promoters will divest a maximum of 17,806,352 of equity shares held by them in favour of the Lenders which will be acquired by the Lenders partly by invoking the pledge of shares already held and partly by transfer of shares of promoters in favour of lenders.. The Lenders will also be issued OCDs for a maximum value of Rs.510.81 crores against the Part B debt which includes interest of Part B from the date of reference (DOR) to the implementation date of about Rs.52.28 crores.

Internal Controls & Their Adequacy

The Company has in place adequate systems of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The internal control systems are reviewed at regular intervals by the Audit Committee and corrective actions are initiated whenever deemed necessary. The Committee also meets the Company's Internal Auditors as well as Statutory Auditors to ascertain, interalia, their views on the adequacy of internal control systems of the Company and keeps the management informed of its major observations.

Human Resources Development and Industrial Relations

The Company considers the quality and commitment of its human resources to be its most important asset and places great emphasis on training and development of human resources at all levels and providing conducive working environment. The Management firmly believes that business cannot grow without utilising the potential of its human resources.

As on 31st March, 2017 the total strength of employees is about 1675. Your Company maintains a cordial relationship with its employees and values the safety of its employees ensuring safe work practices and the Board of Directors and the Management record their appreciation of all its employees for their valuable contribution towards the growth of the Company.

Cautionary Statement

The purpose of this Annual Report is to provide information to the members of the Company. Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results would differ materially from those expressed or implied. The company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events or otherwise.

INDEPENDENT AUDITORS' REPORT

To
The Members of
STEEL EXCHANGE INDIA LIMITED

Report on the Standalone Financial Statements:

We have audited the accompanying financial statements of M/s. STEEL EXCHANGE INDIA LIMITED, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period ended 31st March, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 appears from our examination of those books;
   c) The Balance Sheet ,Statement of Profit and Loss account and cash flow statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the applicable 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 March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 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 the financial statements -Refer to note 2.29 to the financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
      iii. There has been no occasions during the year under report to transfer any sums to the Investor Education and Protection Fund by the company.
      iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 which is in accordance with the books of accounts maintained by the company.

For **Pavuluri & Co**
Chartered Accountants
Firm Registration No: 012194S

CA. P.A.RAMAIAH
Partner
M.No.: F-203300

Camp: Visakhapatnam
Date: 30.05.2017

Annexure "A"To Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

(1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) 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 Act. Accordingly, paragraph 3 (iii) (a) to (C) of the Order are not applicable.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Company's (Cost Records and Audit) Rules, 2014 prescribed by the Central Government and are of the opinion that prima facie the prescribed cost records have been maintained.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, there have been delay in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, the following dues of the service tax, duty of customs, duty of excise, value added tax ,central sales tax, Cess and any other statutory dues which have not been deposited with appropriate authorities on account of any dispute. service tax and Value added tax have not been deposited by the company on account of disputes;

(d) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has not been transferred to such fund within time.

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount in ₹.	Deposits/ Paid in (₹.)	Forum where the dispute is pending with
CST Act	Sales Tax Sales Tax	2003-04 2004-05	22,43,895/- 28,27,172/-	2,80,487/- 3,53,397/-	CTO,Gajuwaka, Visakhapatnam
CST Act	Sales Tax	2005-06	47,85,829/-	23,92,914/-	STAT, Visakhapatnam
AP VAT Act		2011-12	11,57,334/-	2,89,334/-	
AP VAT Act	Sales Tax	2011-12	13,94,858/-	3,48,715/-	The Hon'ble High Court of Telangana & AP
AP VAT Act	Sales Tax	2012-13	4,25,30,002/-	53,16,250/-	Appellate Deputy Commissioner, Vijayawada
AP VAT Act	Sales Tax	2013-14	31,41,694/-	7,85,424/-	Appellate Deputy Commissioner, Visakhapatnam
Customs Act	Customs Duty	2003-04	54,35,648/-	NIL	Hon'ble High Court of Telengana & AP
Customs Act	Customs Duty	2012-13	67,38,452/-	NIL	CESTAT, Bangalore
Customs Act	Customs Duty	2012-13	37,66,062	NIL	Commissioner (Appeals), Visakhapatnam.
Central Excise Act,	Excise Duty	2007-08 2008-09	86,30,228/- 1,91,708/-	10,00,000/- NIL	CESTAT, Bangalore
Central Excise Act	Excise Duty	2009-10 , 2010-11 & 2011-12	61,18,776/-	50,00,000/-	Commissioner of Central Excise, Visakhapatnam
		2009-10	3,893/-	NIL	
Central Excise Act	Excise Duty	2010-11	14,35,189/-	NIL	Hon'ble High Court of Telangana & AP
Central Excise Act	Excise Duty	2014-15	6,32,86,487	NIL	Commissioner of Central Excise, Visakhapatnam.
Central Excise Act	Service Tax	2010-11, 2011-12, 2012-13, 2013-14 & 2014-15	26,468	NIL	Asst. Commissioner of Central Excise, Visakhapatnam.
Buildings and Other Construction Workers Welfare Cess Act, 1996	Cess	2010-11	1,27,98,000/-	NIL	Hon'ble High Court of Telangana & AP
AP Registration & Stamps Act	Stamp Duty	2008-09	44,99,900/-	NIL	The District Registrar, Vizianagaram
AP Electricity & Regulatory Authority-EPDCL	Electricity Duty	2003-14	2,25,77,318/-	NIL	Hon'ble Supreme Court , New Delhi

8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks.

9) According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, paragraph 3 (ix) of the Order are not applicable.

10) According to the information and explanations given by the management to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of audit.

11) According to the information and explanations to us and based on our examination of the records of the company , the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

13) According to the information and explanations to us and based on our examination of the records of the company transactions with the related parties are in compliance with section 177 and 188 of Companies Act,2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) According to the information and explanations to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order are not applicable.

15) According to the information and explanations to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order are not applicable.

16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, paragraph 3 (xvi) of the Order are not applicable.

For **PAVULURI&Co.**
Chartered Accountants
Firm Reg. No:012194S

(CA PA RAMAIAH)
PARTNER
M.No : 203300

Place :Visakhapatnam
Date : 30.05.2017

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of STEEL EXCHANGE INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of STEEL EXCHANGE INDIA LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended 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 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **PAVULURI&Co.**
Chartered Accountants
Firm Reg. No:012194S

(CA PA RAMAIAH)
PARTNER
M.No :203300

Place :Visakhapatnam
Date : 30.05.2017

INDEPENDENT AUDITORS REPORTTO THE BOARD OF DIRECTORS OF STEEL EXCHANGE INDIA LIMITED

1. We have audited the accompanying statement of standalone financial results of STEELEXCHANGE INDIA LIMETED ("the company') for the year ended 31 March, 2017 ("the statement"), being submitted by the company pursuant to the requirement of regulation 33 of the SEBI (Listing obligation and Disclosure Requirement) regulation ,2015 . This Statement , which is the responsibility of the Company's Management and approved by the board of directors ,has been prepared on the basis of related financial statements which is in accordance with the accounting standards ,prescribed under Section 133 of the Companies act, 2013 as applicable and other accounting principles generally accepted in India . Our responsibility to express an opinion on the statement

2. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered accountants of India Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the Statement .The procedures selected depend on the auditor judgment , including the assessment of the risk of material misstatement of the statement , weather due to fraud or error . in making those risk assessment , the auditor consider internal control relevant to the company's preparation and fair presentation of the statements in order to design audit procedure that are appropriate in the circumstances , but not for the purpose of Expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

3. In our opinion and to the best of our information and according to the explanation given to us, the statement:

   (a) Is presented in accordance with the requirement of regulation 33 of the SEBI (Listing obligation and disclosure Requirement)Regulation ,2015; and

   (b) Gives a true and fair view in conformity with the aforesaid Accounting standards other accounting principles generally accepted in India of the Net Profit and other financial information of the company for the year ended 31st March, 2017.

4. The statement includes the result for the quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of the full financial year to date and published year figures up to the third quarter of the current financial year which were subject to limited review by us.

For **PAVULURI&Co.**
Chartered Accountants
Firm Reg. No:012194S

(CA PA RAMAIAH)
PARTNER
M.No :203300

Place :Visakhapatnam
Date : 30.05.2017

BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note No.	As at 31.03.2017 Amount ₹	As at 31.03.2016 Amount ₹
I. EQUITY AND LIABILITIES			
Shareholder's funds:			
a) Share Capital	2.1	**945,935,620**	945,935,620
b) Reserves and Surplus	2.2	**1,310,286,969**	2,881,597,964
		2,256,222,589	**3,827,533,584**
Non-Current liabilities			
a) Long Term Borrowings	2.3	**1,828,240,596**	2,471,205,207
b) Deferred Tax Liability	2.4	**584,120,620**	585,108,443
c) Other Long Term Liabilities	2.5	**30,051,100**	368,550,128
		2,442,412,316	**3,424,863,778**
Current Liabilities			
a) Short-term Borrowings	2.6	**6,910,521,207**	3,387,355,012
b) Trade Payables	2.7	**1,079,782,964**	5,788,690,452
c) Other Current Liabilities	2.8	**3,363,251,530**	2,247,256,134
		11,353,555,702	**11,423,301,598**
TOTAL		**16,052,190,607**	**18,675,698,961**
II. ASSETS			
Non-current assets			
a) Fixed assets			
(i) Tangible assets	2.9	**5,687,833,828**	5,912,234,013
(ii) Capital Work in Progess		**543,857,322**	529,881,592
b) Long-term Loans and Advances	2.10	**78,937,941**	101,578,031
		6,310,629,091	**6,543,693,636**
Current assets			
a) Current Investments	2.11	**2,500,000**	2,500,000
b) Inventories	2.12	**6,364,747,613**	7,181,860,776
c) Trade Receivables	2.13	**2,270,060,468**	2,665,598,870
d) Cash and Bank Balances	2.14	**164,267,584**	891,645,021
e) Short term Loans & Advances	2.15	**872,514,798**	754,232,202
f) Other Current Assets	2.16	**67,471,052**	**636,168,456**
		9,741,561,516	**12,132,005,325**
TOTAL		**16,052,190,607**	**18,675,698,961**

The Schedules referred to above and Statement on Significant Accounting Policies form an integral part of the Balance Sheet

As per our report of even date
for **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No. 012194S
CA. P. A. RAMAIAH
Partner
M.No. : F- 203300

Camp: Visakhapatnam
Date : 30.05.2017

for and on behalf of the Board of Directors

B. SATISH KUMAR
Chairman & Managing Director
(DIN : 00163676)

B. SURESH KUMAR
Jt. Managing Director
(DIN : 00206473)

V.S.RAKESH
Chief Financial Officer

L. BABU ARE
Company Secretary

Place : Visakhapatnam
Date : 30.05.2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH' 2017

PARTICULARS	Note No.	Year Ended 31.03.2017 Amount ₹	Year Ended 31.03.2016 Amount ₹
INCOME:			
Revenue from operations (Gross)	2.17	**13,388,509,343**	17,392,977,277
Less: Excise Duty		**594,642,053**	681,566,483
		12,793,867,290	16,711,410,794
Other Income	2.18	**69,255,223**	109,287,016
Total Revenue		**12,863,122,513**	**16,820,697,810**
EXPENDITURE:			
Cost of Material Consumed	2.19	**3,679,777,503**	4,026,448,090
Purchase of Traded Goods	2.20	**6,810,796,640**	9,488,754,136
Changes in Inventories	2.21	**302,376,064**	266,215,799
Employee Benefits	2.22	**235,700,833**	236,085,868
FinanceCosts	2.23	**1,574,423,051**	1,227,278,141
Depreciation	2.9	**273,150,149**	265,444,409
Other Expenses	2.24	**1,023,817,701**	1,173,724,863
Total expenses		**13,900,041,941**	**16,683,951,304**
Profit/(Loss) before exceptional and extraordinary items and taxes		**(1,036,919,429)**	136,746,506
Less: Exceptional Items		**151,210,202**	-
Profit/(Loss) before extraordinary items and taxes		**(1,188,129,630)**	**136,746,506**
Less: Extra Ordinary items		**381,820,378**	-
Profit/(Loss) before taxes		**(1,569,950,008)**	**136,746,506**
Tax expenses:			
(1) Tax expense of Prior Years/(Excess provision written Back)		**2,348,810**	-
(2) Deferred Tax		**(987,823)**	62,838,956
Profit/(Loss) for the period		**(1,571,310,995)**	**73,907,550**
Earnings per equity share:	2.36		
(1) Basic		**(20.68)**	1.22
(2) Diluted		**(20.68)**	1.22

The Notes referred to above and Statement on Significant Accounting Policies form an integral part of the Statement of profit and Loss

As per our report of even date
for **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No. 012194S
CA. P. A. RAMAIAH
Partner
M.No. : F- 203300

Camp: Visakhapatnam
Date : 30.05.2017

for and on behalf of the Board of Directors

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(DIN : 00206473)

V.S.RAKESH
Chief Financial Officer

L. BABU ARE
Company Secretary

Place : Visakhapatnam
Date : 30.05.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

Particulars	Year Ended 31.03.2017 Amount (₹)	Year Ended 31.03.2016 Amount (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxation	**(1,571,310,995)**	**73,907,550**
Adjustment for:		
a) Depreciation	**273,150,149**	265,444,409
b) Bad Debts and other write offs	**534,567,403**	315,220
c) Financial Charges	**1,574,423,051**	1,227,278,141
d) Loss/ (profit) on Sale of Asset	**521,508**	(18,533,423)
Operating profit before working capital changes	**811,351,117**	**1,548,411,896**
Adjustment for change in Working Capital		
a) Decrease/(Increase) in Trade & Other Receivables	**1,023,995,309**	110,983,150
b) Decrease/(Increase) in Inventories	**817,113,164**	(373,968,854)
c) Increase/ (Decrease) in Trade & Other Payables	**(4,138,631,851)**	311,658,786
Cash Generated from Operations	**(1,486,172,261)**	1,597,084,978
Less: Direct Taxes Provision	**987,823**	(62,838,956)
Net Cash from Operating Activities	**(1,487,160,084)**	**1,659,923,934**
B) CASH FLOW FROM INVESTING ACTIVITIES:		
a) Purchase of Fixed Assets	**(49,933,773)**	(111,837,628)
b) Sale of Fixed Assets	**662,302**	93,578,354
c) Investments in mutual funds	-	(2,500,000)
d) (Increase)/Decrease in Capital Work in Progress	**(13,975,730)**	(65,030,658)
Net Cash used in Investing Activities	**(63,247,201)**	**(85,789,932)**
C) CASH FLOW FROM FINANCING ACTIVITIES:		
a) Net (Decrease) Increase in Secured Loans	**3,189,736,926**	(212,254,987)
b) Net (Decrease)/Increase in Unsecured Loans	**(102,314,611)**	(187,094,648)
c) Payment of Financial Charges	**(1,574,423,051)**	(1,227,278,141)
d) Proposed Dividend and Tax thereon	**-**	-
Net Cash generated through Finance	**1,512,999,263**	**(1,626,627,776)**
Net Increase/(Decrease) in Cash and equivalents (A+B+C)	**(37,408,021)**	(52,493,774)
Cash & Cash Equivalents -Opening balance SEIL	**54,591,071**	107,084,845
Cash & Cash Equivalents -Closing balance	**17,183,050**	54,591,071

The notes form an integral part of these financial statements

As per our report of even date
for **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No. 012194S
CA. P. A. RAMAIAH
Partner
M.No. : F- 203300

Camp: Visakhapatnam
Date : 30.05.2017

for and on behalf of the Board of Directors

B. SATISH KUMAR
Chairman & Managing Director
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B. SURESH KUMAR
Jt. Managing Director
(DIN : 00206473)

V.S.RAKESH
Chief Financial Officer

L. BABU ARE
Company Secretary

Place : Visakhapatnam
Date : 30.05.2017

NOTES to Financial Statements for the year ended 31st March, 2017

Nature of business:

Steel Exchange India Limited was incorporated on 24th February 1999. The activities of the company are manufacture of steel products, trading of related products and generation and sale of Power.

The Company is a Public Limited Company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana, India. The company has its listing on the BSE Limited.

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preperation:

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under section 133 of the Companies Act' 2013 read with rules 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Operating Cycle:

All assets and liabilities have been classified as Current and Non-Current as per the company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of Current and Non-Current classification of Assets and Liabilities.

iii) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risks and rewards of ownership is retained. Sales are net of sales tax/Value added tax. Excise duty recovered is presented as a reduction from gross turnover.

iv) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and estimated useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

v) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation inclusive of freight, duties, taxes and incidental expenses relating to the cost of acquisition and finance cost.

vi) Borrowing costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

vii) Capital Work in progress:

Projects under which assets are not ready for their intended use and other capital work-in- progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

viii) Depreciation:

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per the schedule II of the Companies Act.2013. Leasehold improvements are written off over the lower of the remaining primary period of lease or the life of the asset. The useful life of the assets adopted by the company is as per schedule II of the

NOTES to Financial Statements for the year ended 31st March, 2017

Companies Act, 2013 as follows:

Building	60 years
Factory Buildings	30 years
Plant and Machinery and Others	15 years
Plant and Machinery (Power Generation)	40 years
Plant and Machinery (Rolling Mill)	20 years
Office equipment	5 years
Computer equipment	3 years
Furniture and Fixtures	10 years
Electrical Installations	10 years
Vehicles (Other than two wheelers)	8 years
Vehicles	10 years
Roads (carpeted-other than RCC	5 years
Roads (Non-carpeted)	3 years

ix) Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by First In First Out (FIFO) method.

The liability towards excise duty on finished goods lying in excise godown is provided in the books and therefore the stock is valued inclusive of excise duty payable thereon in accordance with the provisions of AS-2 "Valuation of Inventories". However this has no impact on the profit of the year.

x) Investments:

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

xi) Income Tax:

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

xii) Retirement and other Employee Benefits:

a. **Defined Contribution Plan:** Fixed contributions to Provident Fund are recognized in the accounts at actual cost to the Company.

b. **Defined Benefit Plan:** The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees. The Company records its gratuity liability based on independent actuarial valuation as at the Balance Sheet date.

c. **Other Employee Benefits:** Other employee benefits are estimated and accounted as per the company's policy and the terms of the employment contract.

xiii) Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, as so far as they relate to the acquisition of the depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life

NOTES to Financial Statements for the year ended 31st March, 2017

of the asset after the commencement of actual production.

xiv) Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered highly liquid cash bank balances.

xv) Provisions:

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xvi) Earnings Per Share:

The company reports basic Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per share". Basic EPS is computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

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

xvii) Segmenting Reporting:

The Company is primarily engaged in the business of manufacture and sale of iron and steel products and generation and sale of power. The primary segment of the company is steel which in the context of Accounting Standard 17 on "Segment Reporting" constitutes reportable segment. However the company has captive power generation for manufacture of steel products. The unutilized power is sold to power traders and the revenue so generated is included in the sales.

xviii) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xix) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments".

xx) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee

Operating lease payments are recognized as an expense in the Statement of profit and loss on straight-line basis over the lease term.

Where the Company is the Lessor

Assets subject to operating Leases are included in fixed assets. Lease income is recognized in the Statement of profit and loss. Costs including depreciation are recognized as an expense in the Statement of profit and loss.

xxi) Contingent Liabilities

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

NOTES to Financial Statements for the year ended 31st March, 2017

2.1 SHARE CAPITAL

	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount ₹.	No. of Shares	Amount ₹.
i. Authorised				
Equity shares of ₹.10 each with voting rights	258,000,000	2,580,000,000	258,000,000	2,580,000,000
Redeemable Preference shares of ₹. 10/- each	1,000,000	10,000,000	1,000,000	10,000,000
Redeemable Cumulative Optionally Convertible preference shares of ₹. 10/- each	73,000,000	730,000,000	73,000,000	730,000,000
	332,000,000	**3,320,000,000**	**332,000,000**	**3,320,000,000**
ii. Issued, Subscribed and fully paid up				
Equity shares of ₹.10 each with voting rights	75,984,812	759,848,120	75,984,812	759,848,120
10.5% Non -Convertible Redeemable Preference shares of ₹.10/- each with voting rights	18,608,750	186,087,500	18,608,750	186,087,500
	94,593,562	**945,935,620**	**94,593,562**	**945,935,620**

Rights, Preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. 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 of their shareholding.

a) The Movement in subscribed and paid up capital is set out below:

	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount ₹.	No. of Shares	Amount ₹.
Equity shares:				
i. Opening Balance	**75,984,812**	**759,848,120**	51,950,000	519,500,000
ii. Shares alloted during the year	-	-	24,034,812	240,348,120
iii. Closing Balance	**75,984,812**	**759,848,120**	**75,984,812**	**759,848,120**
Preference shares:				
i. Opening Balance	**18,608,750**	**186,087,500**	-	-
ii. Shares alloted during the year			18,608,750	186,087,500
iii. Closing Balance	**18,608,750**	**186,087,500**	**18,608,750**	**186,087,500**

b) Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% held	No. of Shares	% held
Equity shares with voting rights:-				
i. Umashiv Garments Private Ltd.	**21,619,115**	**28.45**	18,209,115	23.96
ii. Vizag Profiles Private Limited	**5,763,650**	**7.58**	5,763,650	7.58
iii. VBC Ferro Alloys Ltd.	**4,629,540**	**6.09**	4,629,540	6.09

NOTES to Financial Statements for the year ended 31st March, 2017

	As at 31.03.2017 Amount ₹.	As at 31.03.2016 Amount ₹.
2.2 RESERVES & SURPLUS		
a) Capital Reserve		
Opening Balance	1,795,077,280	1,795,077,280
Additions during the Year	-	-
Closing Balance (A)	1,795,077,280	1,795,077,280
b) Revaluation Reserve		
Opening Balance	1,025,610,680	1,025,610,680
Addition on Account of revaluation of Land	-	-
Closing Balance (B)	1,025,610,680	1,025,610,680
c) Amalgamation Reserve		
Opening Balance	753,922,917	753,922,917
Additions during the Year	-	-
Closing Balance (C)	753,922,917	753,922,917
d) Capital Redemption Reserve		
Opening Balance	5,504,000	5,504,000
Transfer from Statement of Profit & Loss	-	-
Closing Balance (D)	5,504,000	5,504,000
e) Subsidy		
Opening Balance	1,500,000	1,500,000
Additions during the Year	-	-
Closing Balance (E)	1,500,000	1,500,000
f) General Reserve		
Opening Balance	56,500,000	56,500,000
Transferred from Statement of Profit and Loss	-	-
Closing Balance (F)	56,500,000	56,500,000
g) Securities Premium Account		
Opening Balance	897,823,960	897,823,960
Premium on shares issued during the year	-	-
Closing Balance (G)	897,823,960	897,823,960
h) Investment Allowance Reserve		
Opening Balance	1,720,306	1,720,306
Additions during the Year	-	-
Closing Balance (H)	1,720,306	1,720,306
i) Surplus in Statement of Profit and Loss		
Opening Balance	(1,656,061,179)	(1,729,968,729)
Add: Profit for the year	(1,571,310,995)	73,907,550
Closing Balance (I)	(3,227,372,174)	(1,656,061,179)
Total (A+B+C+D+E+F+G+H+I)	**1,310,286,969**	**2,881,597,964**

NOTES to Financial Statements for the year ended 31st March, 2017

2.3 LONG TERM BORROWINGS

	As at 31.03.2017 Amount ₹.		As at 31.03.2016 Amount ₹.	
	Non Current	Current	Non Current	Current
Secured				
- Term Loans from Banks	1,622,250,000	921,356,210	2,162,900,001	691,235,727
Unsecured				
- Term Loans from others	200,759,153	158,827,378	300,750,000	152,380,698
- Interest free Sales Tax Loan	-	-	-	29,309,512
- Vehicle Hire Purchase Loans	5,231,443	3,045,167	7,555,206	3,082,086
	1,828,240,596	**1,083,228,755**	**2,471,205,207**	**876,008,022**

Details of terms of repayment for long-term borrowings and security provided in respect there of:

Nature of Security

Secured Corporate Term Loans availed from Banks are secured by exclusive first charge on specific fixed asset of the company and in other cases on first pari passsu charge on the remaining fixed assets of the company (excluding the fixed assets secured in favour of Term Loan lenders) and second pari passu charge on the current assets of the company and personal guarantee of promotor directors of the company.

Secured Term Loans from consortium of banks lead by State Bank of India, Commercial Br., Visakhapatnam are secured by first charge on lease hold rights on the factory land, and assets created out of the funds raised plant and machinery, spares, tools and accessories both present and future and personal guarantee of promotor directors of the company.

Terms of repayment

Banker/Financer	Terms of repayment
Corporate Term Loans State Bank of India outstanding as on 31.03.2017 of `.6,84,96,524 (Previous year: `.7,87,38,902)	Repayable in 16 quarterly installments commencing from March, 2014. Last installment due in December 2017. Rate of interest 14.85% p.a. as at year end.
State Bank of India outstanding as on 31.03.2017 of `.38,49,01,505 (Previous year: `.43,74,40,549)	Repayable in 16 quarterly installments commencing from December 2015. Last installment due in September 2019 Rate of interest 14.85% p.a. as at year end.
The karur Vysya Bank Limited outstanding as on 31.03.2017 of `.15,05,74,806 (Previous year: `.18,76,02,467)	Repayable in 10 quarterly installments commencing from May 2015. Last installment due in August 2017 Rate of interest 14.85% p.a. as at year end.
The Lakshmi Vilas Bank Limited outstanding as on 31.03.2017 of `.7,67,05,147 (Previous year: `.15,17,77,136)	Repayable in 10 quarterly installments commencing from April, 2015. Last installment due in July 2017 Rate of interest 14.50% p.a. as at year end.

NOTES to Financial Statements for the year ended 31st March, 2017

Banker/Financer	Terms of repayment
Term Loans State Bank of Bikaner & Jaipur outstanding as on 31.03.2017 of `.1,73,24,671 (Previous year: `.2,84,97,711)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2017 of `.3,54,58,831 (Previous year: `.5,61,78,943)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.00% p.a. as at year end.
State Bank of Mysore outstanding as on 31.03.2017 of `.1,82,87,363 (Previous year: `.2,89,88,425)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 15.75% p.a. as at year end.
State Bank of Travencore outstanding as on 31.03.2017 of `.2,45,86,973 (Previous year: `.3,85,93,874)	Repayable in 28 quarterly installments commencing from June, 2011. Last installment due in March 2018. Rate of interest 14.75% p.a. as at year end.
State Bank of India outstanding as on 31.03.2017 of `.39,06,75,348 (previous year: `.40,15,70,970)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December,2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Hyderabad outstanding as on 31.03.2017 of `.39,24,64,691 (previous year: `.41,85,64,355)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Patiala outstanding as on 31.03.2017 of `.29,64,32,485 (previous year: `.30,40,16,796)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
State Bank of Bikanere & Jaipur outstanding as on 31.03.2017 of `.28,65,31,472 (previous year: `.30,35,81,469)	Repayable in quarterly installments commencing from December, 2013. Last installment due in September, 2023. Rate of interest 14.40% p.a. as at year end.
Punjab National Bank outstanding as on 31.03.2017 of `.40,11,66,393 (previous year: `.41,85,84,130)	Repayable in quarterly installments commencing from December, 2013. Last installment due in December, 2023. Rate of interest 14.40% p.a. as at year end.

Maturity profile for Long term Unsecured Borrowings:

Amount ₹

Borrowings	Principal Repayable in		
	1-2 Years	**2-3 Years**	**Above 3 Years**
Term Loans from others	158,827,378	759,153	200,000,000
Hire Purchase Loans	3,207,743	2,434,814	2,634,054

Installments falling due in respect of all the above Loans for a period of 12 months have been grouped under “Current maturities of long-term debt” (Refer Note 2.8)

NOTES to Financial Statements for the year ended 31st March, 2017

	Amount ₹ As at 31.03.2017	Amount ₹ As at 31.03.2016
2.4 DEFERRED TAX LIABILITY		
On difference between book balance and tax balance of fixed assets	588,102,043	585,108,443
On expenditure deferred in the books but allowable for tax purposes	(3,981,423)	-
	584,120,620	**585,108,443**
2.5 OTHER LONG TERM LIABILITIES		
Deposits from Dealers	30,000,000	368,500,000
Employees Security Deposit	1,100	50,128
Other Deposits	50,000	-
	30,051,100	**368,550,128**
2.6 SHORT TERM BORROWINGS		
Secured		
a) Working Capital Loan from Banks (Secured by hypothication of raw materials, finished goods, stores & spares and book debts and second charge on encumbered and unencumbered assets of the Company)	6,910,521,207	3,387,355,012
	6,910,521,207	**3,387,355,012**
2.7 TRADE PAYABLES		
Dues to Micro and Small Scale Enterprises (Note:2.28)	-	-
Dues to other than Micro and Small Scale Enterprises*	1,079,782,964	5,788,690,452
	1,079,782,964	**5,788,690,452**
2.8 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Note:2.5)	1,083,228,755	876,008,022
Payables for Capital goods	28,509,669	31,042,524
Security Deposits	1,773,162	986,190
Advances from Customers	967,867,242	794,649,653
Payables to Employees	31,270,814	17,448,627
Statutory remittances	408,139,691	301,537,620
Unclaimed Dividend	-	743,400
Other Current Liabilities	504,325,516	135,869,625
Payable for Expenses (#)	338,136,682	88,970,473
	3,363,251,530	**2,247,256,134**

*** Trade Payable includes an amount of ₹.8,93,99,089 (Previous Year ₹.1,64,37,722) due to Companies in which Directors are interested.**

The Company has no information as to whether any of its vendors constitute as Supplier within the meaning of Section 2(n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no delcartions were received under the said Act from them.

Other Current Liabilities includes an amount of ₹.20,63,82,648/- (Previous Year ₹.Nil) due to Companies in which Directors are interested.

Payable for Expenses includes an amount of ₹.22,85,39,119/- (Previous Year ₹.1,64,37,722) due to Companies in which Directors are interested.

2.9 TANGIBLE ASSETS

(in ₹.)

Particulars	Freehold Land and Roads	Freehold Buildings	Machinery	Electricals	Equipments	Furniture & Fixtures	Vehicles	Roads	Railway Sidings	Total
Gross Block as at 01.04.2016	**1,424,403,973**	**1,266,496,801**	**5,399,291,346**	**488,204,018**	**49,869,975**	**17,494,851**	**78,521,865**	**126,515,042**	**67,562,743**	**8,918,360,614**
Additions During the Year	-	148,782	44,817,947	542,990	666,518	91,400	3,666,136	-	-	49,933,773
Less: assets disposed during the year	-	-	-	-	-	-	2,710,854		-	2,710,854
Gross Block as at 31.03.2017	**1,424,403,973**	**1,266,645,583**	**5,444,109,293**	**488,747,008**	**50,536,493**	**17,586,251**	**79,477,147**	**126,515,042**	**67,562,743**	**8,965,583,533**
Previous period	1,424,403,973	1,266,496,801	5,399,291,346	488,204,018	49,869,975	17,494,851	78,521,865	126,515,042	67,562,743	8,918,360,614
Accumulated Depreciation as at 01.04.2016	**-**	**316,984,684**	**2,311,592,063**	**178,570,493**	**42,464,593**	**13,424,689**	**47,511,409**	**31,394,064**	**64,184,605**	**3,006,126,600**
Depreciation During the Year	-	40,606,988	121,893,529	53,999,526	1,821,767	768,747	8,265,435	45,794,156	-	273,150,149
	-									
less:Depreciation on assets disposed during the year	-	-	-	-	-	-	1,527,044	-	-	1,527,044
Accumulated Depreciation as at 31.03.2017	**-**	**357,591,673**	**2,433,485,592**	**232,570,020**	**44,286,361**	**14,193,435**	**54,249,800**	**77,188,220**	**64,184,605**	**3,277,749,705**
Previous period	-	316,984,684	2,311,592,063	178,570,493	42,464,593	13,424,688	47,511,408	31,394,064	64,184,605	3,006,126,598
Net Block as on 31.03.2017	**1,424,403,973**	**909,053,910**	**3,010,623,701**	**256,176,988**	**6,250,132**	**3,392,816**	**25,227,347**	**49,326,822**	**3,378,138**	**5,687,833,828**
Previous period	1,424,403,973	949,512,117	3,087,699,283	309,633,525	7,405,382	4,070,163	31,010,456	95,120,977	3,378,137	5,912,234,013

	Amount ₹ As at 31.03.2017	Amount ₹ As at 31.03.2016
2.10 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	6,335,405	6,635,828
Security Deposits	72,602,536	94,942,203
	78,937,941	**101,578,031**
2.11 CURRENT INVESTMENTS		
Canara Bank Mutual Fund Investment	2,500,000	2,500,000
(Market Value as on 31st March, 2017 `.27,99,282)	**2,500,000**	**2,500,000**
2.12 INVENTORIES		
Raw Material	3,130,759,154	3,540,372,620
Finished Goods	2,880,504,885	3,182,880,948
Consumables	93,666,589	88,028,861
Stores & Spares	91,636,222	76,305,260
Stock in transit of Raw material	168,180,764	294,273,087
	6,364,747,613	**7,181,860,776**
2.13 TRADE RECEIVABLES*		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they were due for payment	247,969,587	234,203,904
Other trade receivables	2,022,090,881	2,431,394,966
	2,270,060,468	**2,665,598,870**
2.14 CASH AND BANK BALANCES**		
(i) Cash and Cash Equivalents		
a) Balances with banks - In Current Accounts	14,082,237	46,276,926
b) Cash on Hand	3,100,813	8,314,145
	17,183,050	**54,591,071**
(ii) Other Bank Balances		
a) In deposit accounts - Held as Margin Money	147,084,534	836,310,549
b) Unpaid dividend accounts	-	743,400
	147,084,534	**837,053,949**
	164,267,584	**891,645,021**

*** Disclosures:**

Trade Receivables includes an amount of ₹.1,47,12,081 (Previous Year ₹.9,08,19,187) due from Companies in which Directors are interested. Periodically, the Company evaluates all customer dues to the Company for collectibility. The need for provisions is assessed based on various factors including collectibility of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the Customer's ability to settle. The Company normally provides for debtors dues outstanding for six months or longer from the invoice date, as at the Balance Sheet date if any. the Company pursues the recovery of the dues, in part or full.

****Disclosures:**

Cash and Cash equivalents as of March 31, 2017 and March 31, 2016 includes restricted cash balances of ₹.14,70,84,534 and ₹.83,63,10,549 respectively. The restriction is primarily on account of Cash and Bank balances held as margin money deposits against Letter of Credits sanctioned by banks.

	Amount ₹ As at 31.03.2017	Amount ₹ As at 31.03.2016
2.15 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to others		
Advances For Purchases & Works	418,887,675	357,445,969
Advance Tax and Tax Deducted at Source	19,156,443	30,409,022
Indirect Tax Balances	200,906,691	90,358,700
MAT Credit Entitlement	153,973,013	153,973,013
State Govt incentives receivable (Sales Tax)	36,643,861	53,559,951
Prepaid Expenses	5,504,264	11,591,850
Other Advances	37,442,852	56,893,697
	872,514,798	**754,232,202**

Disclosures:

The Company has made provision for tax in the earlier years on basis of provision U/s. 115JB of the Income Tax Act, 1961. The same is taken into books as it can be adjusted against tax normal tax liability during the specified period. In accordance with the guidance note issued by ICAI, the company will review the same at each balance sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

	Amount ₹ As at 31.03.2017	Amount ₹ As at 31.03.2016
2.16 OTHER CURRENT ASSETS		
Unsecured, considered good		
Advance for Expenses	41,800,518	37,831,720
Other Receivables	25,670,534	598,336,736
	67,471,052	**636,168,456**

	Amount ₹ Year Ended 31.03.2017	Amount ₹ Year Ended 31.03.2016
2.17 REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods	5,836,933,793	6,302,755,639
Energy	656,635,952	1,638,661,550
Sale of Traded Goods	6,747,440,938	9,221,149,510
Other Operating revenue		
Compensation for deviation of Energy	108,803,081	
Sales Incentives	38,695,578	214,738,596
Sales Tax Incentives	-	15,671,983
	13,388,509,343	**17,392,977,277**
Details of products Sold		
Finished Goods Sold		
Rebar & Wires	3,652,693,021	4,475,325,468
Billets & Ingots	1,629,200,100	1,722,780,595
Pig Iron	24,200,011	23,925,314
Sponge iron	11,498,586	-
Steel Scrap & Structurals	29,792,711	16,468,910
Coal fines	347,470,738	59,274,969
Iron Ore Fines	128,304,707	-
Mill Scale and Others	13,773,919	4,980,384
	5,836,933,793	**6,302,755,639**
Energy		
Power	656,635,952	1,638,661,550
	656,635,952	**1,638,661,550**
Trading Goods Sold		
Rebar, Wire & Wire Rod Coils	5,258,284,777	7,426,247,146
Billets & Ingots	836,268,214	233,537,112
Pig Iron & Scrap	563,586,680	1,452,388,406
Structurals & Others	89,100,645	108,976,846
Coal	200,622	-
	6,747,440,938	**9,221,149,510**
2.18 OTHER INCOME		
Interest Received	46,538,688	68,285,521
Lease Rental Income	8,092,204	7,558,326
Insurance receipts	3,346,384	11,783,571
Miscl. Reciepts	11,277,947	21,659,598
	69,255,223	**109,287,016**

	Amount ₹ Year Ended 31.03.2017	Amount ₹ Year Ended 31.03.2016
2.19 COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Balance	3,540,372,620	3,017,633,320
Purchases	3,270,164,037	4,549,187,389
	6,810,536,657	7,566,820,709
Less: Closing Stock (**)	3,130,759,154	3,540,372,620
Cost of Materials Consumed (#)	**3,679,777,503**	**4,026,448,090**
# Details of Materials Consumed		
Billets, Blooms & Ingots	-	179,887,341
Scrap	615,418,481	527,733,548
Pig Iron	409,717,117	731,191,350
Wire Rod Coils	-	150,753,271
Coal /Coal fines	1,421,279,669	1,069,828,865
Iron ore	914,795,786	331,468,143
Lime Stone	11,257,553	18,307,496
Pellets	240,369,859	1,015,975,646
Others	66,939,038	1,302,430
	3,679,777,503	**4,026,448,090**
**** Details of Closing Stock of Raw Materials:**		
Scrap	18,362,868	138,106,464
Iron Ore	56,161,263	80,028,616
Coal/Coal fines	2,982,536,891	3,130,159,857
Iron Ore Fine	1,603,202	56,528,471
Pig Iron	22,218,697	40,422,500
Iron Ore (Acce)	49,223,800	76,403,800
Lime Stone	4,774	471,478
Billet	647,660	-
Ferroshots	-	113,484
PCM Jam	-	18,137,951
	3,130,759,154	**3,540,372,620**

	Amount ₹ Year Ended 31.03.2017	Amount ₹ Year Ended 31.03.2016
2.20 PURCHASE OF TRADED GOODS		
Rebar, Wire & Wire Rod Coils	5,082,283,276	7,418,905,492
Billets,Blooms & ingots	799,623,039	234,336,066
Pig Iron & Scrap	846,548,030	1,725,824,300
Structurals	82,149,734	109,688,278
Coal	192,560	
	6,810,796,640	**9,488,754,136**
2.21 CHANGES IN INVENTORIES		
Closing Stock of:		
Finished Goods	1,797,883,342	2,261,309,981
Traded Goods	1,082,621,543	921,570,967
Total (A)	**2,880,504,885**	**3,182,880,948**
Opening Stock of:		
Finished Goods	2,261,309,981	2,930,895,913
Traded Goods	921,570,967	518,200,834
Total (B)	**3,182,880,948**	**3,449,096,747**
(Increase)/Decrease in Stock (A-B)	**302,376,064**	**266,215,799**

Details of inventory	**Manufacturing**	**Trading**	**Manufacturing**	**Trading**
Rebar & Wires	759,473,816	447,971,579	660,828,135	195,935,499
Billets & Ingots	421,797,075	31,228	551,116,725	593,588
Sponge iron	289,491,453	-	449,016,245	-
Pig iron & Scrap	-	630,669,422	-	714,829,140
Steel Scrap	221,642,231	-	308,845,856	-
Structurals	-	3,949,314	-	10,212,740
Coal & Coal Fines	76,600,039	-	223,625,984	-
Mill Scale and Others	13,425,083	-	20,692,927	-
Slag	15,453,645	-	47,184,109	-
	1,797,883,342	**1,082,621,543**	**2,261,309,981**	**921,570,967**

	Amount ₹ Year Ended 31.03.2017	Amount ₹ Year Ended 31.03.2016
2.22 EMPLOYEE BENEFITS		
Salaries & Wages	221,975,189	225,831,989
Contributions to provident Fund and other funds	8,321,862	5,910,932
Staff welfare	5,403,782	4,342,947
	235,700,833	**236,085,868**
2.23 FINANCE COSTS		
Interest Expenses on:		
- Term loans	377,873,586	409,226,666
- Working Capital Loans	661,654,089	437,595,754
- Others	261,403,997	188,067,571
Bank Charges & Comission	273,491,380	192,388,149
	1,574,423,051	**1,227,278,141**
2.24 OTHER EXPENSES		
a) Manufacturing Expenses:		
Stores, Spares & Consumables	363,468,669	357,913,110
Power & Fuel	46,957,345	24,394,925
Gas charges	107,543,193	264,888,610
Repairs & Maintenance	27,935,215	59,502,002
Factory Maintanance	12,557,665	11,231,381
Freight Charges	13,215,605	4,113,835
Loading & Unloading Charges	1,346,955	1,717,059
Transmission Charges	26,289,548	48,219,072
Contract Charges	60,217,723	48,170,848
Labour Charges	885,772	770,805
Other Manufacturing expenses	115,072,963	53,318,435
b) Other Operational Expenses:		
Legal & professional Charges	23,891,000	16,186,757
Rent,Rates & Taxes	14,839,087	25,108,248
Insurance	7,587,477	17,621,840
Payment to Auditors		
As Auditors	4,500,000	4,500,000
For Tax Audit	900,000	900,000
For Tax representation	450,000	450,000
For Certification & Others	1,050,000	1,050,000
Discounts & Comissions	84,435,533	127,232,396
CSR Expenses	2,495,688	3,120,933
Selling & Distribution Expenses	2,432,531	7,825,558
General Charges (#)	98,341,200	83,891,276
Loss om sale of assets	529,457	-
Exchange Fluctuation Loss (Net)	6,870,352	11,415,540
Prior period Expenses (Net)	4,724	182,232
	1,023,817,701	**1,173,724,863**

	Amount ₹ Year Ended 31.03.2017	Amount ₹ Year Ended 31.03.2016
#General Charges Includes:		
Office Maintanance	11,203,364	15,582,112
Electricity charges	1,704,756	1,202,862
Postage & Telephone	2,673,150	2,186,171
Printing & Stationary	2,886,869	1,903,924
Freight & Handling Charges	32,531,696	23,232,403
Yard Expenses	1,853,251	1,395,818
Vehicle Maintanance	13,665,723	12,252,084
Security Charges	8,055,555	8,787,142
Miscl. Expenses	5,357,727	3,244,636
Business Promotion	5,864,483	4,536,949
Donations	840,060	366,616
Bad Debts Written Off	1,949,047	1,944,469
Travelling & Conveyance	9,755,519	7,256,090
	98,341,200	**83,891,276**

NOTES to Financial Statements for the year ended 31st March, 2017

2.25 IIn the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

2.26 Disclosure of Sundry creditors under trade payables has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act,2006 and relied upon by the Auditors.

Details of total outstanding dues to Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31st March 2017	31st March 2016
o Due to Micro, small enterprises- other Disclosures;	-	-
o Principal amount remaining unpaid as on 31.03.2017 includes	-	-
o Sundry Creditors includes to micro, small and medium enterprises *	-	-
o Interest due thereon as on 31.03.2017 Interest paid by the company in terms of Sec 16 of Micro, small and medium enterprises development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
o Interest due on payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprises development act 2006	-	-
o Interest Accrued and remaining unpaid as on 31.03.2017	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises		

2.27 Contingent liabilities and commitments to the extent not provided for

Contingent Liabilities	Amount ₹. 31st March 2017	Amount ₹. 31st March 2016
a. Claim against the company by GAIL not acknowledged as debt	**1,84,07,569**	1,84,07,569
b. Claim of APEDCL not acknowledged as debt	**Nil**	9,48,98,100
c. Demands from Sales tax department disputed	**5,80,80,784**	1,55,50,782
d. Demands from Excise departments disputed	**9,56,32,911**	12,53,93,944
e. Others	**4,02,11,281**	2,73,89,984
f. Letters of credit and bank guarantees	**4,53,84,106**	1,38,00,000

Contingent liabilities represents show cause notices received or pending for final consideration and the Company has already submitted its objections in writing against the demands.

NOTES to Financial Statements for the year ended 31st March, 2017

2.28 Value of imports calculated on C.I.F. basis in respect of:

	31st March 2017 Value in ₹.	31st March 2016 Value in ₹.
Raw Materials	31,15,73,684	150,14,42,866
Components and Spares	71,06,728	1,49,10,676
Total	**31,86,80,411**	**151,63,53,542**

2.29 Expenditure in foreign currency:

	31st March 2017 Value in ₹.	31st March 2016 Value in ₹.
Raw-Material	18,76,37,699	94,48,08,715
Components & Spares	73,00,577	1,19,28,806
Travelling Expenses	8,10,304	3,42,399
Others	5,92,544	64,57,633
Total	**19,63,41,124**	**96,35,37,553**

2.30 **The details of related party transactions in terms of Accounting Standard (AS 18) are as follows:**

a) Names of Related Parties and relation with the Company:

i) Key Management Personnel:

1) B. Satish Kumar- Chairman cum Managing Director
2) B. Suresh Kumar - Jt. Managing Director
3) B. Suresh - Director
4) B. Ramesh Kumar - Jt. Managing Director

ii) Relatives of key management personnel:

1) B.Rajesh- Vice President Finance
2) B.Mohit Sai Kumar-Manager Marketing

iii) Enterprise over which key management personnel/their relatives exercise significant influence:

1) Vizag Profiles Private Limited
2) Umashiv Garments Private Limited
3) Simhadri Wires Private Limited
4) Simhadri Pellets India limited
5) Satyatej Vyaapar Private Limited
6) VPL Integral CFS Private Limited
7) Sri Ananda Subbaraya Wire Products Private Limited.

b) Particulars of transactions during the year: Amount (₹).

Nature of transactions	31st March, 2017	31st March, 2016
i) Transactions with Key Management Personnel:		
Sri B.Satish Kumar Remuneration	66,29,625	66,33,940
Sri B.Suresh Kumar Remuneration	60,00,000	60,00,000
Sri B.Ramesh Kumar Remuneration	60,00,000	60,00,000

ii) Transactions with relatives of Key Management Personnel:

Sri B.Rajesh		
Salary	30,00,000	30,00,000
Sri B.Mohit Sai Kumar		
Salary	18,00,000	18,00,000

iii) Transactions with enterprise over which key management personnel/their relatives exercise significant influence:

	31st March, 2017	31st March, 2016
M/s. Vizag Profiles Private Limited:		
- Sale	2,52,844	70,56,902
- Purchase	7,57,27,421	8,26,61,159
- Services	15,46,15,643	21,89,85,462
- Lease Rent	99,00,000	99,00,000
M/s. Sri Ananda Subbarya Wire Products Private Limited		
- Sale	5,16,43,487	34,52,01,135
- Sale of Machinery	Nil	10,30,50,000
- Purchase	11,29,199	9,89,869
- Lease Rent	Nil	33,333
M/s. VPL Integral CFS Private Limited		
- Services	4,06,878	Nil

c) Amount due from/(due to) related parties as at the year-end:

Nature of the party	31st March, 2017	31st March, 2016
Enterprise over which key management personnel/their relatives exercise significant influence:		
M/s. Vizag Profiles Private Limited	(51,39,82278)	(1,64,37,722)
M/s. Ananda Subbarya Wire Products Private Limited	1,47,12,081	9,08,19,187
M/s. Umashiv Garments Private Limited	(54,35,452)	Nil

2.31 The balance shown in Sundry Debtors, Sundry Creditors, advances are subject to confirmation from the respective parties.

2.32 Director Remuneration: ₹.1,86,29,625 (Previous Year ₹.1,86,33,940).

2.33 The Joint Lender's Forum (JLF) of the Company agreed to proceed with the Scheme for Sustainable Structuring of Stressed Assets (S4A) with reference date as 28 December 2016. As per the requirements of the S4A, the company has carried out the Techno Economic Viability Study (TEV), Forensic Audit and Stock Audit. Based on the same, the draft proposal as approved by the JLF in its meeting held on 30 March 2017 has been submitted to the Overseeing Committee (OC) (constituted by the Reserve Bank of India) which is currently pending for its approval. The JLF proposal to the OC has recommended that out of estimated debt of Rs.977 crores, Rs. 509 crores will be sustainable

debt which would be serviced as per original terms and remainder of the debt will be structured and converted into equity/optionally convertible debentures (OCDs) as per S4A.

Pending the approval of the OC, the company has called for an EGM to be held on 24 June 2017, seeking approval of the shareholders for the allotment of equity shares / OCDs.

2.34 Exceptional items: Fuel Surcharge adjustment (FSA) charges paid by the company in the earlier years were not booked as expenditure (shown under contingent liabilities), as the company had preferred an appeal against the same. However the Honorable Supreme Court of India, has upheld the levy of FSA charges and hence the same has been written off during the year.

2.35 Extraordinary Items: The company incurred loss of stock in Hudhud Cyclone during October 2014 and submitted its claim to the Insurance Company and the amount was included as receivable. However as per the final settlement, only a partial amount has been settled by the Insurance Company and the balance has been written off during the year.

2.36 **Earnings Per Share:**

	31st March 2017	31st March 2016
Net Profit for the Period/Year	**(157,87,80,224)**	7,39,07,550
Amount Available for Equity Share Holders	**(157,87,80,224)**	7,39,07,550
Weighted Average Number of Shares for Basic EPS	**7,59,84,812**	6,04,51,867
Add: Adjustment for Share suspense	**0.00**	0.00
Weighted Average Number of Shares for Diluted EPS	**7,59,84,812**	6,04,51,867
Nominal Value per Share (₹)	**10.00**	10.00
Basic Earnings per Share (₹)	**(20.78)**	1.22
Diluted Earnings per Share(₹)	**(20.78)**	1.22

2.37 During the period of demonetization, the company has deposited Specified Bank Notes (SBN's) from 8th November, 2016 to 30th December, 2016. The details are provided in the table below:

Particulars	SBN's (Amount in ₹.)	Other Denominations (Amount in ₹.)	Total (Amount in ₹.)
Closing cash balance as on 08.11.2016	6,86,68,500	29,89,263	7,16,57,763
(+) Permitted receipts	-	28,84,924	28,84,924
(-) Permitted payments	-	38,35,591	38,35,591
(-) amount deposited in banks	6,86,68,500	-	6,86,68,500
Closing cash balance as on 30.12.2016	-	20,38,596	20,38,596

As per our report of even date
for **PAVULURI & Co.**
Chartered Accountants
Firm Reg. No. 012194S
CA. P. A. RAMAIAH
Partner
M.No. : F- 203300

Camp: Visakhapatnam
Date : 30.05.2017

for and on behalf of the Board of Directors

B. SATISH KUMAR
Managing Director
(DIN : 00163676)

B. SURESH KUMAR
Jt. Managing Director
(DIN : 00206473)

V.S.RAKESH
Chief Financial Officer

L. BABU ARE
Company Secretary

Place : Visakhapatnam
Date : 30.05.2017

STEEL EXCHANGE INDIA LIMITED

Regd.Office: # 303, My Home Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016.
Telephone No: +91-40-23403725 Fax No: +91- 40- 23413267
Website: www.seil.co.in email: cs@seil.co.in **CIN: L74100AP1999PC031191**

ATTENDANCE SLIP
18th Annual General Meeting - September 11, 2017

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID*			**Folio No**	
Client ID*			**No.of Shares held**	

I Certify that I am member /Proxy for the member of the company, I hereby record my presence at the 18th Annual General Meeting of the Company held on **Monday, the 11th day of September 2017 at 10.00 A.M. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 500 016**.

(Signature of Member / Proxy)

Note : Please fill in the attendance slip and hand it over at the entrance of the meeting .
Persons attending the Annual General Meeting are required to bring their copies of Annual Reports as the practice of distribution of copies of the Report at the meeting has been discontinued.

* Applicable for Investors holding shares in electronic form

STEEL EXCHANGE INDIA LIMITED

Regd.Office: # 303, My Home Laxmi Nivas, Greenlands, Ameerpet, Hyderabad - 500 016.
Telephone No: +91-40-23403725 Fax No: +91- 40- 23413267
Website: www.seil.co.in, email: cs@seil.co.in, **CIN: L74100AP1999PC031191**

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered address:
E-mail Id:
Folio No. / Client ID: DP ID:

I/ We being the member(s) of _____shares of the above named Company hereby appoint:

(1) Name:_____ Address:_____
E-mail Id:_____or failing him;

(2) Name:_____
Address:_____
E-mail Id: _____or failing him;

(3) Name:_____
Address:_____
E-mail Id:_____or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 18th Annual General Meeting of the Company to be held on **Monday, the 11th day of September 2017 at 10.00 A.M. at The Plaza, # 6-3-870, Tourism Plaza, Greenlands, Begumpet, Hyderabad, Telangana- 500 016** and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	FOR	AGAINST
	Ordinary Business		
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon.		
2.	To appoint a director in the place of Mr. Bavineni Suresh (DIN: 00181832), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a director in the place of Mr. Veeramachaneni Venkata Krishna Rao (DIN 00206884), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To re-appoint M/s. Pavuluri & Co, Chartered Accountants as Statutory Auditors.		
	Special Business		
5	To approve the remuneration payable to M/s. DZR & Co., the Cost Auditors.		
6.	To convert the loan by lender into Optionally Convertible Debentures (OCDs) pursuant to implementation of S4A Scheme for the Company - as a Special Resolution.		
7.	To offer and issue Optionally Convertible Debentures (OCDs) of face value Rs. 10/- each on preferential basis pursuant to implementation of S4A Scheme for the Company - as a Special Resolution.		
8.	To offer and issue of equity shares on preferential basis, against conversion of unsecured loans of the Company - as a Special Resolution.		

Signed on this _____day of_____2017.

Signature of the Shareholder_____

Affix Revenue Stamp

Signature of First proxy holder | Signature of Second proxy holder | Signature of Third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

The Hyderabad Public School
Celebrity Boutique Hotel
BALAKAMPET
SANJEEVA
EDDY NAGAR
Main Rd
5th Ln
7th Ln
MAYUR MARG
JAMUNA TIRTH
EPF QUARTERS
RINIVASA NAGAR
Aditya Hometel, Ameerpet, Hyderabad
Begumpet Railway
UMA NAGAR
BRAHMAN WA
DIVYASHAKTI APPARTMENTS
Marigold
Aditya Park
Athithi Inn
Refined hotel with free breakfast
METHODIST COLONY
Ameerpet Cross Road
Tourism Plaza Greenlands
TEACHERS COLONY
Jalavihar
Necklace R
RATAP NAGAR
Big Bazaar Family Centre - BBFC
HUSSAIN NAGAR COLONY
B S MAQTA
Punjagutta Flyover
Leonia Holistic Destination
NAGARJUNA HILLS
Hyderabad Central
Chutneys
DWARAKAPURI
Yashoda Hospitals
Katriya Hotel & Towers
Necklace Road Railway
JAFFAR ALI BAGH
Necklace Rd
PUNJAGUTTA MARKET
Urvasi Hotel
Nizam's Institute Of Medical Sciences
Asian Institute Of Gastroenterology
HMWSSB
MS MAQTA
GVK One
water tank
IRRAM MANZIL COLONY
Rd Number 8
Raj Bhavan Rd
Necklace Rd
MADA MANZIL
HILL TOP COLONY
Road Number 10
PADMAVATI NAGAR
KHAIRATABA

If undelivered, please return to :
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